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Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable DEBBIE STABENOW, a Senator from the State of Michigan.

PRAYER

The Chaplain, Dr. Lloyd John Ogilvie, offered the following prayer:

We are coming to the Lord,
Great petitions to Him bring,
For His grace and mercy are such
That we can never ask too much.

Let us pray.

Gracious God, we believe that in this time of prayer, our hearts will wing their way to Your generous heart and we will receive what we need from You, the very power that sways the universe. We pray not to get Your attention but because You already have gotten our attention. We do not seek to convince You to listen to our petitions because You have blessed and will bless the Senate through our prayers. We know You desire to provide the unity and oneness of purpose we need. Long before we ask for Your wisdom and guidance, You have motivated the request in us. Thank You for Your prevenient grace, offered even before we ask and provided way beyond our deserving. Out of Your immense desire to bless America, imbue the minds of the Senators with Your vision for what is best for our beloved Nation. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable DEBBIE STABENOW led the Pledge of Allegiance, as follows:

I pledge allegiance to the Flag of the United States of America, and to the Republic for which it stands, one Nation under God, indivisible, with liberty and justice for all.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. BYRD).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, February 8, 2002.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DEBBIE STABENOW, a Senator from the State of Michigan, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Ms. STABENOW thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

SCHEDULE

Mr. REID. Madam President, we are going to renew consideration of the farm bill this morning. Senator CONRAD is here and is going to offer an amendment. There are other amendments that will be offered today. Senator SANTORUM should be here shortly. Senator FEINSTEIN will be here to offer an amendment. We hope others who are on the finite list of amendments will come over to offer their amendments. It is the intention of the two leaders that this legislation be completed no later than Tuesday night. That could be a long night or a short night, according to what the wishes of Senators are. Senator DASCHLE has made a commitment that we are going to go to the energy bill next week. We are very close to seeing the end of this legislation. I know Senator HARKIN and Senator LUGAR would very much like to complete this legislation. The two leaders want it completed. I am confident it will be completed. There will be no rollcall votes today. The next rollcall vote will occur Monday at approximately a quarter to 6 in the evening.

RESERVATION OF LEADER TIME

The ACTING PRESIDENT pro tempore. Under the previous order, the leadership time is reserved.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of S. 1731, which the clerk will report.

The legislative clerk read as follows:

A bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes.

Pending:

Daschle (for Harkin) amendment No. 2471, in the nature of a substitute.

Daschle motion to reconsider the vote (Vote No. 377—107th Congress, 1st session) by which the second motion to invoke cloture on Daschle (for Harkin) amendment No. 2471 (listed above) was not agreed to.

Crapo/Craig amendment No. 2533 (to amendment No. 2471), to strike the water conservation program.

Craig amendment No. 2835 (to amendment No. 2471), to provide for a study of a proposal to prohibit certain packers from owning, feeding, or controlling livestock.

AMENDMENT NO. 2836

The ACTING PRESIDENT pro tempore. The Senator from North Dakota.

Mr. CONRAD. Madam President, I send an amendment to the desk.

The ACTING PRESIDENT pro tempore. Without objection, the pending amendments will be set aside. The clerk will report.

The legislative clerk read as follows:

The Senator from North Dakota [Mr. CONRAD], for himself and Mr. CRAPO, proposes an amendment numbered 2836.

● This "bullet" symbol identifies statements or insertions which are not spoken by a Member of the Senate on the floor.

Mr. CONRAD. Madam President, I ask unanimous consent that reading of the amendment be dispensed with.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. CONRAD. Madam President, I am pleased to offer this amendment on behalf of myself and the Senator from Idaho, Mr. CRAPO.

The purpose of this amendment is to provide a predictable, transparent, and equitable formula for the Department of Agriculture to use in establishing beet sugar marketing allotments in the future. This is an amendment that enjoys widespread support within the sugar beet industry. Producers in that industry recall, as I do, the very difficult and contentious period just a few years ago when the Department of Agriculture last attempted to establish beet sugar allotments with very little direction in the law.

That experience left us all believing that there must be a better way, that we should seek a method for establishing allotments that is fair and open and provides some certainty and predictability to the industry. On that basis, I urged members of the industry to work together to see if they could agree on a reasonable formula.

I am pleased to say the amendment I am offering today with the Senator from Idaho reflects producers' efforts to forge that consensus. It provides that any future allotments will be based on each processor's weighted-average production during the years 1998 through 2000, with authority for the Secretary of Agriculture to make adjustments in the formula if an individual processor experienced disaster-related losses during that period or opened or closed a processing facility or increased processing capacity through improved technology to extract more sugar from beets.

In addition, the formula allows for adjustments in the reallocation of beet sugar allotments to account for such industry events as the permanent termination of operations by a processor, the sale of a processor's assets to another processor, the entry of new processors, and so on.

Taken together, these provisions offer the predictability, fairness, and transparency we all agree is much needed in the sugar beet industry.

I should emphasize that this amendment applies only to producers of beet sugar. It is not in any way directed at producers of cane sugar.

Again, I thank Senator CRAPO for his work in support of the amendment. I urge its adoption.

