

FISCAL NOTE
Requested by Legislative Council
03/09/2017

Amendment to: SB 2094

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

- 1 B. **County, city, school district and township fiscal effect:** *Identify the fiscal effect on the appropriate political subdivision.*

	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

see attachment

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

see attachment

3. **State fiscal effect detail:** *For information shown under state fiscal effect in 1A, please:*

- A. **Revenues:** *Explain the revenue amounts. Provide detail, when appropriate, for each revenue type and fund affected and any amounts included in the executive budget.*

- B. **Expenditures:** *Explain the expenditure amounts. Provide detail, when appropriate, for each agency, line item, and fund affected and the number of FTE positions affected.*

- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: John Halvorson

Agency: WSI

Telephone: 328-6016

Date Prepared: 03/09/2017

**WORKFORCE SAFETY & INSURANCE
2017 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION**

BILL NO: SB 2094 w/ House Amendments

BILL DESCRIPTION: WSI Employer Services Bill

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with its actuarial firm, Bickerstaff, Whatley, Ryan & Burkhalter Consulting Actuaries, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation relocates the medical expense assessment statute from Chapter 65-05 to Chapter 65-04; strengthens organization's ability to collect premiums; updates statutory reference within the corporate officer liability and disputed decision statutes; increases penalties WSI may assess from \$2,000 to \$5,000 for employers that willfully misrepresent payroll or willfully fail to secure coverage; increases the premium due threshold that would subject an employer to a class C felony for the willful failure to secure coverage from \$500 to \$1,000; and establishes a civil penalty in the amount of \$5,000 for an employer who willfully makes a false statement in an attempt to preclude an injured worker from securing benefits and establishes that a violation of this section is a Class A misdemeanor.

FISCAL IMPACT: No significant impact to statewide premium rate levels is anticipated.

DATE: March 9, 2017

FISCAL NOTE
Requested by Legislative Council
12/23/2016

Bill/Resolution No.: SB 2094

- 1 A. **State fiscal effect:** *Identify the state fiscal effect and the fiscal effect on agency appropriations compared to funding levels and appropriations anticipated under current law.*

	2015-2017 Biennium		2017-2019 Biennium		2019-2021 Biennium	
	General Fund	Other Funds	General Fund	Other Funds	General Fund	Other Funds
Revenues						
Expenditures						
Appropriations						

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	2015-2017 Biennium	2017-2019 Biennium	2019-2021 Biennium
Counties			
Cities			
School Districts			
Townships			

- 2 A. **Bill and fiscal impact summary:** *Provide a brief summary of the measure, including description of the provisions having fiscal impact (limited to 300 characters).*

see attachment

- B. **Fiscal impact sections:** *Identify and provide a brief description of the sections of the measure which have fiscal impact. Include any assumptions and comments relevant to the analysis.*

see attachment

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- C. **Appropriations:** *Explain the appropriation amounts. Provide detail, when appropriate, for each agency and fund affected. Explain the relationship between the amounts shown for expenditures and appropriations. Indicate whether the appropriation or a part of the appropriation is included in the executive budget or relates to a continuing appropriation.*

Name: John Halvorson

Agency: WSI

Telephone: 328-6016

Date Prepared: 12/28/2016

WORKFORCE SAFETY & INSURANCE
2017 LEGISLATION
SUMMARY OF ACTUARIAL INFORMATION

BILL NO: SB 2094

BILL DESCRIPTION: WSI Employer Services Bill

SUMMARY OF ACTUARIAL INFORMATION: Workforce Safety & Insurance, together with its actuarial firm, Bickerstaff, Whatley, Ryan & Burkhalter Consulting Actuaries, has reviewed the legislation proposed in this bill in conformance with Section 54-03-25 of the North Dakota Century Code.

