

TIMBER TAX ACT

Mrs. LINCOLN. Mr. President, we are here at the end of a session, a 2-year session where many of us have worked very hard to try to come up with commonsense solutions for some age-old problems in our Nation and looking for commonsense solutions to new and different challenges that our Nation and its business leaders as well as workers face as our business models change and grow and the more complicated nature of how businesses are set up changes and grows. We have worked hard this year—I certainly have for my State—to look at how we can balance those things and how we can create a good environment for all of the good, solid, responsible corporate citizens who exist out there in this great Nation who are trying desperately to present the kind of good jobs, the good-paying jobs working Americans need to stay where they are, to live in the communities in which they grew up, and to provide for not just their children but their aging parents.

So I think as we come to the close of this session, we have all kind of gotten into a hustle and a bustle, much like any holiday season brings, where we tend to get a little overexcited about some things, yet we don't stay focused enough on what it is we really need to be doing. The working families of this country need us right now. They need us to be responsible. They need us to focus on the things that will be productive for them, productive for this country, and the companies that are working hard to produce and maintain jobs in many of our States across this great land in order to make sure that those working families can stay working, that their children can stay in school and that their future for higher education is there, and that these families can stay together and care for their aging loved ones.

So I come to the Chamber to speak about a subject which I believe is immediate and serious or certainly has immediate and serious consequences to the working people of my State. I am talking about the hemorrhaging of jobs in the forest products industry particularly.

Here to my side is really an outdated map because we have seen the loss of well over 700 jobs since June of this year in the forest products industry. But in any case, there has been a tremendous amount of loss in employee layoffs, closed saw mills and paper mills in this country. I think it really, if you take a look at this, drastically shows the hemorrhaging that is occurring and what it means to good, hard-working American families across this country.

Over the last year and a half, the State of Arkansas has lost 1,800 timber manufacturing jobs. These are good jobs. They are negotiated union jobs. They are located in our small rural towns. They are the jobs which are the foundation of these families, these American families who are the fabric

of our country, whom we come to the floor every day, day in and day out, to talk about.

But it doesn't end there. For every highly skilled, highly paid plant job that is lost, another job is lost out in the forest—not just these which are represented here but jobs including truckdrivers and foresters, the cafe along the way that supports that industry, and those people who are out working in the forest—the loggers, all of those different entities. That means about 3,600 families are not having a very merry holiday this year.

In fact, we have lost over 1,000 jobs in just the last 10 days alone. But it is going to get worse. If the Congress does not do something here, with the opportunity that has been presented to us—many of us have been working on this issue over the last 8 to 10 months. But here in the close of this session and this week, we have an opportunity to do something, to help stop the loss of these manufacturing jobs out of our country to places such as South America and Asia. I am talking about enacting the Timber Tax Act which we have talked about over this past year.

For many months, the Timber Tax Act has consistently and repeatedly been included as part of the extenders packages we talked about. For example, it was included in the Senate conferees' agreement in the pension bill, in the Reid extenders amendment, and in the Baucus extenders amendment. The bill has broad bipartisan support, with over 33 cosponsors from every part of the country. That should come as no amazement to any of us when you look at this map and realize that it is not just one region of our country that is suffering, but it is many parts of our country that are suffering.

Additionally, this provision provides relief to the entire industry across the board, from the smallest woodlot owner to some of our largest, oldest forest companies. Over 9.9 million individual tree owners will receive immediate and significant regular and minimum tax relief.

Unfortunately, we have found some concern about whether we need competition or greater competition in this industry. We come to this floor every day talking about how competition makes our Nation stronger. We talk about how competition can help us grow, not just as individuals, not just as companies, not just as a nation, but as a part of the global community. I believe that. I believe competition is a good thing. If it is done in a fair way and if people are given the opportunity to show what they are made of and to get out there and do the job they believe they are capable of doing and really compete, working together to compete in a global marketplace, I think everyone is a winner. But when we keep in artificial stopgaps or actually keep away opportunities and continue to keep an artificial circumstance which stymies the kind of competition that can make us strong,

we all end up being losers. I think that is a lot of what has occurred here. I think it is extremely shortsighted and it opens all of our similarly situated companies—all of them, whether it is the forest products industry, which has multiple different types of entities, or any of our entities—it situates them and puts them up against unbelievable scrutiny and criticism.