I would be remiss if I did not also thank the industry. This was not easy for them to do. As one who was centrally involved in 1995, when we last faced this problem, I can tell the Senate, this is a better way of dealing with the problem. Instead of waiting for the problem to develop and then having a chaotic situation on our hands when there was no formula, no agreement, this provides the means of a reasonable and fair distribution of allocation in the future.

I thank the Chair and yield the floor.

Mr. LUGAR. Madam President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WELLSTONE. Madam President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

The Senator from Minnesota.

AMENDMENT NO. 2835

Mr. WELLSTONE. Madam President, my understanding is there is an amendment that my colleague from Idaho has introduced, or will introduce—my understanding is he has introduced it—which deals with a ban on packer ownership, an amendment which was passed by this body on December 13. This was a Johnson/Grassley/Wellstone bipartisan amendment. It had the support of the Senator from Wyoming, Mr. THOMAS, as well.

My understanding is my colleague Senator HARKIN will soon do a second-degree amendment to the Craig amendment. I was concerned I may not be present when that happens, so I wanted to speak about this.

What the Craig amendment would do is nullify this packer ownership amendment and replace it with a study. The intent of this packer ownership amendment is clear. It restricts the major meatpacking firms from owning livestock in a 14-day period before taking livestock to slaughter. What we are talking about is a a tactic used by some packers. It is really their own form of supply management to reduce competition. This is an amendment intended to increase competition and the bargaining power of the independent producers.

This amendment has the support of the Nation's two largest farm and ranch organizations: the National Farmers Union and the Farm Bureau Federation. They have both expressed strong support for a ban on packer ownership of livestock, as have many other agricultural organizations across the country.

The meatpacking industry is busily working the Halls of the Congress to kill our amendment because, unfortunately, some of these firms want to give preference to their own livestock so they do not have to pay the farmers and the ranchers a fair price. What they do is they buy when prices are low, and then when prices start to go up for the independent livestock producers, they dump on the market to keep prices down. They are like a cartel.

A lot of the independent livestock producers in Minnesota and the country are sick and tired of these conglomerates muscling their way to the dinner table and using their raw economic and political power to push the independent producers out of existence. As a matter of fact, a lot of taxpayers are sick of it as well. That is why this amendment, which puts some limit on payments, passed yesterday. It was a very important reform amendment.

Some of these packers have even taken out attack ads against some of us who have supported this amendment. There is a dramatic attack ad by Smithfield in South Dakota—I am listed with Senator GRASSLEY, but it is aimed at Senator JOHNSON—where they basically say if this amendment stays in, they are not going to do any more investment in South Dakota or hint that they are even going to leave. I do not know whether one calls that blackmail or whitemail or threat of capital strike. I am not sure.

The major question surrounding the intent of our amendment concerns the meaning of the word ''control'' and whether the inclusion of that word in our language prohibits forward contracts or contractural marketing arrangements. While all the sponsors of this amendment have made it clear that the word ''control'' in the context of the ownership restriction does not prohibit such arrangements, Senator HARKIN's amendment today should leave no doubt. The amendment of the Senator from Iowa makes clear that forward contracts and other marketing arrangements do not give a packer operational control of the production process and makes it crystal clear what control is all about. We are not saying you cannot have contractual arrangements with other producers. We are talking about direct ownership.

I will discuss again the ''why'' of this amendment that passed in December. I have been having fun with this debate because it is serious but you have to have a twinkle in your eye. I believe the battleground is to call for more free enterprise in the free enterprise system. I am the conservative here calling for more competition in the food industry; the independent livestock producers want a fair shake. The packers have their own style of supply management. Again, they act as a cartel and jack the independent producers around. They buy when prices are low. When prices go up, they dump on the market to keep prices low. It is simply unacceptable.

We have had formal agriculture committee hearings in the State of Minnesota. This has been an issue for a number of years. Usually the processors with all of their power win the debate. Yesterday's vote in the Senate says, when it comes to income support in government payments, there have to be payment limitations. We are tired of it being in such inverse relation to need. That was a reform vote.

Country-of-origin labeling was a reform vote. The environmental credits in this bill that Senator HARKIN has

worked on is a reform vote. A strong energy section in this bill is a reform vote. Rural economic development is a reform vote. Getting the loan rate up, at least somewhat, is a reform vote. And this is a reform vote.

I join my colleague, Senator HARKIN, who will be introducing the second-degree amendment. I say to all Senators, this is a blatant effort on the part of these big packers, of these big processors, to go after the independent producers. They always think, because they have so much economic power and political power, that they will win these votes.

I like my colleague from Idaho. It is my nature to like people. With all due respect, the amendment of the Senator from Idaho does not represent a step forward; it represents a great leap sideways.

The independent producers are being squeezed out of existence. These big conglomerates are not interested in a study. They are interested in whether or not we are on their side. As a Senator from Minnesota, I can say with a great deal of good feeling and glee that I am on the side of the independent producers. I am on the side of our family farmers. I am not on the side of these big packers and these big conglomerates. They will not be able to muscle their way to the dinner table and push family farmers out of existence. They will not be able to muscle their way to the floor of the Senate to try to reverse a vote. We are not going to let them do it.

Mr. HARKIN. Will the Senator yield?

Mr. WELLSTONE. I yield.

The PRESIDING OFFICER (Mr. MILLER). The Senator from Iowa.

