

placed \$4.5 million in a special bankruptcy protected trust for their CEO, Mr. Glenn Tilton. United then terminated all of its pension plans in 2005, leaving the Pension Benefit Guarantee Corporation with \$6.6 billion in liability.

In 2002, the Motorola Company chose to not make any contributions to its pension plan for 70,000 employees and retirees, a plan that was underfunded by \$1.4 billion. At the same time, Motorola found another \$38 million to give its top executives a variety of pension perks.

In 1999, IBM's cash balance conversion resulted in dramatic pension cuts for the older workers. It is still being litigated in the courts, but in 2002, IBM CEO Lou Gerstner, who oversaw the cash conversion, retired with a pension of \$1.1 million per year.

In November of 2002, Delta began phasing out its traditional defined benefit plan for 56,000 employees and replaced it with a cash balance pension plan. As Delta was shorting its workers, their former CEO got a generous guaranteed pension plan of \$1 million per year that will be available to him when he turns 65.

These are a few examples, Mr. President, of excessive executive generosity, and they have been particularly egregious in the airline sector, where there have been numerous threats of bankruptcy and actual problems with respect to keeping the workers' pensions intact or even a portion of them secure.

I am pleased the Finance Committee took a significant first step yesterday toward cutting off this corporate spigot that has been gushing millions of dollars for executive pensions but produces less than a trickle of funds for tens of thousands of hard-working Americans. There is more to do.

Certainly the first step that began yesterday in the Senate Finance Committee at ending this double standard came about because Chairman GRASSLEY and Senator BAUCUS worked in a bipartisan fashion, and Senator BINGAMAN, Senator KERRY, Senator SCHUMER, and others joined me in pressing for this change. But suffice it to say there is more to do in this area. Certainly the question of what companies are required to do in terms of making their premium payments is important. In the days ahead the Finance Committee and eventually the Senate as a body will have to take up these issues.

What I wanted to bring to the Senate's attention today is that this is an important start. It is a start that keeps faith with American workers who have come to my townhall meetings. The Presiding Officer is from Georgia and represents a number of workers affected by the financial problems of Delta Airlines. People come to our town meetings and ask, how is it that the executives get off scot-free with respect to these pension issues while we are getting clobbered? I am tired of reading about how the executives have

somehow been able, under the guise of deferred compensation or special retirement benefits that are protected from bankruptcy proceedings, and I am tired of seeing how the executives always come out hunky-dory while the workers end up trying to figure how to make ends meet when their pensions have been slashed by 40, 50, or 60 percent.

There is more to do in terms of reforming private pension law, but this effort to eliminate the double standard where executives get protected and workers get hurt, eliminating that double standard is at the center of what good bipartisan pension reform ought to be all about. Fortunately, the Senate Committee on Finance took a big step in the right direction by saying yesterday that if a company's pension plan is not actually funded, then the executives cannot find their way to yet another lockbox and protect themselves with these deferred compensation arrangements.

I yield the floor.

TRIBUTE TO JERMAIN TAYLOR

Mrs. LINCOLN. Mr. President, I thank my colleagues for allowing me to take a few moments for an important recognition for Arkansans. Today I rise to pay tribute to two very distinguished Arkansans, first to the new and undefeated, undisputed middleweight champion of the world, Jermain Taylor.

Jermain Taylors' skill in the boxing ring is only one reason for me to recognize him on the Senate floor. Jermain is one of boxing's rising young stars.

He is known for his skill and his power in the ring, but he is also known for his grace and humility outside of the ring.

On July 16, Jermain, a Little Rock native, thrilled the people of Arkansas when he stepped into a ring in Las Vegas, NV and took the middleweight championship of the world from Bernard Hopkins.

Jermain's victory that night was the culmination of a lifetime of hard work and sacrifice that began when he was just a small boy. When Jermain was 5, he had to take on the responsibility of being the man of the house after his father left the family.

Even at that young age, he took responsibility for his younger sisters without hesitation.

At the age of 13, he made his way into Ozell Nelson's gym and, though he lost his first sparring session, he enjoyed the challenge and believed he would improve, and he could improve with hard work.

He did, and in 1996 he won the U.S. Under 19 Championships. In 2000, he won a bronze medal while representing his country in the Olympic Games held in Sydney, Australia. Shortly thereafter he began his pro career.

By all accounts and by every measure, Jermain Taylor is a great fighter, but he is an even better person. He has

been described as humble, determined and one who knows that family comes first.

In short, he embodies the best of what being an Arkansan is all about.

He is a self described country boy with country values. Being an old farmer's daughter myself, I can vouch for the fact that there is nothing wrong with that.