The timber tax provision is sound tax policy. Over the past several years, forest products companies have been under intense pressure to reduce their Federal taxes by either reorganizing as a nontaxpaying entity, or to sell their timberlands, whether they sell them to pension funds or to timber management organizations—wherever they may go to offload that part of their industry. But I want us to think a little bit more about that. We talk about being shortsighted. Think about what that means to the conservation of this country. You look at the small, family-owned timber companies that exist out there that are fighting and trying hard to keep their heads above water in an industry and in circumstances where they are put at a disadvantage. Who is most likely to be a good steward of the land? Who is most likely to go in and reforest? It is the third- or fourth-generation small business owner, the small family-owned timber company that is going to go in and take good care to be a good steward of this land. Those are the most likely ones.

Let's not put them at a disadvantage because then, all of a sudden, all of our timberland, particularly the family-owned timber company, is going to be owned by big groups, and all they want to do is go in and cut and then sell off to developers. Let's make sure we have diversity in this industry; a good, diverse, competitive industry that looks at all sides of what we are trying to protect here: family jobs, the environment, the landscape of many of our small rural States. It is very important.

As the integrated companies separate their mills from their plants and from their timber, there are obvious results: plant closures and job loss, not to mention what happens with that family-owned business that is such a good steward in the conservation of the land.

As a result of this sort of artificial, short-term tax-driven pressure, the amount of U.S. timberland held by integrated forest products companies has fallen from 50 million acres to 15 million acres. Think about that. I want my colleagues to think, when you take those kinds of lands out and put them under a bigger umbrella where nobody is going to really be able to come in and say you can't come in and clearcut that and sell it to a developer or whatever, they are more likely to wave their hand, do it, and go on.

But when you have a small family-owned business that has been there for generations, they are so much less likely to do any of that. They are going

to go back in, and with a great sense of pride and respect as well as confidence that this is going to continue to be a small family-owned business, they are going to reforest and they are going to reinvest in that forest product and that timber company.

By enacting the timber tax provision, Congress will forestall a further decline, and we will allow forest products companies to make their decisions based exclusively on sound business principles—not looking at what they have been backed into a corner to do in order to simply keep their business or to simply keep one piece of their business. They will lay off the jobs, they will break up the integrated company, and they will move on because it is easier and because it keeps them alive—as opposed to making good, sound, principled business decisions.

Without its passage, I fear the State of Arkansas will see further immediate closures and loss of jobs. I plead with my colleagues, we cannot lose this opportunity. We cannot lose this opportunity to take something that we have looked at and talked about and developed over the last 10 or so months. We have seen it in other packages, and we know how productive it can be. I hope the majority of this body will join me in seeking a collaborative effort to make sure that we do not see even what the current map would look like if this one were updated, or to think of what it may look like 5 or 10 years from now, with the incredible loss of jobs in timberland and our family-owned timber businesses. It would be devastating.

I thank my colleagues for their attention to this issue. I plead with them on behalf of the people of Arkansas, those unbelievably hard-working families who live in those rural communities, who know our forests and know how to take good care of them: Please let us work to keep those jobs and to keep those businesses going in order that we can not only save those jobs but save a way of life in parts of rural America, as well as making sure that we have the best interests of our forest lands at heart, private forests and others. I think we have a great opportunity to do it, and I hope we will act on that.

TRIBUTE TO J.B. HUNT

Mrs. LINCOLN. Mr. President, I come to the floor today, joining my colleague Senator PRYOR, as we pay tribute to the life of one of Arkansas's business and philanthropic giants: Mr. J.B. Hunt. The billion dollar trucking company that J.B. Hunt built can only be characterized as the very personification of the American dream, and the only thing more impressive than the trucking empire he has created is the life he led and the journey he took to get there.

I am so grateful to have known this wonderful man and to have called him my friend. From the moment you met

J.B. Hunt, you knew he was not your typical business mogul. He was much more. He was much like all of these hardworking Arkansans whom I reflect on this map.