Mr. HARKIN. I am pleased the Senator is pointing out what is happening. I specifically thank the Senator for pointing out the ad run in the Sioux Falls Argus Leader Editor, newspaper on Sunday, February 3. This is a paid advertisement, quite a big ad from Smithfield Foods, signed by Joseph Luter III, chairman and chief executive officer of Smithfield Foods. It is quite a lengthy ad. They are going after Senator JOHNSON for offering this amendment. I guess they are angry that his amendment passed.

In line with what the Senator from Minnesota said, this smacks of a powerful firm trying to use its economic power to blackmail. I have not seen in recent times a more blatant example of that than this ad put out by Smithfield Foods and Joseph Luter III. But let me read the last paragraph:

If the Johnson Amendment becomes law, Smithfield Foods will neither rebuild the Sioux Falls plant, or build a new plant in South Dakota, nor will we make any further investment in South Dakota, or for that matter in any other state whose public officials are hostile to our ongoing operations and our industry.

Signed by Joseph Luter.

Now, that is economic blackmail.

We have more concentration in the meatpacking industry today than we had 100 years ago when this Congress began to break up the packers; they had too much economic power, too much concentration. We have more today than we did then.

This is economic blackmail. They are saying they will not do anything ''in any State whose public officials are hostile to our ongoing operations and our industry.''

Well, they have plants in Iowa, too. But I can tell you that I am not hostile to their industry. We need the meatpacking industry in this country. We would like to have another meatpacking plant in the State of Iowa, in fact. However, what we do not want to see is the vertical integration where the packers own the livestock and they are able to dictate to a farmer what that price will be for the cattle. It used to be in my State a cattleman would get, two, three, or four bids for his livestock. Now, with this kind of economic concentration, what happens is a packer goes out and says, this is what I will pay you. Take it or leave it. If they leave it, the packer says, that is all right, I have enough cattle of my own; I don't need your cattle. I have a captive supply.

That is what happens. They drive more and more of our cattlemen out of business. I am upset at some of the entities that are supporting this position, saying the packers should own this livestock.

This amendment is very simple. It says that the packers, prior to 14 days, cannot engage in ownership or control. As the Senator said, we will shortly have a second-degree amendment to the Craig amendment which undoes that, to specifically point out what control is and is not so it would not prohibit, for example, forward contracting. If they are hung up on the word ''control,'' we have an amendment that Senator GRASSLEY and I are working together on to make crystal clear what we mean so there will not be any ambiguity. I don't think there is in the present one, but we will make it even clearer.

I say to my friend from Minnesota, we ought to get even more votes now because of this kind of economic blackmail.

Mr. WELLSTONE. I ask my colleague if he will yield for a question. I say to my colleague from Pennsylvania, it won't be a 2-hour colloquy; maybe an hour and 50 minutes but not 2 hours. I say to the Senator from Iowa, I saw this last paragraph, too. It is worth reading again.

If the Johnson Amendment becomes law, Smithfield Foods will neither rebuild the Sioux Falls plant, or build a new plant in South Dakota, nor will we make further investment in South Dakota, or for that matter in any other state whose public officials are hostile to our ongoing operations and our industry.

Earlier I was lucky enough—I don't consider it the price you pay. I think it is a privilege you earn, to be in small print. It says ''Johnson-Grassley-Wellstone,'' so I get included in this. But this is aimed at Senator JOHNSON.

This is like threatening a capital strike. That is what this is all about. This is absolutely unbelievable. I say to colleagues, now that we are going to have your language—and I want to be included as an original cosponsor as to the second-degree amendment, which makes it crystal clear what control means—we should get an even stronger vote for our amendment. Every Senator ought to stand up to this kind of blatant blackmail or whitemail or threats.

The processors and meatpacking companies in Minnesota have not engaged in these kinds of threats. But I tell you what, with all due respect for Smithfield, you are going to get fewer votes, Smithfield, because this is blatant. Everybody knows exactly what you are trying to do. You have a lot of power, you have a lot of muscle, you have been pushing a lot of our independent producers around for a long time, and we are now saying to you that you are not going to be able to do it in the same way. And you know what, you are not going to be able to push U.S. Senators around. We are going to get a strong vote for the second-degree amendment.

I yield the floor.

Mr. LUGAR. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. SANTORUM. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2542 TO AMENDMENT NO. 2471

Mr. SANTORUM. Mr. President, I ask unanimous consent that the pending amendment be set aside and I call up amendment No. 2542.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Pennsylvania [Mr. SANTORUM], for himself, Mr. DURBIN, Mr. FEINGOLD, Mr. DEWINE, Mr. KOHL, Mr. HATCH, Mrs. CLINTON, and Mr. JEFFORDS, proposes an amendment numbered 2542 to Amendment No. 2471.

Mr. SANTORUM. I ask unanimous consent the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To improve the standards for the care and treatment of certain animals)

On page 945, line 5, strike the period at the end and insert a period and the following:

SEC. 1024. IMPROVED STANDARDS FOR THE CARE AND TREATMENT OF CERTAIN ANIMALS.