The proposed legislation relocates the medical expense assessment statute from Chapter 65-05 to Chapter 65-04; strengthens organization's ability to collect premiums; updates statutory reference within the corporate officer liability and disputed decision statutes; increases penalties WSI may assess from \$2,000 to \$5,000 for employers that willfully misrepresent payroll or willfully fail to secure coverage; and establishes a civil penalty in the amount of \$5,000 for an employer who willfully makes a false statement in an attempt to preclude an injured worker from securing benefits and establishes that a violation of this section is a Class A misdemeanor.

FISCAL IMPACT: No significant impact to statewide premium rate levels is anticipated.

DATE: December 28, 2016

2017 SENATE INDUSTRY, BUSINESS AND LABOR

SB 2094

2017 SENATE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Roosevelt Park Room, State Capitol

SB 2094
1/4/2017
Job Number: 26514

☐ Subcommittee
☐ Conference Committee

Committee Clerk Signature

Eva Lebelt

Explanation or reason for introduction of bill/resolution:

Workers compensation attorney's fees and costs

Minutes:

Attachment 1

Chairman Klein: Opened the meeting.

Anne Green, Legal Services Director with WSI: Testimony Attached, #1. (:35-6:45)

Chairman Klein: Asked for an example of how it would work.

Anne Green: Said that if someone has been delinquent with WSI in the past, they would try to sue them through traditional collection efforts. For whatever reason if the premium is never paid, it would ultimately be written off the books. They may come back five years later and want to open a new account. WSI wants to be able to ask for a line of credit in the amount of their four year premium and if they say no the law precludes WSI from doing anything else.

Senator Roers: Talked about businesses having to pick up the premium that the delinquent businesses do not pay.

Senator Campbell: Said as an employer he would rather wait to file a claim because a lot of times the employer may just pay it himself so he doesn't have a claim on his history. He would like to have time to file it and wanted to know why they have a limit on that.

Anne Green: There experience tells them that as soon as an injured worker gets treatment, the better the medical outcome, the better the outcome in terms of lost time for work and the better the time for WSI to take their resources for the medical case management of the preferred provider and get their team on board. And having this done immediately will lessen the overall cost.

Aric Spencer, North Dakota Motor Carriers Association: In support of the provision, specifically the part that removes the mutually exclusive language and said that the intent of this was to allow options to collect and to find instruments to collect premiums from employers

in advance, not to prevent it. They have no concerns about raising the fee from 2,000 to 5,000.

Chairman Klein: Asked if anyone was in opposition and commented that it was clarification. He closed the hearing.

Senator Casper: Motioned for a do pass on Senate Bill 2094.

Senator Poolman: Seconded the motion.

Roll Call Vote: Yes – 7 No – 0 Absent: 0

Senator Casper will carry the bill

**2017 SENATE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. 2094**

Senate Industry, Business and Labor Committee

☐ Subcommittee

Amendment LC# or Description: _____

Recommendation: ☐ Adopt Amendment
☒ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions: ☐ Reconsider ☐ _____

Motion Made By Senator Casper Seconded By Senator Poolman

Senators	Yes	No	Senators	Yes	No
Chairman Klein	x		Senator Marcellais	x	
Vice Chairman Campbell	x				
Senator Roers	x				
Senator Burckhard	x				
Senator Casper	x				
Senator Poolman	x				

Total (Yes) 7 No 0

Absent 0

Floor Assignment Senator Casper

If the vote is on an amendment, briefly indicate intent:

REPORT OF STANDING COMMITTEE

SB 2094: Industry, Business and Labor Committee (Sen. Klein, Chairman) recommends
DO PASS (7 YEAS, 0 NAYS, 0 ABSENT AND NOT VOTING). SB 2094 was placed
on the Eleventh order on the calendar.

2017 HOUSE INDUSTRY, BUSINESS AND LABOR

SB 2094

2017 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Peace Garden Room, State Capitol

SB 2094
3/1/2017
28563

- ☐ Subcommittee
☐ Conference Committee

Ellen Letang

Explanation or reason for introduction of bill/resolution:

Securing premium payments, correct cross references, employer noncompliance, employer false statements & medical expense assessments.

Minutes:

Attachment 1

Chairman Keiser: Opens the hearing of SB 2094.