Thousands of Arkansans traveled to Las Vegas to support their local hero. Chants of J.T. and the calling of the hogs could be heard throughout the fight as Jermain outworked and outboxed his opponent.

TRIBUTE TO JACKSON T. "JACK" STEPHENS

Mrs. LINCOLN. Mr. President, I also now go to a sadder note and rise to pay tribute to a fallen pillar of the Arkansas business and philanthropy community, Mr. Jack Stephens. Jack passed away quietly at his home on Saturday, July 23, after a period of illness. He has been remarked to have been one of the most incredible businessmen in his lifetime. We have truly lost a visionary businessman who invested in hundreds of Arkansas companies, many of which became leaders in their industry.

He also became one of my home State's most active philanthropists, never forgetting his humble roots and the value of rural life. Jackson T. Stephens was born during the Roaring Twenties and was raised during the Great Depression on a farm in south central Arkansas. He picked cotton and worked a mule on the farm before taking jobs in nearby Hope, AR, during his teens.

The Depression helped to shape a generation of Americans who valued every penny and deeply respected the opportunities that freedom brings, the opportunity to earn a living and to give back. Those lessons were not lost on Jack Stephens. His parents A. J. and Ethel taught him the values of self-reliance, diligence, integrity, and hard work. His father once told Jack, "Success is not a destiny to be reached but the quality of the journey we make."

After attending public schools in Prattsville, AR, and graduating high school from Columbia Military Academy in Columbia, TN, Jack Stephens became a 1947 graduate of the U.S. Naval Academy. For the rest of his life, he remained close to many of his Naval Academy buddies, particularly ADM William Crowe, Ambassador Vernon Weaver, and President Jimmy Carter. He never forgot the important value of that education at a service academy and, more importantly, his service to this great Nation.

After finishing up at the Naval Academy, Jack joined his brother Witt Stephens at his financial company, Stephens, Inc. The two of them built one of the country's most premier investment banking firms, the largest off Wall Street.

In recent years, Jack has been recognized for his philanthropy. He once told a reporter there are only two pleasures associated with money: making it and giving it away.

For over 20 years, Jack has been the principal benefactor for the Delta Project, a program designed to assist and educate underprivileged children in Arkansas's delta. He also supported the City Educational Trust Fund. For 20 years, the trust fund has provided scholarships for students and incentive awards for innovative teachers.

Jack also gave \$48 million to the University of Arkansas for Medical Sciences. The money was used to build, equip, and support the Jackson T. Stephens Spine and Neuroscience Institute.

In 1997, he gave \$5 million to support First Tee, a program designed to allow underprivileged children to learn about and play the game of golf. He viewed First Tee as a teaching tool for children. He understood that the lessons of patience, respect, and following the rules the game of golf teaches could be used in any area of a child's life and, more important, provided them the life skills they needed to be a success in the future.

He also served from 1991 to 1998 as the fourth chairman of the Augusta National Golf Club, home of the Master's Golf Tournament. Jack also gave about \$20 million to the University of Arkansas at Little Rock for a special events center that will be used for basketball.

In closing, I want to say a word about the character of Jack Stephens and the men and women of his generation. Jack came from a time when Arkansans believed in the spirit of Arkansas. We in Arkansas believe in ourselves. We believe in our family and our family of Arkansas people. We believe in our dreams and the things we can accomplish when we work hard and we reach out to one another.

Men such as J. B. Hunt, Sam Walton, John Tyson, Witt Stephens, and Jack Stephens believed in the values they were taught in Arkansas and knew that the best place to build a business was right there in their own backyard.

All of these men along with Jack Stephens, nurtured and invested in the businesses and the people of their great State of Arkansas, knowing full well that Arkansas, Arkansas's hard work, its ethics, its values, could be marketed all across the globe.

In the 1980s, Jack Stephens was one of the first to venture and look toward places in the East where investments could be made and relationships built for future of the global economy in the 21st century. They set a high standard for all of Arkansas to follow. Many of us look to the image of Jack Stephens to know of the success that can happen in Arkansas.

My thoughts and prayers go to the family and friends of Jack Stephens this week, as we celebrate his wonderful life and cherish the moments that were spent with him. The people of Ar-

kansas can all be proud of Jack Stephens and the life he lived. He contributed mightily to the well-being of our State and to its people, all because he never forgot where he came from. I am sure the entire Senate will join with me as I honor the well-lived life of Jackson T. "Jack" Stephens.