(a) SOCIALIZATION PLAN; BREEDING RESTRICTIONS.—Section 13(a)(2) of the Animal Welfare Act (7 U.S.C. 2143(a)(2)) is amended—

(1) in subparagraph (A), by striking ''and'' at the end;

(2) in subparagraph (B), by striking the period at the end and inserting a semicolon; and

(3) by adding at the end the following:

''(C) for the socialization of dogs intended for sale as pets with other dogs and people, through compliance with a standard developed by the Secretary based on the recommendations of animal welfare and behavior experts that—

''(i) prescribes a schedule of activities and other requirements that dealers and inspectors shall use to ensure adequate socialization; and

''(ii) identifies a set of behavioral measures that inspectors shall use to evaluate adequate socialization; and

''(D) for addressing the initiation and frequency of breeding of female dogs so that a female dog is not—

''(i) bred before the female dog has reached at least 1 year of age; and

''(ii) whelped more frequently than 3 times in any 24-month period.''.

(b) SUSPENSION OR REVOCATION OF LICENSE, CIVIL PENALTIES, JUDICIAL REVIEW, AND CRIMINAL PENALTIES.—Section 19 of the Animal Welfare Act (7 U.S.C. 2149) is amended—

(1) by striking ''SEC. 19. (a) If the Secretary'' and inserting the following:

''SEC. 19. SUSPENSION OR REVOCATION OF LICENSE, CIVIL PENALTIES, JUDICIAL REVIEW, AND CRIMINAL PENALTIES.

''(a) SUSPENSION OR REVOCATION OF LICENSE.—

''(1) IN GENERAL.—If the Secretary'';

(2) in subsection (a)—

(A) in paragraph (1) (as designated by paragraph (1)), by striking ''if such violation'' and all that follows and inserting ''if the Secretary determines that 1 or more violations have occurred.''; and

(B) by adding at the end the following:

''(2) LICENSE REVOCATION.—If the Secretary finds that any person licensed as a dealer, exhibitor, or operator of an auction sale subject to section 12, has committed a serious violation (as determined by the Secretary) of any rule, regulation, or standard governing the humane handling, transportation, veterinary care, housing, breeding, socialization, feeding, watering, or other humane treatment of dogs under section 12 or 13 on 3 or more separate inspections within any 8-year period, the Secretary shall—

''(A) suspend the license of the person for 21 days; and

''(B) after providing notice and a hearing not more than 30 days after the third violation is noted on an inspection report, revoke the license of the person unless the Secretary makes a written finding that—

''(i) the violations were minor and inadvertent;

''(ii) the violations did not pose a threat to the dogs; or

''(iii) revocation is inappropriate for other good cause.'';

(3) in subsection (b), by striking ''(b) Any dealer'' and inserting ''(b) CIVIL PENALTIES.—Any dealer'';

(4) in subsection (c), by striking ''(c) Any dealer'' and inserting ''(c) JUDICIAL REVIEW.—Any dealer''; and

(5) in subsection (d), by striking ''(d) Any dealer'' and inserting ''(d) CRIMINAL PENALTIES.—Any dealer''.

(c) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to carry out the amendments made by this section, including development of the standards required by the amendments made by subsection (a).

MODIFICATION TO AMENDMENT NO. 2542

Mr. SANTORUM. Mr. President, I now send amendment No. 2639 to the desk and ask my amendment be modified with the text of this amendment.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

The modification to amendment No. 2542 is as follows:

Beginning on page 2, strike line 11 and all that follows through page 4, line 21, and insert the following:

''(C) for the socialization of dogs intended for sale as pets with other dogs and people, through compliance with a standard developed by the Secretary based on the recommendations of veterinarians and animal welfare and behavior experts that—

''(i) identifies actions that dealers and inspectors shall take to ensure adequate socialization; and

''(ii) identifies a set of behavioral measures that inspectors shall use to evaluate adequate socialization; and

''(D) for addressing the initiation and frequency of breeding of female dogs so that a female dog is not—

''(i) bred before the female dog has reached at least 1 year of age; and

''(ii) whelped more frequently than 3 times in any 24-month period.''.

(b) SUSPENSION OR REVOCATION OF LICENSE, CIVIL PENALTIES, JUDICIAL REVIEW, AND CRIMINAL PENALTIES.—Section 19 of the Animal Welfare Act (7 U.S.C. 2149) is amended—

(1) by striking ''SEC. 19. (a) If the Secretary'' and inserting the following:

''SEC. 19. SUSPENSION OR REVOCATION OF LICENSE, CIVIL PENALTIES, JUDICIAL REVIEW, AND CRIMINAL PENALTIES.

''(a) SUSPENSION OR REVOCATION OF LICENSE.—

''(1) IN GENERAL.—If the Secretary'';

(2) in subsection (a)—

(A) in paragraph (1) (as designated by paragraph (1)), by striking ''if such violation'' and all that follows and inserting ''if the Secretary determines that 1 or more violations have occurred.''; and

(B) by adding at the end the following:

''(2) LICENSE REVOCATION.—If the Secretary finds that any person licensed as a dealer, exhibitor, or operator of an auction sale subject to section 12, has committed a serious violation (as determined by the Secretary) of any rule, regulation, or standard governing the humane handling, transportation, veterinary care, housing, breeding, socialization, feeding, watering, or other humane treatment of dogs under section 12 or 13 on 3 or more separate inspections within any 8-year period, the Secretary shall—

''(A) suspend the license of the person for 21 days; and

''(B) after providing notice and a hearing not more than 30 days after the third violation is noted on an inspection report, revoke the license of the person unless the Secretary makes a written finding that revocation is unwarranted because of extraordinary extenuating circumstances.''.

