

June 12, 2003

House Financial Services Committee  
Subcommittee on Financial Institutions and Consumer Credit  
Hearing entitled "Financing Employee Ownership Programs: An Overview"

Thank you, Mr. Chairman, for holding this hearing on Employee Stock Ownership Plans (ESOPs) and Eligible Worker Owned Cooperatives (EWOCs).

I look forward to our examination of the incentive proposals designed to increase the number of corporations that allow ESOP and EWOC programs when faced with financial difficulty. In recent years, many workers across the country have responded to announcements that their employer is closing its doors by buying their company and creating an employee-owned company. Several of these companies created through ESOP and EWOC programs have become very successful, however many others have failed in their attempt to save the business.

As I understand it, there are approximately 10,000 ESOPs currently in the United States and 500 EWOCs. Twenty-five percent exist in the manufacturing sector. I would like to thank our witnesses for joining us this morning to present their statistical research on these ESOPs and EWOCs.

In particular, I would like to thank Mr. Steve Clen, Ohio Employee Ownership Center Director and Professor of Political Science at Kent State University, and Mr. Dave McCune, President of Local 1124-01, on behalf of Massillon Stainless, Inc., for joining us from the great state of Ohio.

Thank you again, Mr. Chairman, for calling us here this morning and I look forward to a thorough debate of the positive and negative aspects of these programs.