Anne Green ~ Legal Services Director with WSI: Attachment 1.

3:35

Rep Becker: What happens in section 1, if you have a claim for benefits is files after the 1st day through the 14th business day.

Green: From the 1st day to the 14th day, you are assessed a \$250 medical expense assessment. If that claim for benefits is filed from midnight central time on the 1st business day following the injury, that \$250 is waived.

Rep Becker: The organization pays. The new section page 4, line 30, if the premium due exceeds \$500 is a class C felony, if it's below, it's a class C misdemeanor. That seems such a low threshold to pop up to a felony?

Green: That language has been in statue for a number of years, it's the willful act that serve for the criminal penalty. The intent to keep the threshold so low, was simply to keep the criminal penalty in place regardless of the amount of premium only.

Rep Becker: We have a tendency to up the numbers in a lot of areas because of inflation, if we are not changing the significance of the offense in terms of dollars, that should be keeping pace as well. I'm looking for further understanding from \$500, it seems low.

Green: It does seem low but the committee could propose a further amendment.

Rep Bosch: Section 2 of testimony, can you give me an example why that would be problematic?

Green: The instrument must be mutually acceptable, so all it takes is the potential employer to say, no, then we are at impasse.

Rep Bosch: Do you prefer one over the other?

Green: Payment of the premium in advance in cash is also an option, but if looking at an instrument, those are the two that we see most frequently.

Arik Spencer ~ ND Motor Carriers Association: We also support & agree that changes need to be made in that language for mutually agreeable & unifying the fine from \$2,00 to \$5,000.

Rep Kasper: I would like to ask Anne a question. On the bottom of page 4, how many instances & the dollar amount, do you have data on that?

Green: I don't have it with me but I can get that for you.

Chairman Keiser: Anyone else here to testify in support, opposition, neutral of SB 2094? What are the wished of the committee?

Rep Kasper: Until I get some information, I would like to hold the bill.

Chairman Keiser: We will hold it. Closes the hearing.

2017 HOUSE STANDING COMMITTEE MINUTES

Industry, Business and Labor Committee Peace Garden Room, State Capitol

SB 2094
3/8/2017
29470

- ☐ Subcommittee
☐ Conference Committee

Ellen Letang

Explanation or reason for introduction of bill/resolution:

Securing premium payments, correct cross references, employer noncompliance, employer false statements & medical expense assessments.

Minutes:

Chairman Keiser: Reopens the hearing of SB 2094.

Ann Green ~ Attorney for WSI: This is the employer bill which contains a number of sections regarding the premium side at the WSI. The question that was raised deals with section 5. It deals with the issue with an issue of an employer fraud order when WSI alleges that the employer willfully fails to report premiums. That threshold amount of whether a crime constitutes a felony or misdemeanor. In 2017, WSI issued 8 employer fraud orders & none were referred to criminal prosecution. The last employer fraud order that was referred for criminal prosecution that went beyond the penalties within WSI, was sent to the county state's attorney for criminal prosecution was in 2011. They had a premium of \$360,000.

Rep Becker: How about the other 7 or 8 roughly?

Green: None were referred as misdemeanors.

Rep Becker: What were the amounts?

Green: I don't know.

Rep Becker: Are you aware whether they are above or below the \$500,000 threshold?

Green: All over the \$500,000 threshold.

Rep Becker: So it's interesting that our threshold is so low that all of them are above it & yet they are not being prosecuted. That would be a case for raising the threshold to be a felony.

Green: You are correct that that threshold is extremely low. On the claims side, the benefits going out, we amended the fraud for intentional acts to secure benefits on claims side this

session. In HB 1086 to be responsive to a change in the criminal code. We changed from \$500 to \$1,000 in the criminal statute.

Rep Kasper: Do you need a threat of a felony, down to \$500 in order for the employer to pay their past due premium? Where do you need the clout of felony to get the employer to be serious to pay what they owe?

Green: I don't understand the question?