Mr. SANTORUM. Mr. President, the amendment and modification I just sent to the desk is an amendment that is referred to as the Puppy Protection Act that Senator DURBIN and I have introduced. The reason I brought this up is because of my continuing concern, and I know Senator DURBIN's continuing concern, about the treatment of dogs and puppies in some of the breeding facilities across the country. There are literally about 3,000 such commercial breeding establishments that breed puppies for sale into homes as pets.

There are, unfortunately, numerous reports and evidence of very bad conditions in these puppy mills. I have had an ongoing concern about it. We have been working for quite some time with USDA to improve enforcement. They have some 80 people to enforce the existing Animal Welfare Act. They simply are understaffed. The problem we are seeing is not only are they understaffed but there are some holes in the animal welfare law.

A lot of my colleagues have come to me because they have been hearing from some of their constituents who are saying: Why is RICK SANTORUM trying to expand the reach of the Federal Government to take care of breeding dogs? This doesn't seem to be something in which the Federal Government should be involved.

First off, the Federal Government is involved. In 1966, we passed the Animal Welfare Act. We have had several amendments to it since—I think four or five times throughout the 1970s or 1980s. Because these are commercial breeding establishments that breed animals, we, the USDA and the Congress, have seen fit to have the Department of Agriculture regulate these large facilities. We do regulate in the area of handling, housing, sanitation, feeding, watering, ventilation, shelter, adequate veterinary care, and exercise. Those are provisions already in the existing veterinary law here in Washington, DC, which the USDA is responsible for regulating.

But there are some areas we believe lead directly to not just the health of the dog but the suitability of the dog as a pet that results from, we believe, some bad practices.

Before I go into detail about what my bill does, I want to be very clear about what my bill doesn't do. One thing my bill does not do—and the amendment of Senator DURBIN and myself does not do—is expand who is covered under the Animal Welfare Act. We have heard from the American Kennel Club and some members calling my office, and I know other Members have gotten calls from AKC members within their States, saying this is a great expansion of reach; you are going to have all these breeders who are going to run afoul of the Federal Government now if this legislation passes.

According to AKC's own records from 1997, which are the most recent ones we have, 97 percent of their breeders are not covered under the existing Animal Welfare Act. And our act does not amend who is covered. It just says what will be looked at upon inspection. Ninety-seven percent of their members will not be covered. Why? Because the Animal Welfare Act only covers breeders who breed four or more females. If you breed less than four females, you are not covered under the Animal Welfare Act and you are not covered under this proposed amendment to the Animal Welfare Act.

Again, from their own numbers, only .04 percent of their members registered

more than three litters in a year. So I say as to a lot of these calls coming in, saying: You are going to be harming the mom-and-pop breeder here, the folks who have a female dog they want to breed for a little extra income as part of their experience with their animal, you are going to be affecting them, the answer is no, we are not. What we are talking about here are facilities that are in the commercial breeding. We want to make sure these puppies that are bred, when they go into the home, go into the home healthy, No. 1— I mean from disease and genetic maladies, but that they also go in properly socialized so they can be good pets.

The areas we have focused in on are really three. No. 1 is the area of socialization or interaction. It requires that the puppies in these breeding facilities have interaction with other dogs and with humans.

Can you imagine the situation where a dog is bred and put in a cage, basically isolated from human contact for several weeks and having no interaction with human beings and having no interaction with other dogs, and then placed in a home maybe with little children? The impact could be severe. In fact, there is evidence to suggest that that is one area.

We just require some interaction. It is not particularly an onerous standard. We think it is a rather commonsense standard. I find it difficult for anyone to find a problem with that.

The second area has to do with breeding. There is a lot of concern. One of the sponsors of my amendment is one of the two veterinarians in the Senate. There are two Senators who are veterinarians. But one of them dealt with small animals; that is, Senator ENSIGN from Nevada. He is a cosponsor of my amendment. He personally told me stories of the problems with large commercial breeders in overbreeding females and constantly breeding more than is healthy for the female. It has an impact, obviously, on the litter and the health of the litter with diseases and other complications.

Here we are talking about a standard, it is my understanding, according to all reputable breeders which they adhere to already. It is a standard that puts in place what we believe are sound breeding practices based on evidence of producing a line of healthy puppies.

I know Senator ENSIGN is planning on coming in next week to talk about this legislation. He will probably give many more good examples with a lot more technical expertise than I can possibly offer. But I wanted to make it clear that this is a problem.

It is a problem when you have a very excited family that brings a new puppy into the home. They find out that this puppy, because of improper breeding, tends to have a lot of problems, gets ill, and maybe dies. That is obviously terrible for the puppy, but it is also very traumatic for the family.

The last provision has to do with enforcement. Before I talk about this provision, let me make it clear that if the USDA goes in and finds a bad situation, they have the ability to revoke the license. These facilities are licensed by USDA. They have the ability to go in and immediately revoke the license if there is one severe infraction of the Animal Welfare Act. We don't change that. But we say under this legislation, if you have three such infractions within an 8-year period of time, USDA must automatically revoke the license. You can appeal and do all the things about the specific instances to get your license reinstated. But this ''three strikes and you are out'' provision really tries to suggest to USDA that when you have a pattern of mistreatment and violation of the law, that action should be taken.

