

Mr. Chairman, Senator Harkin, and distinguished members of the committee, I am grateful and honored to be here before you this day as the President's nominee for the position of Chief Financial Officer of the United States Department of Agriculture.

With me today are my wife, Colleen, and my eldest daughter, Chelsey. In Texas are our three other children: Alexa, age 8, Chase, age 4, and Caleigh, age 2. I apologize that they could not join us today. If they were here, Chase and Caleigh would be much more entertaining than my introductory remarks.

I am humbled to be considered for a position with the Department of Agriculture. The myriad programs of the United States Department of Agriculture affect the lives of all Americans. It has certainly touched mine. I was born in the farming community of Twin Falls, Idaho. The majority of my family, including grandparents, father, brother, uncles, aunts and cousins, still live in the greater Twin Falls region. When I was young, my grandfather managed the largest tractor repair facility in the area. At certain times of the year, he would receive a call in the evening or on the weekends and we would climb into the truck and head to a farm to repair a tractor. So, you could say that I started working in support of farmers early in life.

I have also been exposed to the broad scope of USDA programs. Growing up, my parents were in the forest products industry and worked with the USDA's Forest Service. Later, I became familiar with USDA's Rural Development agency while I was employed by one of the largest rural telecommunication carriers in the United States.

It was this telecommunications company that provided a strong foundation for my executive career. At this company, the executive management team mentored the managers and then the managers mentored their teams. The teams worked hard and the culture accepted no less than the best performance. In this environment our small financial reporting team implemented new technology and reorganized processes to exceed current "best practice" standards for a financial close. These adjustments automated key processes that increased the integrity of the information. Timelines were reduced from approximately 20 days to 4 business days. We used cutting edge technology to report information to the desktop computer of each executive. This improvement also provided other benefits including the reduction in external audit fees, quicker audit opinions, and fewer audit notes. Almost fifteen years ago, this was a remarkable accomplishment for a public corporation, and it was an honor to manage this team.

Since that time, I have had the opportunity to consult and lead teams in the structuring of business processes, information reporting, budgeting, and management systems for several of the largest corporations in retail, equipment manufacturing, mining, oil and gas, electric, construction, telecommunications and government. I have held executive management positions in corporate operations and finance. I have served as an officer and director with the titles of Chief Operating and Chief Financial Officer. Some of these positions were in companies with added complexities due to the blending cultures of a new industry consolidation or the resource management of a turnaround.

I fully understand that the USDA is one of the largest entities in the United States with a

financial structure and support systems that has been perpetually modified since the days of President Lincoln. This is a large, highly complex organization. Like any large organization it has its challenges, but it has a tremendous workforce with experienced professionals.

It is my understanding that since Fiscal Year (FY) 2002, the department's consolidated financial statements have received unqualified "clean" opinions, and that last year, for FY 2004, it did so while meeting the accelerated November 15 due date. That accomplishment is a testament to the financial team. Second, I would be remiss if I did not take the public opportunity to commend the employees of the National Finance Center for their performance. Despite the devastation of Hurricane Katrina and the deployment of employees to backup sites, employees were able to process payroll for more than 560,000 federal employees on time.

That said, there are challenges ahead and opportunities for improvement. If confirmed by the Senate, I will use my experience to help the more than 1,700 members of the financial team find processes that will increase accuracy and timeliness of information. My philosophy is that with better information, faster, we can address problems sooner and at a lower cost. I believe that for any weakness in the systems and controls, we can find short-term solutions to minimize the financial risk and find long-term, economical solutions to permanently fix problems. In addition, not only should we measure the performance of this financial organization to other government entities, but to competitive business practices.

This is a great opportunity to serve the United States. I fully understand that the financial management of this organization is no small task, and if confirmed the responsibility will not be taken lightly.

Thank you for your consideration, and I welcome your questions