TECHNICAL EXPLANATION OF H.R. 6

I ask unanimous consent that a document entitled "Description and Technical Explanation of the Conference Agreement of H.R. 6, Title XIII, "Energy Tax Incentives Act of 2005," prepared by the Joint Committee on Taxation, dated July 27, 2005, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

DESCRIPTION AND TECHNICAL EXPLANATION OF THE CONFERENCE AGREEMENT OF H.R. 6, TITLE XIII, "ENERGY TAX INCENTIVES ACT OF 2005"

A. ENERGY INFRASTRUCTURE TAX INCENTIVES

1. Natural gas gathering lines treated as seven-year property (sec. 1301 of the House bill, sec. 1326 of the conference agreement, and sec. 168 of the Code)

PRESENT LAW

The applicable recovery period for assets placed in service under the Modified Accelerated Cost Recovery System is based on the "class life of the property." The class lives of assets placed in service after 1986 are generally set forth in Revenue Procedure 87-56. Revenue Procedure 87-56 includes two asset classes either of which could describe natural gas gathering lines owned by nonproducers of natural gas. Asset class 46.0, describing pipeline transportation, provides a class life of 22 years and a recovery period of 15 years. Asset class 13.2, describing assets used in the exploration for and production of petroleum and natural gas deposits, provides a class life of 14 years and a depreciation recovery period of seven years. The uncertainty regarding the appropriate recovery period of natural gas gathering lines has resulted in litigation between taxpayers and the IRS. In each of three recent cases, appellate courts have held that natural gas gathering lines owned by nonproducers fall within the scope of Asset class 13.2 (i.e., seven-year recovery period). The appellate court in each case reversed a lower court holding that natural gas gathering lines owned by nonproducers fall within the scope of Asset class 46.0 (i.e., 15-year recovery period). The IRS has not yet indicated whether it acquiesces in the result in these three appellate decisions in cases arising in other circuits.

HOUSE BILL

The House bill establishes a statutory seven-year recovery period and a class life of 14 years for natural gas gathering lines. In addition, no adjustment will be made to the allowable amount of depreciation with respect to this property for purposes of computing a taxpayer's alternative minimum taxable income. A natural gas gathering line is defined to include any pipe, equipment, and appurtenance that is (1) determined to be a gathering line by the Federal Energy Regulatory Commission, or (2) used to deliver natural gas from the wellhead or a common point to the point at which such gas first reaches (a) a gas processing plant, (b) an interconnection with an interstate trans-

mission line, (c) an interconnection with an intrastate transmission line, or (d) a direct interconnection with a local distribution company, a gas storage facility, or an industrial consumer.

Effective date.—The House bill provision is effective for property placed in service after April 11, 2005. No inference is intended as to the proper treatment of natural gas gathering lines placed in service on or before April 11, 2005.

SENATE AMENDMENT

No provision.

CONFERENCE AGREEMENT

The conference agreement follows the House bill, except that the provision requires that the original use of the property begin with the taxpayer. The provision does not apply to property with respect to which the taxpayer (or a related party) had a binding acquisition contract on or before April 11, 2005.

2. Natural gas distribution lines treated as fifteen-year property (sec. 1302 of the House bill, sec. 1515 of the Senate amendment, sec. 1325 of the conference agreement, and sec. 168 of the Code)

PRESENT LAW

The applicable recovery period for assets placed in service under the Modified Accelerated Cost Recovery System is based on the "class life of the property." The class lives of assets placed in service after 1986 are generally set forth in Revenue Procedure 87-56. Natural gas distribution pipelines are assigned a 20-year recovery period and a class life of 35 years.

HOUSE BILL

The House bill establishes a statutory 15-year recovery period and a class life of 35 years for natural gas distribution lines.

Effective date.—The House bill provision is effective for property placed in service after April 11, 2005.

SENATE AMENDMENT

The Senate amendment is the same as the House bill, except the Senate amendment requires that the original use of the property being with the taxpayer and that the property be placed in service prior to January 1, 2008.

Effective date.—The Senate amendment provision is effective for property placed in service after the date of enactment. However, the provision does not apply to property subject to a binding contract on or before June 14, 2005.

CONFERENCE AGREEMENT

The conference agreement follows the House bill, with the following modifications. The conference agreement is effective for property, the original use of which begins with the taxpayer after April 11, 2005, which is placed in service after April 11, 2005 and before January 1, 2011. The provision does not apply to property subject to a binding contract on or before April 11, 2005.

3. Transmission property treated as fifteen-year property (sec. 1301 of the House bill, sec. 1308 of the conference agreement, and sec. 168 of the Code)

PRESENT LAW

The applicable recovery period for assets placed in service under the Modified Accelerated Cost Recovery System is based on the "class life of the property." The class lives of assets placed in service after 1986 are generally set forth in Revenue Procedure 87-56. Assets used in the transmission and distribution of electricity for sale and related land improvements are assigned a 20-year recovery period and a class life of 30 years.

HOUSE BILL

The House bill provision establishes a statutory 15-year recovery period and a class life