Again, let me remind everybody that USDA can do it right now. They have the discretion to do it with one infraction. We are saying that upon three, the license will be revoked. We are talking about commercial breeders. We are not talking about breeders that breed fewer than four animals.

This is an amendment that has very broad support from over 800 animal welfare organizations, including the Humane Society and the American Society for Prevention of Cruelty to Animals.

Of course, this legislation is, frankly, a very modest amendment. I cannot tell you how many changes I have made. I think this is the fourth change I have filed with this legislation in an attempt to try to deal with the research community that is concerned about certain aspects of this legislation and their application. We have dealt with the small breeders, even though, frankly, they are not covered by it. But we have tried to ameliorate some of the concerns from the American Kennel Club.

We have really worked very hard to try to make sure that no one who is serious about the healthy breeding of puppies has a concern. It is not my intention to bring the dog police into every home in America that breeds puppies. The fact of the matter is there are large commercial establishments that, frankly, need to do a better job in breeding puppies for homes.

I am hopeful that we can have very broad support. I have been working with Senator HELMS. Senator HELMS has been very helpful. I appreciate this morning his suggesting that we can now be supportive of this legislation as we have made the additional change in the legislation.

We are trying to work through all of these matters. I would be very happy if we could get this in the managers' amendment. If not, I am certainly happy to take this to a vote. I think it will have very strong support from both sides of the aisle.

Who wants to have puppies in the home that are not socialized or that have diseases or that are not in the best position to be good pets for our families across America?

I thank the Chair for the time. I yield the floor.

The PRESIDING OFFICER. The Senator from South Dakota.

AMENDMENT NO. 2835

Mr. JOHNSON. Mr. President, I rise to express my strong opposition to the amendment offered by Senator CRAIG last evening which would eliminate a bipartisan provision in this farm bill that restores fairness, competition, and free enterprise into livestock markets.

In December, the Senate adopted an amendment to the farm bill based upon legislation I introduced 3 years ago which strengthens the Packers and Stockyards Act of 1921, by prohibiting large meatpackers from owning livestock—cattle, hogs, and sheep—for more than 14 days prior to slaughter.

Nearly every farm and ranch organization in the country supports a ban on packer ownership, including the American Farm Bureau, the National Farmers Union, R-CALF, the Livestock Marketing Association, the Organization for Competitive Markets, the Center for Rural Affairs, and the Western Organization of Resource Councils, just to name a few.

More importantly, every farm and ranch group in South Dakota supports my amendment, including Farm Bureau, Farmers Union, the Cattlemen, the Stockgrowers, Livestock Auction Markets, the Independent Pork Producers, and even South Dakota Governor Janklow.

Let me take some time to clarify what our amendment does, and, what it does not do.

The objectives of our amendment are to increase competitive bidding, choice, market access, and bargaining power to farmers and ranchers in livestock markets. Here are the facts about our amendment.

First, my language strengthens section 202 of the Packers and Stockyards Act of 1921—and 80-year-old law—by prohibiting meatpackers from owning, feeding, or controlling livestock for more than 14 days prior to slaughter. Currently, packers are already prohibited from owning sale barns and auction markets.

Second, it exempts producer-owned cooperatives engaged in slaughter and meatpacking, in addition to packing plants owned by producers who slaughter less than 2 percent of the national annual slaughter of beef cattle—724,000 head—hogs—1,900,000 head— or sheep—69,200.

Therefore, many of the innovative, start-up projects operating and being formed to give producers greater bargaining power in the market will not be affected by our amendment. Some have made very misleading and false statements about the Johnson-Grassley amendment and our intent. Let me try to clarify some of those issues.

This amendment does not prohibit meatpackers from purchasing livestock for slaughter. In fact, it promotes the

purchase of livestock in the cash market. Therefore, it promotes competition and bidding among a significant number of buyers.

Again, I say, this amendment does not ban packers from owning livestock for slaughter; it simply says they cannot own the livestock from birth all the way until slaughter, the vertical integration to which some aspire. It bans them from owning livestock prior to 14 days from the date of slaughter.

The amendment does not prohibit forward contracts wherein packers and growers work together to raise and market livestock as long as the livestock are owned by the individual farmer or rancher.

Senator GRASSLEY and I have taken significant efforts to make it crystal clear that forward contracts and marketing agreements are not prohibited under this amendment. We have entered into a colloquy making it clear that the word ''control'' only refers to substantial operational control and not contracts.

There are those who would prefer that this amendment did apply to forward contracts, and I respect those who hold those views. But the goal of this amendment is narrow. The goal of this amendment is focused exclusively on the actual vertical integration, the actual packer ownership from birth to slaughter of livestock.

Some have questioned whether contractual marketing arrangements known as forward contracts are permitted under the provision. The answer is yes.

Three of the most respected agricultural economists and legal counsel in America—Roger McEowen from Kansas State University, Peter Carstensen from the University of Wisconsin, and Neil Harl from Iowa State University—have completed an analysis that supports our intent that contractual marketing arrangements and forward contracts are permitted under this amendment.