Rep Kasper: What number do you need, threatening to charge an employer with a felony where they will do it. How high should that number need to be before we charge them with a felony?

Green: I don't know that number is. The reality is the threat of the misdemeanor versus the felony is not typically part of the equation. The incentive to pay, comes as a consequence of the assessment of back due premiums & penalties associated with that premium only. That tends to be the hammer to get the employer to pay. The reality, is that anything that gets referred from criminal prosecutions charged out as a felony. Under ND work law, a minimum premium account is \$250. That threshold is extraordinarily low in terms of the defining line between a misdemeanor & a felony. That line is same line used in criminal code as the threshold amount of charging an individual for a theft crime.

Rep Kasper: In criminal code, is there a dollar amount under which you are not charged as a felon or the dollar amount it takes for someone to be charged from someone who stole something.

Green: That amount is \$1,000, it's over a \$1,000 it's a felony & if it's under \$1,000 it's a Class C misdemeanor.

Rep Becker: Are you opposed to removing Class C felony?

Green: Do you mean removing the Class C felony? The Class C felony does provide us a tool to WSI should we be in a position if we want to refer something for criminal prosecution. Our perspective both on the claim & premium side, if an employer has defrauded the fund to the tune of tens of thousands of dollars, that action consistent with the criminal code rises to the level of a felony offense. So, yes, we would prefer to keep the felony in the code.

Rep Becker: What sentence was the one instance, first off, were they convicted & what sentence did they receive for \$360,000 worth of fraud.

Green: I don't have that information but would be happy to get it to you.

Chairman Keiser: Keep in mind the Levenson bill we heard had one important component which was the cease & desist section where we empowered WSI to close people down basically, when they are not paying. The reason that we are getting into trouble was we didn't have a way to shut them down. In the Levenson's case, the contractor is gone & Levenson got stuck with holding the bag. The initial was \$80,000. In the future, that is not

going to happen because you are going to be able to shut those people down. That is going to affect the need for this section of code, just an observation.

Rep Kasper: Is this the section where you do the prosecuting for lack of paying the premium or is now the Levenson bill part of the code that you would use or is it still needed to use the teeth to get them to pay?

Green: No, the HB 1137, creates a new section in code that talks about the liability of the general contractor for the debts for the work of the sub. Different section.

Chairman Keiser: Further discussion? What are the wishes of the committee?

Rep Kasper: Moves an amendment that on page 4, line 30, we strike \$500 & insert to exceed \$1,000.

Rep Lefor: Second.

Chairman Keiser: Further discussion on the amendment?

Rep Becker: I'm going to support. I want to clarify that I'm not sure suggesting the same amount as I go over to Rep Johnson's desk & steal a \$1,000, it's a different type of situation. If you are doing this, you are automatically into the thousand & thousands of dollars & if we are going to apply it to other areas of criminal code for individuals, you go to misapplication & entrusted property, over \$50,000, it's a Class A felony. The idea that we want consistency, it's erroneously to say that the \$1,000 is the proper level because every instance of the occurrence is going to be above the \$1,000. Sure, \$1,000 is better than \$500 but it should be higher.

Chairman Keiser: Further discussion?

Voice vote – motion carried.

Chairman Keiser: What are the wishes of the committee?

Rep Becker: Move the amendment with \$1,000 to be changed to \$50,000.

Rep Beadle: Second.

Chairman Keiser: Further discussion?

Roll call on amendment to change the \$1,000 to \$50,000 on HB 2094 with 6 yes, 6 no, 2 absent & the motion failed due to a tie.

Chairman Keiser: The reason it's a little bit lower is because the minimum premium payment is \$250. It would take 4 years of a bad operator to get out there to a thousand. I support a thousand but the ones we hear about are the big claims. We have a lot of small business & this is really directed at the truly bad actors, not the good ones that make a mistake. I do support a lower limit.

Rep C Johnson: Is there also a restitution for the fraud amount?

Chairman Keiser: The fraud amount is the portion that they don't pay that they own the organization.

