

News Release

For release only by the Senate Committee on Appropriations

GRAIN INSPECTION, PACKERS AND STOCKYARDS ADMINISTRATION

Statement of James R. Baker, Administrator of the Grain Inspection, Packers and Stockyards Administration, before the Senate Subcommittee on Agriculture, Rural Development, and Related Agencies.

Mr. Chairman and members of the Committee, I am pleased to submit the fiscal year (FY) 2000 budget proposal for the Grain Inspection, Packers and Stockyards Administration (GIPSA).

GIPSA is part of USDA's Marketing and Regulatory Programs, which works to ensure a productive and competitive global marketplace for U.S. agricultural products. GIPSA's mission is to facilitate the marketing of livestock, poultry, meat, cereals, oilseeds, and related agricultural products, and to promote fair and competitive trading practices for the overall benefit of consumers and American agriculture.

GIPSA has both regulatory and service roles. GIPSA's Packers and Stockyards Programs (P&S) ensure open and competitive markets for livestock, meat, and poultry while providing financial protection to livestock producers. The Agency's Federal Grain Inspection Service (FGIS) provides the U.S. grain market with Federal quality standards and a uniform system for applying them. It also provides impartial, accurate measurements of grain quality to create an environment that promotes fairness and efficiency in the U.S. grain marketing system.

The existence of GIPSA as an unbiased, third-party entity helps ensure a fair and competitive marketing system for all involved in the merchandising of livestock, meat, and poultry, and grain and related products.

Organization

During FY 1998, GIPSA began the consolidation of headquarters activities and established three field offices for the Packers and Stockyards (P&S) Programs to replace the previous 11 offices. Each office is responsible for the major issues in a particular commodity -- beef, pork, or poultry -- and has investigative units to focus on the core activities of competition, trade practices, and financial responsibility. Funding to complete the reorganization was approved for FY 1999, which will allow GIPSA to staff the remaining field positions and to fill resident agent positions that will provide routine services to areas not proximate to the three main offices. The reorganization has significantly improved GIPSA's P&S Programs' ability to focus program resources on providing financial protection and promoting fair business practices and a competitive marketing environment for livestock, meat, and poultry. The new structure and the addition of economic, statistical and legal expertise to the investigation staff of the field offices significantly strengthens GIPSA's ability to investigate anticompetitive practices and provide greater flexibility and efficiency in enforcing the trade practice and payment protection provisions of the P&S Act. In an effort to place more personnel in field locations, the headquarters staff was reduced from 28 percent to 20 percent for P&S Programs. This involved the transfer of approximately 12 positions to the field offices.

Federal grain personnel work with over 2,000 State and private inspectors to provide high-quality inspection and weighing services on a user-fee basis. Federal inspectors service 42 export elevators located in Georgia, Illinois, Indiana, Louisiana, Maryland, New York, Ohio, Oregon, and Texas. A small Federal staff also provides service at 6 export elevators in Eastern Canada for U.S. grain transshipped through Canadian ports. Eight delegated States provide service at an additional 20 export elevators

located in Alabama, California, Minnesota, Mississippi, South Carolina, Virginia, Washington, and Wisconsin. Sixty-two (62) designated agencies service the domestic market under GIPSA supervision. In 1998, this unique mix of Federal, State, and private inspection agencies provided over 1.9 million inspections on over 214 million metric tons of grains and oilseeds; weighed over 89.1 million metric tons of grain; and issued over 79,000 official weight certificates.

GIPSA's Packers and Stockyards Programs (P&S)

GIPSA Strategic Goal #1: Ensure a fair, open and competitive marketing environment for livestock, meat, and poultry.

GIPSA's P&S Programs provides financial protection and promotes fair business practices and a competitive marketing environment for livestock, meat, and poultry. Our programs foster fair and open competition, and guard against deceptive and fraudulent practices affecting the movement and price of meat animals and their products.

The production and marketing of livestock, meat, and poultry are important to American agriculture and significantly impact the Nation's economy. The Commerce Department estimates the annual wholesale value of livestock, meat, and poultry products produced in FY 1998 by firms subject to the P&S Act to be \$105 billion. At the close of FY 1998, there were 1,300 stockyards; 6,400 market agencies/dealers; 2,000 packer buyers registered with GIPSA to engage in the livestock marketing business. In addition, there are 409 slaughtering packers who purchased over \$500,000 of livestock annually that are required to be bonded, 210 poultry firms, and a significant number of meat distributors, brokers, and dealers subject to the P&S Act.