These experts agree with us that the meaning of the word ''control'' in this amendment applies to a potential arrangement purposefully drafted by a clever legal counsel to give a packer control over the ownership of livestock from birth to slaughter, though a farmer may hold title to the livestock, by providing the packer complete operational control over these animals.

Operational control provides the packer the ability to dictate nearly every detail of production and marketing, such as the facilities, nutritional and veterinary decisions, as well as providing the packer 24-hour access to the livestock. Forward contracts and other marketing arrangements do not give a meatpacking firm managerial or operational control of the production-to-market process. Rather, such arrangements only provide the packer with a contractual right to receive delivery of the livestock in the future. The producer signing the contract still makes most of the production decisions. Therefore, forward contracts or contractual marketing arrangements are still permitted under the language of this amendment and the word ''control'' does not affect their use.

So Senator GRASSLEY and I have received assurance from legal counsel that ''control'' does not include forward contracts and marketing agreements. On the other hand, those expressing opposition have presented no legal analysis in support of their proposition that somehow the word ''control'' in this legislation means a prohibition on forward contracting.

While marketing arrangements such as forward contracts have caused or can cause problems in the market, they are outside the scope of this specific amendment.

In a December colloquy with Senator GRASSLEY, we stated the intent of the word ''control'' must be read in the context of ownership. In other words, ''control'' means substantial operational control of livestock production, rather than the mere contract right to receive future delivery of livestock produced by a farmer, rancher, or feedlot operator. ''Control,'' according to legal dictionaries, means ''to direct, manage or supervise.'' In the meaning of our amendment, the direction, management, and supervision is directed towards the production of livestock or the operations producing livestock, not the simple right to receive delivery of livestock raised by someone else.

There are two reasons that forward contracts and marketing agreements are not within the definition of ''control.'' First, these contracts do not allow a packer to exercise any control over the livestock production or operation. Rather, the contracts merely provide the packer with the right to receive delivery of livestock in the future, and most include a certain amount of quality specifications. There is no management, direction, or supervision over the farm operation in these contracts.

The farmer or rancher makes the decision to commit the delivery of livestock to a packer through the contract without ceding operational control. In fact, the farmer or rancher still could make a management decision to deliver the livestock to another packer other than the one covered in the contract, albeit subject to damages for breach of contract. Even where such contracts include detailed quality specifications, control of the operation remains with the farmer. The quality specifications simply relate to the amount of premiums or discounts in the final payment by the packer for the livestock delivered under the contract.

Second, several States, such as Iowa, Minnesota, Nebraska, and South Dakota, already prohibit packer or corporate ownership of livestock.

The Iowa law, for example, prevents packers from owning, operating, or controlling a livestock feeding operation in that State. But packers and producers may still enter into forward contracts or marketing agreements without violating that law because operational control, in the context of ownership, is the issue. The term ''control'' is intended to be similarly interpreted and applied in this amendment.

Beyond the genuine concern about this amendment, a few in the meatpacking industry have hastily come to false, or at least erroneous, conclusions about its effect, and, frankly, they are busily working the Halls of Congress to kill this amendment due to those concerns. It may be that we simply have a profound philosophical difference between those of us who supported the amendment and others in opposition.

I believe our country is best served by a wide dispersion of independent livestock producers who have, in a free market, an opportunity to leverage a decent price for their animals and a decent opportunity to sell those animals in a competitive environment. I believe it is a disservice to rural America, a disservice to the livestock industry, if we wind up with a circumstance where our independent livestock producers increasingly become, in effect, low-wage employees of the packers on their own land—subject to all the risks of livestock production but very little of the occasional profit that can come about from a fair opportunity to sell their animals. So we have a profound difference of vision of what livestock production is all about and how our country is best served.

I believe in free enterprise. I believe in competition. I believe in independent producers having opportunities to seek out alternative buyers for their animals on an independent cash basis.

If some wish to forward contract and to secure its assurances, that is fine. That is a prerogative they have as well, at least under this amendment. But I do not believe we ought to have a total vertical integration of the livestock industry whereby a very small handful of huge agribusiness conglomerates control the production of livestock from birth all the way through slaughter, reducing livestock producers to simply low-wage employees, for all practical purposes. That is not my vision of rural America. That is not the vision shared by the people who supported this amendment.

So I think that while a lot of this debate is caught up in what may sound legalese to many, the actual consequences of what is going on here have profound effects on the look of rural America for all time to come.

There is a particular packer who has been running full-page ads in my State, apparently with an intent to intimidate me. They have the right to do that. It turns out that the packing company that does operations in my State is a pork production company which has never owned hogs, and has no particular immediate plan to, and would not be affected, at least for now,

by this amendment. They may wish to go into a different business plan than they have had in the past, and that may be the case.

But I want to make clear that I believe someone has to stand up for livestock producers in our country. We see this continued concentration, this continued integration, going on in every sector of the economy, but certainly in agriculture it has been one of the harshest. For that reason, Senator GRASSLEY and I have offered this amendment. We have already passed this amendment on a narrow 51-to-46 vote earlier this past session of the 107th Congress.

I have no problem with an additional vote, an up-or-down vote. Let everyone stand up and be counted wherever they are. I respect my colleagues however they may come down on this issue. I do want to convey the real import, the real impact of this amendment, and make people understand what is, in fact, at stake.

