

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.

But the other problem is internal. It is not from foreign competitors, it is, frankly, from the Government and it is the Tax Code and how the Tax Code works within the industry. If I can give one example, last week there was an announcement in Mountain Pine, AR. Now Mountain Pine only has about 772 people who live in the community, but there is a mill there that makes plywood. That mill just announced it is closing.

Senator LINCOLN mentioned this a few moments ago. That mill has 340 jobs. That one employer in that town of 772 hires 340 people and employs them. It is closed. It is gone. Certainly, I hope at some point in the future the community can rally and find another use for that facility. Maybe they can get someone else in the wood products industry in. Who knows. But that is a symptom of what is going on because the owner of that facility is on the wrong side of the Tax Code.

We talked about the timber tax. We have a fix that we proposed. Senator LINCOLN and many others worked very hard to try to get this done. But because they are on the wrong side of the Tax Code, they are having to close plants. Frankly, it is causing a huge strain on their bottom line.

One of the things I need to do when I am on that subject is to thank Senators DOLE, HUTCHISON, and CORNYN, who have been very helpful in cosponsoring a bill that we think will help solve this problem.

Price Waterhouse Coopers & Lybrand, in April of 2005, wrote a report, and they found that the U.S. corporate forestry tax burden is the second highest compared to seven major competitor nations. Analysis showed that the tax burden of the U.S. forestry industry is a full 16 percentage points higher than the median of their competitor nations. We understand that in this country we have more responsible foresting, we understand we have stricter environmental regulations, and we also understand that our tax burden may be a little bit higher here and there. But the unfortunate thing going on here is it is disproportional within the industry depending on how the company is organized.

Here is what I mean. If a company is a C corporation, it is taxed one way. If it is a REIT, it is taxed another way. That means the folks that are REITs have a big tax advantage over the traditional companies. This has a disproportionately difficult effect on small companies, the family-owned businesses in places such as Arkansas and Louisiana and the State of Washington and in other places where you have a lot of family-owned timber businesses, because they don't have the resources to recalibrate themselves in the form of REITs. It doesn't make sense for their business.

What has happened, given our Tax Code, is basically the Federal Government says: Look, if you want to stay in the business, you have to organize

yourself in a certain way. That is not fair.

What is happening all around this country is that these timber companies are making business decisions based on the Tax Code. We have seen this happen. We know businesses are going to adapt to the conditions they have, and one of those conditions is the Tax Code. They are always going to adjust and adapt according to that. But when they start to make decisions such as this which are so dramatic and alter their business models so much, bad things are going to happen eventually.

If you look at the real estate bubble which burst back in the 1980s, a lot of those deals in the early 1980s which were done in the real estate market were done for tax reasons. They did not make any sense in the business world, but they made a heck of a lot of sense under the Tax Code. Finally, when the Congress got around to closing some of those loopholes and simplifying the Tax Code, the bubble burst.

My concern with the forestry industry is that someday when we reconcile these problems, it is going to be too late for a lot of these companies, especially the small family-owned businesses.

This is not strictly an Arkansas problem. The latest employment figures I have from my State are that the industry employs about 43,000 people, with an annual payroll of \$1.3 billion. That is a lot of money. That is a big part of our State's economy. However, if you look around the country, they employ about 2 million workers, with an annual payroll of \$51 billion. This is not just a local problem in the State of Arkansas. Both Senators from Arkansas are here talking about it, but it is a problem for the whole country and the Nation's economy.

I ask my colleagues to support a better timber tax policy. We want a tax policy that is fair, that restores competitiveness, that provides job security for hundreds of communities and families, that benefits the environment, and which is really the best thing for the country as well as for the industry.

JOHNNIE BRYAN HUNT, "J.B."

Mr. PRYOR. Mr. President, Johnnie Bryan Hunt died a couple of days ago in Arkansas. I just spoke with his wife a few moments ago. As always, she was delightful, and she was very upbeat and very positive and really appreciated all the prayers and all the well-wishes she has received from Arkansas and from around the country over the last couple of days.

Yesterday, we lost a great American and a great Arkansan and a great example to us all. Johnnie Bryan Hunt was born in Cleburne County, AK, in 1927 during the Great Depression. He left school at the age of 12 and went to work for his uncle in the sawmill. We were just talking about the timber industry in our State. He went to work for his uncle in the sawmill just to help

the family get by, as many Americans did back in those days.

He served in the U.S. Army.

During his early career, he was a farmer, he was a lumber salesman, he was an auctioneer, and a truckdriver. Then he invented his own business. It was called a rice hull business. He got the rice hulls over in the eastern part of the State and trucked them over to the western part of the State to make "poultry bedding," as he called it, out of the rice hulls. That venture did not work out exactly the way he wanted it to.

His first trucking company, which he formed as part of that and shortly thereafter, failed. He lost about \$19,000 in that first venture. But like many Americans, J.B. Hunt didn't quit. He went back to the drawing board. He kept working. He knew he had the ability. He knew he had the gift of problem-solving.

A few years later, he founded the trucking company which today is the largest publicly held truckload transportation company in North America, J.B. Hunt Trucking. Even though he started with 5 trucks and 7 trailers, today he has over 16,000 employees, 11,000 trucks, and 47,000 trailers and containers. He did this with hard work, he did this with a lot of dedication and with a lot of focus.

But one thing they say about J.B. Hunt the man and the company he founded is they are smart. They use technology, they are very innovative, and they work very hard to get on the cutting edge of that industry. In fact, J.B. Hunt is really a poster child for the American success story. We know that through hard work and opportunity, things can happen for you in this country. And he is proof that can happen in a very big way.

During the course of his life, he was director of the American Trucking Association, the American Studies Institute Advisory Board, the Intermodal Transportation Institute, which he was innovative in, the University of Arkansas Campaign for the 21st Century, and the Northwest Arkansas Business Council. In addition to those boards and those industry groups on which he served, he also was extremely giving with his resources. Two of his favorite charities are the Arkansas Easter Seals and the March of Dimes.

I know he will be sorely missed in his hometown of Lowell.

People always associated Arkansas with J.B. Hunt the man and the trucking company because he really did put it on the map. He came to northwest Arkansas and ended up in northwest Arkansas before this period of exceptional growth started there. These two counties up in the northern corner of our State are two of the fastest growing counties in America. The companies that are there are companies such as Wal-Mart, Tyson Foods, J.B. Hunt, and, of course, the University of Arkansas is in that corner of the State as well.