Over 1,680 investigations were conducted during the 1998 fiscal year. Most violations are corrected on a voluntary basis with several resulting in livestock and poultry producers receiving additional funds for the sale of their product. During FY 1998, 36 administrative or justice complaints were issued in order to bring subject firms into compliance with the provisions of the P&S Act. In addition, 29 decisions and orders were issued by USDA against 46 individuals or firms for violating the Act.

GIPSA closely monitors anticompetitive practices which may impede the free trade of livestock, meat and poultry. Any practice, agreement, or understanding that excludes potential buyers from bidding in open competition is considered a restraint on competition. A high priority is placed on investigating all complaints and further developing information received concerning the failure of firms and individuals in the livestock, meat and poultry industries to operate in an open, fair and competitive manner. Appropriate corrective action is initiated when evidence of anticompetitive practices is disclosed.

Recently, GIPSA cooperated with the Federal Bureau of Investigation, the Department of Justice's Antitrust Division, and the Nebraska Brand Committee in a bid rigging investigation that resulted in the indictment and conviction of three individuals, including a salaried packer buyer and a feedlot owner, for violations of the Sherman Antitrust Act and Federal mail fraud statutes. The feedlot owner and packer buyer were fined \$20,000 and \$24,000 respectively and sentenced to 6 and 8 months of house arrest.

GIPSA's broad investigation of fed steer and heifer procurement in the Texas Panhandle has been completed. Two university researchers collaborated on the econometric and statistical analyses which are presently being peer reviewed to assure that GIPSA asked the right questions and used appropriate econometric models. The peer review also will strengthen future enforcement of the P&S Act against anticompetitive behavior in the livestock, meat and poultry industries.

An investigation of slaughter hog procurement in the western Corn Belt has been completed. The investigation included analysis of contractual arrangements between packers and pork producers, and price relationships between various procurement arrangements. An assessment was conducted to determine whether prices voluntarily reported to USDA's publicly reported Market News prices accurately reflect packer procurement transactions. GIPSA's investigation revealed substantial differences in hog characteristics and prices among pricing and procurement methods and seller sizes. Hogs purchased on the spot market, hogs priced on a live weight basis, and hogs sold by smaller sellers tended to exhibit lower hog quality characteristics and received lower prices. Purchases from smaller sellers were primarily on the spot market, with most of these hogs priced on a live weight basis, while purchases from larger sellers were primarily through marketing agreements using carcass merit pricing. Price comparisons indicated that publicly reported prices reflected base bids and were generally lower than actual transaction prices. Findings have been reported to small farmers in a series of outreach meetings across the Nation's major hog production areas.

A major case alleging that IBP, inc., use of a procurement agreement violated the P&S Act because under the agreement, IBP paid preferential prices to an exclusive group of feedlots in Kansas was dismissed by the Chief Administrative Law Judge (ALJ) in September 1997. The Agency filed an appeal to the Department's Judicial Officer (JO), who has been delegated authority to issue the final decision for USDA in cases arising under the P&S Act. The JO upheld most of the Chief ALJ's initial decision ruling that while the agreement at issue in the case was discriminatory and offered certain Kansas feedlots a preference, the agreement was not unjustly discriminatory and the preference was not unreasonable. However, the JO ruled that IBP's use of the procurement agreement violated the P&S Act because one of the terms of the agreement, the "right of first refusal," has the effect or potential effect of reducing competition. IBP has appealed the decision to the Circuit Court of Appeals.

GIPSA obtains special procurement information from the Nation's top 15 steer and heifer slaughter firms annually. This information is related to livestock purchased through contracts, packer feeding arrangements, or marketing agreement/formula-priced transactions. Much more work must be done to determine the effects of these captive supplies in both the beef and pork industries. Additional resources are critical to provide for data collection, and economic and statistical analyses in this very important and sensitive area.