Rep Kasper: Do you have any idea the percentage of the employers of ND who are at the minimum level of \$250 of WSI premiums.

Green: About a 1/3.

Rep Kasper: Now I get the idea of why a lower threshold.

Rep Becker: The 4 years where they could charge them is not true because it already costs a misdemeanor which is up to a year in jail.

Chairman Keiser: That's the leverage they have.

Rep Becker: It's not that they can't go after them for 4 years.

Chairman Keiser: With the money threshold, that situation would take that.

Rep Lefor: I move a do pass as amended.

Rep Boschee: Second.

Rep Ruby: We amended to \$1,000.

Chairman Keiser: That's correct. Further discussion?

Roll call was taken on SB 2094 for a Do Pass as Amended with 10 yes, 3 no, 1 absent & Rep Dobervich is the carrier.

3/8/17 D/C

17.8009.01001
Title.02000

Adopted by the Industry, Business and Labor
Committee

March 8, 2017

PROPOSED AMENDMENTS TO SENATE BILL NO. 2094

Page 4, line 30, overstrike "five hundred" and insert immediately thereafter "one thousand"

Renumber accordingly

Date: Mar 8, 2017

Roll Call Vote #: 1

2017 HOUSE STANDING COMMITTEE

ROLL CALL VOTES
BILL/RESOLUTION NO. HB 2094

House _____ Industry, Business and Labor _____ Committee

☐ Subcommittee

Amendment LC# or
Description: _____

Recommendation

- ☒ Adopt Amendment
☐ Do Pass ☐ Do Not Pass ☐ Without Committee Recommendation
☐ As Amended ☐ Rerefer to Appropriations
☐ Place on Consent Calendar
Other Actions ☐ Reconsider ☐ _____

Motion Made By Rep Kasper Seconded By Rep Lefor

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser			Rep Laning		
Vice Chairman Sukut			Rep Lefor		
Rep Beadle			Rep Louser		
Rep R Becker			Rep O'Brien		
Rep Bosch			Rep Ruby		
Rep C Johnson			Rep Boschee		
Rep Kasper			Rep Dobervich		

Total (Yes) _____ No _____

Absent _____

Floor Voice vote ~ Motion carried
Assignment _____

p4, line 30 strike \$500 + insert \$1,000

Date: Mar 8, 2017Roll Call Vote #: 2

2017 HOUSE STANDING COMMITTEE

ROLL CALL VOTES

BILL/RESOLUTION NO. HB 2094

House _____ Industry, Business and Labor _____ Committee

☐ SubcommitteeAmendment LC# or
Description: _____

Recommendation

☒ Adopt Amendment☐ Do Pass☐ Do Not Pass☐ Without Committee Recommendation☐ As Amended☐ Rerefer to Appropriations☐ Place on Consent Calendar

Other Actions

☐ Reconsider☐ _____Motion Made By Rep Becker Seconded By Rep Beadle

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser		x	Rep Laning		x
Vice Chairman Sukut		x	Rep Lefor	x	
Rep Beadle	x		Rep Louser	Ab	
Rep R Becker	x		Rep O'Brien		x
Rep Bosch	x		Rep Ruby	Ab	
Rep C Johnson		x	Rep Boschee	x	
Rep Kasper	x		Rep Dobervich		x

Total (Yes) 6 No 6Absent 2

Floor

Voice vote ~ Motion carried

Assignment _____

New level be \$ 50,000
motion failed due to a tie

Date: Mar 8, 2017Roll Call Vote #: 3

2017 HOUSE STANDING COMMITTEE
ROLL CALL VOTES
BILL/RESOLUTION NO. HB 2094

House _____ Industry, Business and Labor _____ Committee

☐ SubcommitteeAmendment LC# or
Description: _____**Recommendation**☐ Adopt Amendment☒ Do Pass ☐ Do Not Pass☐ Without Committee Recommendation☒ As Amended☐ Rerefer to Appropriations☐ Place on Consent Calendar

