



U.S. SENATE COMMITTEE ON

Finance

SENATOR CHUCK GRASSLEY, OF IOWA - CHAIRMAN

<http://finance.senate.gov>

MEMORANDUM

To: Reporters and Editors
Re: Finance Committee priorities in the new Congress
Da: Wednesday, Nov. 3, 2004

Sen. Chuck Grassley, chairman of the Committee on Finance, is expected to resume the chairmanship when the new Congress convenes next year. He made the following comment on items expected to come before the committee in the coming months.

“I’m grateful for the continued opportunity to serve. The Finance Committee was very active in the 108th Congress, and our work carried on the committee’s bipartisan tradition. The bipartisan tradition will continue. Senator Baucus and I have worked together many times to move legislation forward, and I believe we’ll do that many more times. Even with the Republican gain of Senate seats, bipartisanship will still be the grease that keeps the legislative engine moving. Policy is stronger when more people contribute to the process.

“Generally I hope the committee will look to extend our tax relief legacy in 2005, while developing new proposals aimed at improving the quality of health care, helping individuals deal with rising health care costs, and increasing retirement savings.

“We should look for as much permanence of previously enacted tax relief measures as possible. Taxpayers should see no lapse in tax relief. Continued economic growth depends on that. We likely will act to extend key tax breaks set to expire at the end of 2005, such as the college tuition deductibility and the low-income savers’ credit.

“This year, we enacted the most comprehensive tax abuse loophole closers package in a generation. I plan to continue working to close loopholes that allow individuals, companies, and charities to abuse the tax code.

“Long-term, the committee will work with the President as he seeks to simplify and restructure the tax code. The President plans to appoint a bipartisan advisory committee on tax reform to consider changes. I’ve said it’ll take a national consensus on how to proceed on major tax reform. It might be that President Bush’s re-election will produce that consensus.

“On the pension front, we need to adopt a permanent interest rate to be used for calculating pension liabilities. The temporary corporate bond rate that we enacted earlier this year will expire

at the end of 2005, and it's critical that we find a permanent replacement as soon as possible. I hope we can continue to build on the positive pension reforms that I worked to have included in the 2001 tax cut bill. I also hope we can enact the Enron-inspired participant protections included in my bill, known by the acronym 'NESTEG.' These participant protections are too important to be allowed to languish any longer.

"On the health care front, I expect the committee to continue to oversee implementation of the historic *Medicare Modernization Act*. It's also very important to address the numbers of uninsured Americans. The 44 million people who are uninsured represent a cross-section of America. There's not a one-size-fits-all solution to this growing problem. The Senate Republicans' approach reflects that. We need to continue to work together to find solutions that lower health costs and improve access. Last year we took a big step forward in helping people retake control of their own health care by expanding the former Medical Savings Accounts into new, innovative Health Savings Accounts. These accounts can be very useful, and we need to make sure they work well.

"We also need to make sure Flexible Spending Accounts work as efficiently as possible. Today, FSAs are hampered by the so-called 'use it or lose it' rule that requires employees to forfeit amounts set aside in an FSA that are not used by the end of the year. I've asked Secretary Snow to have the Treasury Department take a look at re-writing this rule in a more common-sense way that could, for example, allow employees to carry over a modest amount into the next year.

"The bottom line is, we need to examine the costs and quality of the care provided in our health care system and have a thoughtful and careful debate on health care policy next year.

"Developing a plan to protect and improve Social Security will be a complex and challenging task. It'll require the support of both Democrats and Republicans in Congress. Now that President Bush has been re-elected, I'm hopeful that under his leadership we can build the bipartisan consensus we need to succeed.

"Welfare reform legislation is well overdue, held up by the Democratic leaders. I hope we'll be able to move forward with an updated welfare system that makes more sense for people trying to move from welfare to work.

"On the trade front, we have to work out how to advance the Central American Free Trade Agreement, against some opposition from unions and sugar producers who oppose increased sugar imports. Early next year, we expect to review a likely request by President Bush for the renewal of Trade Promotion Authority. It's set to expire next year and will be renewed automatically if the President requests it, unless Congress votes to disapprove it. I'm pleased with the trade agreements the President and Congress have advanced under Trade Promotion Authority. I look forward to continuing that success. I also hope we'll be able to open up world services and agricultural markets to U.S. exports through World Trade Organization negotiations. So far, we've taken full advantage of trade opportunities, and I'm confident we won't let them wither on the vine."

"One of the important responsibilities the Constitution granted to the Congress is to conduct vigorous oversight of executive branch operations. During the 109th Congress, the Committee will continue to investigate and conduct oversight hearings over many of the important and timely issues

facing the nation. I believe oversight is critically important in helping to make government more transparent, more accountable, and more effective for the taxpayers, program participants, and beneficiaries. Government truly is the people's business, and the people who finance it have a right to know what their government is doing and how it is spending their money. One of the best ways to achieve transparency in government operations is through consistent, comprehensive congressional oversight. This level of attention will help ensure a high degree of ethics and honesty by public servants."