GIPSA's P&S Programs continues to provide payment protection to livestock and poultry producers. Financial investigations, during FY 1998, resulted in \$3.7 million being restored to custodial accounts established and maintained for the benefit of livestock sellers. Packer trust activities returned over \$5 million to livestock sellers during the fiscal year. In 1998 no poultry trust complaints were received by GIPSA, reflecting a yearly decline in poultry trust payouts since 1995. During FY 1998, 130 insolvent dealers and market agencies corrected or reduced their insolvencies by \$10.1 million. Insolvent packers corrected or reduced their insolvencies by \$1.8 million.

The Agency is considering the need to issue substantive regulations to provide growers with assurance that their settlements will be equitable. GIPSA received more than 3,400 comments in regard to an Advance Notice of Proposed Rulemaking (ANPR) published in the Federal Register in early FY 1997 on the need for regulations to protect poultry growers and the content of such regulations. These comments, along with the findings of two ongoing investigations into the various payment terms contained in poultry growing arrangements, will help define the need for future regulatory initiatives. Also, in response to the comments received, a proposed rule is currently being cleared to require firms subject to the P&S Act to accurately weigh feed provided to contract growers including livestock producers and poultry growers when feed weights are used in determining compensation.

Concentration in the poultry processing industry and its effects on contract growers is an area that needs attention to determine whether the processors are using their dominant positions to impose unfair or unjustly discriminatory terms or conditions on contract growers. Grower complaints continue to highlight the need to address concerns about their relative bargaining position. If GIPSA is to effectively address this issue, it must obtain the resources needed to fully staff both the Trade Practices and Competition Units in its Atlanta office, which is responsible for major issues in the poultry industry across the Nation.

GIPSA's Federal Grain Inspection Service

GIPSA Strategic Goal #2: Promote and protect the integrity of the domestic and global marketing of U.S. grain for the benefit of American agriculture.

GIPSA's grain program plays a critically important role in facilitating the marketing of U.S. grain and related commodities. We provide the U.S. grain market with Federal quality standards and a uniform system to apply these standards. Through this program, GIPSA provides descriptions (grades) and testing methodologies for measuring the quality and quantity of grain, rice, edible beans, and related commodities, and, provides an array of inspection and weighing services, on a fee basis, through a unique partnership of Federal, State, and private laboratories.

By serving as an impartial third party, GIPSA ensures that the standards are applied and the weights recorded in a fair and accurate manner. Our presence in the market advances the orderly and efficient marketing and effective distribution of U.S. grain and other assigned commodities from the Nation's farms to domestic and international buyers.

Our guidance in carrying out these important tasks is provided by the U.S. Grain Standards Act (USGSA) and the Agricultural Marketing Act of 1946 (AMA) as it relates to the inspection of rice, pulses, lentils, and processed grain products.

Through voluntary and mandatory programs, GIPSA promotes the efficient and effective marketing of U.S. grain and other commodities from farmers to end users.

For an average cost of 26 cents (adjusted for inflation to 1992 dollars) per metric ton of grain in FY 1998, exporters received USDA export certificates from GIPSA on which they relied to facilitate the marketing of over \$20 billion worth of cereals and oilseeds. Likewise, here at home, buyers and handlers requested over 1.8 million domestic inspections that facilitated the trading of 122 million metric tons of cereals and oilseeds destined for domestic use.

While current services are effective and efficient, GIPSA recognizes that to remain relevant in today's marketplace, continuous service improvement is essential. Improving our services and enhancing our effectiveness is our ongoing and continuous process at GIPSA. Here are just a few of the ways we strengthened our program and improved our services during the last fiscal year:

First, we harnessed technology in a number of critically important areas. GIPSA implemented a new official moisture meter in the official system, a step that marked a transition to new technology for moisture measurement for the United States' official grain inspection system. The new meter increases speed and ease of operation; contains the cost of inspection; eliminates most operator interaction in the moisture measurement process which produces more accurate measurements; allows for the electronic transmission of results; is adaptable to automated operations; and improves reliability due to the instrument's newer technology and built-in system checks. GIPSA coupled implementation of the new meter with an unprecedented educational outreach effort that helped ensure a smooth transition to the new instrument by informing the market about the potential impacts and benefits of the new technology.

In FY 1998, the Agency continued to participate in the cooperative effort among GIPSA, the National Institute of Standards and Technology (NIST), and the National Conference on Weights and Measures to standardize commercial grain inspection equipment as part of the National Type Evaluation Program (NTEP). GIPSA serves as the sole NTEP laboratory for grain inspection equipment. The calibration data collected during fiscal years 1995, 1996, and 1997 were used as the basis for numerous grain moisture meter calibration changes to improve the accuracy and consistency of commercial grain moisture measurements. In FY 1999, GIPSA plans to continue to support NTEP as a laboratory for testing grain moisture meters.