Other Actions

☐ Reconsider☐ _____Motion Made By Rep LeforSeconded By Rep Boschee

Representatives	Yes	No	Representatives	Yes	No
Chairman Keiser	X		Rep Laning	X	
Vice Chairman Sukut	X		Rep Lefor	X	
Rep Beadle	X		Rep Louser	<u>AB</u>	
Rep R Becker		X	Rep O'Brien	X	
Rep Bosch		X	Rep Ruby		X
Rep C Johnson	X		Rep Boschee	X	
Rep Kasper	X		Rep Dobervich	X	

Total (Yes) 10 No 3Absent 1Floor
Assignment Rep Dobervich

REPORT OF STANDING COMMITTEE

SB 2094: Industry, Business and Labor Committee (Rep. Keiser, Chairman)
recommends **AMENDMENTS AS FOLLOWS** and when so amended, recommends
DO PASS (10 YEAS, 3 NAYS, 1 ABSENT AND NOT VOTING). SB 2094 was placed
on the Sixth order on the calendar.

Page 4, line 30, overstrike "five hundred" and insert immediately thereafter "one thousand"

Renumber accordingly

2017 TESTIMONY

SB 2094

2017 Senate Bill 2094
Testimony before the Senate Industry, Business and Labor Committee
Presented by Anne Jorgenson Green, Legal Services Director
Workforce Safety and Insurance (WSI)
Date: January 4, 2017

Mr. Chairman, Members of the Committee:

My name is Anne Green, Legal Services Director with WSI. I am here today to provide testimony on Senate Bill 2094. The WSI Board of Directors supports this bill.

Section 1. This proposal creates a new section in Chapter 4 of Title 65 regarding medical expense assessments. A medical expense assessment is the first two hundred and fifty dollars of claims costs borne by the employer on all claims. It is currently found in Chapter 5, the claims chapter. Section one moves existing statutory language addressing medical expense assessments out of Chapter 5 and into Chapter 4. Chapter 4 contains the statutory sections regarding the classification of employment, reporting of payroll and premium payment. In short, the law regarding an employer's workers compensation account is found in Chapter 4. This is a housekeeping section and enhances the organization of Title 65. Its original location in Chapter 5 is repealed in **Section 6** of the bill.

Section 2. During the 2015 Legislative Assembly, the language requiring a security instrument, a bond or letter of credit, was amended to require mutual acceptance in the type of instrument used between an employer and WSI. That language has proven to be problematic to administer. The decision to require a security instrument from an employer to ensure the timely payment of premium is a decision made by the organization to protect the interests of the fund. To be workable, the choice of instrument should be in the discretion of WSI.

Sections 3 and 4. These two amendments update statutory references to medical expense assessments discussed earlier in this testimony.

Section 5. Subsection two proposes to increase the penalty for willful noncompliance of an employer from two thousand dollars to five thousand dollars. This increase brings the willful noncompliance penalty in line with other employer penalty increases approved during the 2015 Legislative Assembly.

Subsection three is a new section addressing the willful conduct of employers. Under current law, willful actions made by an employer are limited to misrepresentations regarding the reporting of payroll or the securing of coverage. There is no provision in Title 65 which addresses an employer's false statement made to preclude an injured worker from securing benefits or the payment of medical services. Subsection three addresses this situation and provides for a five thousand dollar penalty and potential criminal prosecution for willfully making a false statement in an attempt to preclude an

injured worker from securing benefits or receiving payment for services. Additionally, the cost of an investigation may be assessed against the employer's account.

Lastly, in subsection 5, proposed language is added on line 15 to clarify which subsection is being referenced. This amendment is proposed as housekeeping and for clarity, with no substantive intent.

This concludes my testimony. I am happy to answer any questions you may have.

2017 Senate Bill 2094
Testimony before the House Industry, Business and Labor Committee
Presented by Anne Jorgenson Green, Legal Services Director
Workforce Safety and Insurance (WSI)
Date: March 1, 2017

Mr. Chairman, Members of the Committee:

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This concludes my testimony. I am happy to answer any questions you may have.