J.B. Hunt's formal education ended when he dropped out of school at 12 years of age when, similar to many people of the Great Depression and that generation, he had to find employment to help his family survive. That is what we are talking about, we are talking about American families who are working hard to reach that dream. Here is a man who did.

Every time I was able to be around J.B. Hunt, I always knew he never forgot that challenging period of his life, and its impact helped shape the character of the man who would put in the hard work and long hours to get the job done right. When I first heard the news of his passing, I reflect on our first meeting. He asked about me, came up to me, and he said: Now, BLANCHE, who are your people anyhow? Of course that meant, Who are your relatives? Who are your parents? Where do you come from?

He immediately recalled that he had come to know my father from the time he spent personally hauling rice loads across the State of Arkansas. Mr. Hunt reminisced that those were back in the days when he had just one truck. And I thought then that not only was J.B. Hunt a man who was proud of what his company had become, but he appreciated the time and the hard work that had been required to get there. He knew more than just where his trucks traveled, he knew the people along the way. Although J.B. Hunt is considerably larger today—any of our colleagues who travel across the interstates will see a J.B. Hunt truck from Lowell, AK,—Mr. Hunt himself never changed who he was as an individual. His dedication reached well beyond his company to many philanthropic efforts that continue to greatly benefit our State of Arkansas.

True to form, J.B. Hunt dedicated much more than millions of dollars—he dedicated considerable amounts of his time. Until his death, he remained a man who was willing to put in the hard work and the long hours to do the job right—and Arkansas is a far better place as a result.

I am certainly grateful to have had his friendship and to pay tribute to the life he led so well. My thoughts and prayers and my deepest sympathies are with his family at this very difficult time, and my gratitude goes out to Mr. Hunt, who truly exemplified that it is not just the view at the top, it is truly the journey that gets you there that is worth more than anything that you could get in return.

I yield the floor for my colleague, Senator PRYOR, from Arkansas.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. PRYOR. Mr. President, I wish to talk about the two same subject matters that the senior Senator from Ar-

kansas talked about, in that order. I do want to talk about J.B. Hunt, but first I want to talk about the timber tax.

Before I do, I ask unanimous consent for Senator DEWINE to have 1 hour to finish his remarks, after the conclusion of the remarks of the junior Senator from Tennessee, who I understand is the last speaker in this sequence this evening.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. PRYOR. Mr. President, let me notify the staff, Senator DEWINE said he would certainly be flexible, if someone needed some time and needed to maybe cut in a little bit. He was certainly willing to work with whoever wanted to do that, but he did ask we seek unanimous consent for 1 hour.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE TIMBER TAX

Mr. PRYOR. Mr. President, if I may, let me talk about this timber tax issue. Clearly, forests provide a lot of jobs for many people all over this country. For Arkansas, those jobs are very important to our State's economy. But also one thing that we often forget is these forests are extremely good for our environment. They absorb carbon dioxide, they clean waterways, they provide natural habitat for all kinds of species out there, and they help keep an ecological balance in our country.

One of the great developments that has occurred in the last generation is that this country and the people in the timber industry have become much better, much more adept at managing the forests in a very good, long-term business way but also in a great way for the Nation's environment. In fact, when you look at Arkansas, the timber industry has done such a good job there that it is now the No. 2 manufacturing industry in the State.

I know that is the same in other States. There are many States that have very large timber industries, but we oftentimes take it for granted. I am looking around this room and seeing all the wood products. I am reading on one now and using one as a file folder and speaking behind one and standing on one. Often we take that for granted, but the wood products industry is very important for this country. In fact, you could say it helped build this country.

Unfortunately, now the forestry industry, the wood products industry's health is in jeopardy. They have two major problems. No. 1, with globalization, they have a lot of foreign competition. The folks I talk to in the industry, they will understand that. They are ready to meet that challenge. They understand it is a new day and it is very competitive. They are getting a lot of pressure from places such as Canada and rain forest timber and materials that are coming out of Asia and Russia, and they understand that. They are willing to fight that fight if the playing field is leveled.