Also in the area of technology, GIPSA continued to assist major export elevators in their ongoing efforts to automate official weighing and grain handling operations. Five fully automated weighing systems have been approved; one system is undergoing its final testing; four systems have been installed and are being tested; and one system has been cleared for installation. Inquiries from elevators regarding automation initiatives continue to be submitted for review. Automated weighing systems allow GIPSA to achieve superior supervision of weighing and grain flow, and improve elevators' efficiency.

Technology is only one part of the continuous improvement process. We also are implementing new services to keep pace with an increasingly sophisticated market that requires end-use quality information. In FY 1998, the Agency began offering a new testing service for corn oil, protein, and starch. This service provides the corn industry with accurate, transparent information with which to determine value, establish premiums, and negotiate price. This information is especially important for producers, who can rely on this assessment to ensure that their crops are accurately measured. GIPSA's implementation of this new testing service is setting a standard by which the market will operate.

In FY 1998, barley producers voiced concerns about vomitoxin analysis and discounts based on this analysis. In response, GIPSA quickly initiated a multifaceted program to address their concerns. Hands-on training was provided to the technicians performing official vomitoxin testing in North Dakota to insure that official testing is consistent and accurate within the limits of the current technology. GIPSA representatives attended several producer/industry meetings and explained the vomitoxin testing technology used by GIPSA and sources of variability in test results. The Agency also coordinated a comprehensive study on the effects of sample collection procedures and sample size on the accuracy of DON test results in barley in cooperation with the N.D. Barley Council, N.D. State University, and test kit manufacturers.

As an integral part of America's grain handling infrastructure -- a superior infrastructure of storage facilities, rail lines, and waterways that makes American agriculture preeminently successful in the global marketplace -- GIPSA will continue to provide all members of the U.S. grain handling system with the innovative, high-quality official inspection services they need to efficiently and effectively meet the challenges of a changing marketing environment.

Our commitment to reaching our customers does not end at our borders. Exporters, importers, and end users of U.S. grains and oilseeds, as well as other USDA agencies, USDA cooperator organizations, and other governments, frequently ask GIPSA personnel to travel overseas to represent USDA at grain marketing and grading seminars, meet with foreign governments and grain industry representatives to resolve grain quality and weight discrepancies, help other countries develop domestic grain and commodity standards and marketing infrastructures, assist importers with quality specifications, and train local inspectors in U.S. inspection methods and procedures. At home, GIPSA regularly holds seminars and meetings to educate our worldwide customers about the quality and value of U.S. grain exports. In FY 1998, GIPSA representatives met in the United States with 68 teams from 49 countries to provide information, technical guidance, and educational seminars. These international outreach efforts help

promote greater harmony between U.S. and international standards, and foster a better understanding of the U.S. grain marketing system, the official U.S. grain standards, the national inspection system. This, in turn, reduces the risk of new barriers in today's open and freer global marketplace, enhances purchasers' confidence in U.S. grain, and facilitates the export of U.S. agricultural products.

Further, in FY 1998, GIPSA obtained International Standards Organization (ISO) 9002 certification for its moisture and protein reference laboratories. This certification enhances the international credibility of these laboratories, as ISO standards are becoming the de facto standard across industries worldwide. In FY 1999, GIPSA will explore expanding ISO certification to other laboratory operations.

The grain program will continue to work to ensure our relevance and value to American agriculture. We are reaffirming our commitment to facilitating the marketing of U.S. grain by responding to our customers' needs and providing the highest quality grain inspection and weighing services to all whom we serve -- from farmer to domestic and international end users, and all those in between.

Our efforts in FY 2000 will focus on networking the Federal, State, and private partners comprising the system, and working with our customers to identify how we can apply automation to reengineer our administrative and inspection processes to achieve greater efficiency and productivity. In FY 2000, our commitment to improved efficiency and effectiveness will continue to serve American agriculture well, as U.S. agricultural exports are expected to total \$49 billion.

GIPSA accomplished a great deal in FY 1998 and much is planned for FY 1999. Our efforts to continuously improve our programs and services were further guided by the Agency's Strategic Plan, developed under the provisions of the Government Performance and Results Act. Year 2000

GIPSA continues efforts to ensure the Year 2000 compliance of its programs and systems. To date, the Agency has verified and validated all of its 12 mission critical systems. Of the 12, ten are 100% compliant, and, as of March 31, 1999, all systems will be compliant. GIPSA has also established a plan for ensuring the continuity of GIPSA's core business processes which identifies risks and threats, establishes mitigation strategies for the identified risks and threats, and provides contingencies in the event risk mitigation efforts fail.

During FY 98, GIPSA increased its Y2K outreach efforts to the official grain inspection and weighing system, its customers, and others in the food supply sector as they prepare their systems and programs for the Y2K conversion. As part of the outreach effort, GIPSA developed and distributed a Year 2000 Readiness Assessment Questionnaire to the 62 private, State, and local official agencies that are delegated or designated by GIPSA to provide official inspection and weighing services. In FY 99, GIPSA will hold a series of meetings and one-on-one discussions with grain processing groups that are aimed at assessing the Y2K readiness of this industry.

GIPSA is taking the steps necessary to ensure that all of the Agency's systems are Y2K compliant. We are committing all needed resources available for this effort -- our success is of utmost importance to agency operations and to ensuring that there is no service disruption to our customers in America's cereal, oilseed, livestock, poultry, and meat markets.

Civil Rights

In addition to improving our services and programs in FY 1998, GIPSA also accomplished a great deal in the area of civil rights. Approximately 1 year ago, USDA initiated an effort to change and improve the way we do business; and to ensure that every employee and customer is treated fairly, equitably, and with

dignity and respect. GIPSA is committed to supporting the Secretary in improving all areas of Civil Rights at USDA. Accordingly, GIPSA has taken a number of actions.

In FY 98, GIPSA established an Office of Civil Rights which is responsible for all areas of civil rights, including: affirmative employment/special emphasis; compliance (Title VI and Title VII); program delivery and outreach; complaints management/Equal Employment Opportunity (EEO) counseling/mediation; Title IX educational initiatives (Historically Black Colleges and Universities/Hispanic American Colleges and Universities/Tribal/1890 Initiatives); and conflict management. GIPSA's Civil Rights Staff has the responsibility for administering all civil rights programs and initiatives for GIPSA under the direct supervision of the Agency Head. The Department's Civil Rights Office has the responsibility for administering all civil rights programs and initiatives for the entire Department (all agencies within the Department). They establish Civil Rights policy and provide guidance and review for all USDA agencies. In FY 1998, there were 22 complaints filed, 12 complaints were resolved, leaving a total of 29 outstanding complaints. In addition, an outreach liaison was designated to ensure that all employees and customers are treated fairly and equitably, and with dignity and respect.

In addition, GIPSA strengthened its support for educational initiatives, Land Grant and other minority institutions, the USDA summer intern program, and the college recruitment initiative Ag-HOPE, Agriculture Helps Our People Earn, at Alcorn State University, Lorman, Mississippi.

These are only some of the steps GIPSA has taken in the EEO/CR area. The Department of Agriculture has made Civil Rights a major priority and GIPSA is completely committed to supporting the Department's efforts.

Fiscal Year 2000 Budget Request

To fund these important initiatives and to enable GIPSA to remain a valuable part of American agriculture, GIPSA's budget request for FY 2000 is \$26.4 million for salaries and expenses and \$42.6 million for our Inspection and Weighing Services. GIPSA also is submitting legislation to collect \$18.5 million in new user and license fees in FY 2000.

The President's FY 2000 budget proposes an appropriation request for grain inspection of \$11.5 million. There are proposed increases of \$425,000 to identify emerging grain testing needs to improve market efficiency; \$190,000 for specific grain quality testing; and \$50,000 for the automation of mycotoxin testing. Proposed legislation to authorize the collection of \$3.6 million in new user fees to cover the costs of grain standardization activities also is being submitted.

The budget proposed an appropriation of \$14.9 million for the P&S Programs. There are proposed increases of \$225,000 to allow GIPSA to establish electronic filing procedures for annual reports, which is consistent with the requirements of the Paperwork Reduction Act of 1995; \$636,000 for activities in the packer competition and industry structure areas; \$750,000 for poultry compliance activities; and a reduction of \$2,500,000 for the one-time costs of reorganizing P&S' headquarters and field structures. Additionally, proposed legislation is being submitted to authorize the collection of \$14.9 million in new license fees to cover the cost of the P&S Programs. To summarize, the FY 2000 request of \$26.4 million consists of ongoing expenses of \$11.5 million for grain inspection activities and \$14.9 million for packers and stockyards activities.

The \$425,000 increase to identify emerging grain testing needs would improve market efficiency. Grain users are demanding grain with specific qualities, such as high gluten, protein, oil, or starch levels; grain that is free of certain chemicals and residues, and grain processing or other unique characteristics or

qualities. GIPSA must identify emerging industry demands for new inspection, grading, and testing; determine which of those needs can be best met through additional GIPSA services; and then develop the measurement capabilities to meet those needs. This begins with research to identify the new grain quality measures needed to meet end users' demands for measuring grain quality. New test capabilities can increase the demand for U.S. grain, raise farm prices, and aggregate farm income. The requested funds are critical to the Agency's mission to provide testing and inspection services that protect the integrity of new markets.

The increase of \$190,000 for specific grain variety testing is needed for GIPSA to keep pace with the genetic breakthroughs that are expected to significantly impact future grain production and marketing. GIPSA must be prepared to offer grain varietal identification for the major genetic improvements that will affect the quality and characteristics of grains, production, and marketing. Preliminary investigations into analytical techniques to provide variety identification have been conducted, but GIPSA does not currently have the resources to address this issue adequately. Additional funding is requested to support

An increase of \$50,000 for automation of mycotoxin testing will be used to develop the staff and skills needed to properly address this issue. Additional funding is requested to fund external research in this area.

The increase of \$225,000 will allow GIPSA's P&S Programs to implement the requirements of the Paperwork Reduction Act that call for developing simpler reporting requirements for businesses and to provide for electronic submission of reports. Sustained low prices for beef and pork at the farm level have resulted in increased concern about possible anticompetitive activities in the meat packing industry. GIPSA must review procurement and pricing information to ensure that anticompetitive activity is not present. Providing for the electronic submission of this data would reduce the cost to packers, improve the timeliness and increase the volume of data collection, and create a better understanding of the data on a real-time basis.

Increasing concentration, structural change, market performance, and the use of complex formula and value-based marketing systems by packers continue to raise questions of regulatory and policy significance. Additional resources are critical to expanding the Agency's capability to monitor and investigate the competitive implications of structural changes and behavioral practices in the meat packing industry, and will enhance our capability to support legal actions that require complex economic and statistical analyses.

To promote competition and improve market performance and confidence in the livestock and poultry sectors, the USDA's Advisory Committee on Agricultural Concentration recommended increased monitoring and enforcement of antitrust and regulatory policy and, specifically, increased antitrust enforcement under current regulations of the P&S Act. Since anticompetitive practices are complex and often encompass broad geographic areas, investigations involving unacceptable market behavior has become much more complex and resource-intensive.

The requested increase of \$636,000 for packer competition and industry structure will allow GIPSA to conduct additional detailed investigations and analyses in selected geographic markets on a timely basis. It also will help us meet our responsibility of fostering fair and open competition, and guarding against deceptive and fraudulent practices that affect the movement and price of meat animals and meat food products.

As the industry continues to rapidly move to value-based methods of pricing, the complexity and sophistication of the packing industry's procurement and pricing methods will continue to increase. The

Agency must be able to commit the necessary resources to conduct the type of complex investigations that are required to ensure the integrity of the accounting and payment to producers.

USDA's Advisory Committee on Agricultural Concentration recommended that the Secretary be provided the same administrative enforcement authority for poultry as currently exists for red meat to protect contract poultry growers from unfair and discriminatory practices. The \$750,000 increase for poultry compliance will allow GIPSA to operate on other than a complaint-driven basis and permit increased compliance investigations into the poultry industry. More in-depth investigations will increase the Agency's ability to identify or address practices in the industry that may be unfair, unjustly discriminatory, or deceptive before practices escalate.

Conclusion

Mr. Chairman, this concludes my statement. I appreciate the opportunity to testify on behalf of the Grain Inspection, Packers and Stockyards Administration (GIPSA). I will be happy to answer any questions the Committee may have.