The amendment being offered would reduce this antipacker ownership amendment to another study. Heaven knows, we have studies galore lining the shelves of every building in Washington, DC, many of them gathering dust. We have known USDA to conduct study after study after study not leading to any matter of practical consequence. I don't think our farmers and ranchers need another study.

It is incorrect to observe that no hearings have been conducted on the topic of packer ownership. Rather, the Senate Agriculture Committee has held three hearings on concentration in livestock markets, packer ownership, and other issues—in June of 1998, May of 1999, and April 2000—and the problems remain clear and the need to act remains real.

The percentage of hogs owned by packers rose from a small 6.4 percent, as recently as 1994, to 27 percent in 2001, from 6.4 percent to 27 percent packer ownership in a period of only 7 years, according to the University of Missouri. This increase in packer-owned hogs means that packers prefer to buy their own hogs instead of paying farmers a fair price, thereby depressing competition. Eighty-eight percent of respondents in the Iowa Farm and Rural Life Poll believed that meatpackers should be prohibited from owning livestock, and 89 percent believed that too much economic power is concentrated in a few large agribusinesses, according to studies done by Iowa State University.

When packers own their own farms and their own livestock, they do not make purchases from farmers who would otherwise be providing economic contributions to rural communities—main street businesses, school districts tax base, banks, car dealerships, feed stores, and so on. Those opposed to this amendment have a different vision for rural America, a far different vision than mine. I have a more optimistic view of what rural America could look like. I envision more farmers and ranchers being able to compete in a free market and a free enterprise system raising more livestock on family farms so local economies can grow and the environment can be safer for families to make a living.

I fear if we go the other direction, packer market power will grow, allowing packers to go to the cash market only during narrow bid windows or time periods each week rather than bidding all week, thus resulting in panic selling by producers.

A ban on packer ownership of livestock will not drive packers out of business. Most of their earnings are generated from branded products and companies marketing directly to consumers. Conversely, livestock ownership by packers could drive independent livestock producers out of business because they will simply be at the mercy of these large corporations.

I do not, again, have a problem with another vote. It was important to clarify the forward contracting component of this amendment to make it crystal clear that that is not the gist of it. The gist is not forward contracting. The gist is the vertical integration of the actual ownership, the birth and slaughter of livestock in America.

We have a very fundamental decision to make in this body. I don't underestimate the steep climb this amendment has to make. I know the packers have been active in their lobbying effort. I know the intimidation efforts have been extraordinary. I recognize that no such amendment is contained in the House version of the agriculture bill and that, even if we were to survive in the conference committee, an uphill fight would occur there relative to this amendment.

Nonetheless, it is important to lay out in a clear, concise fashion what is at stake, what my motives are, what the motives are of the bipartisan sponsorship of this amendment, and to reflect that that may, in fact, be why this amendment acquired the support of every single Republican and Democratic Senator on the northern plains where livestock production is such a key component to the economies of our States.

I look forward to continued debate and another amendment to vote on. We will see what the final product is, but I did want to make it very clear what this amendment does, what it does not do, and to make certain people understand that this is not some arcane agricultural issue; that this, in fact, is fundamentally crucial to the look of rural America for all time to come.

I yield the floor.

The PRESIDING OFFICER. The Senator from Pennsylvania.

Mr. SPECTER. Mr. President, I have conferred with the manager of the bill. I think it would be appropriate to ask for unanimous consent to speak for up to 8 minutes as in morning business.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. SPECTER are located in today's RECORD under ''Morning Business.'')

The PRESIDING OFFICER. The Senator from California is recognized.

Mrs. FEINSTEIN. Mr. President, I ask that the pending amendment be set aside.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2829 TO AMENDMENT NO. 2471

Mrs. FEINSTEIN. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from California (Mrs. FEINSTEIN) proposes an amendment numbered 2829.

Mrs. FEINSTEIN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To make up for any shortfall in the amount sugar supplying countries are allowed to export to the United States each year)

Strike the period at the end of section 143 and insert a period and the following:

SEC. 144. REALLOCATION OF SUGAR QUOTA.

Subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) is amended by adding at the end the following:

''PART VIII—REALLOCATING SUGAR QUOTA IMPORT SHORTFALLS

''SEC. 360. REALLOCATING CERTAIN SUGAR QUOTAS.

''(a) IN GENERAL.—Notwithstanding any other provision of law, not later than June 1 of each year, the United States Trade Representative, in consultation with the Secretary, shall determine the amount of the quota of cane sugar used by each qualified supplying country for that fiscal year, and shall reallocate the unused quota for that fiscal year among qualified supplying countries on a first come basis.

''(b) METHOD FOR ALLOCATING QUOTA.—In establishing the tariff-rate quota for a fiscal year, the Secretary shall consider the amount of the preceding year's quota that was not used and shall increase the tariff-rate quota allowed by an amount equal to the amount not used in the preceding year.

''(c) DEFINITIONS.—In this section:

''(1) QUALIFIED SUPPLYING COUNTRY.—The term 'qualified supplying country' means one of the following 40 foreign countries that is allowed to export cane sugar to the United States under an agreement or any other country with which the United States has an agreement relating to the importation of cane sugar:

Argentina
Australia
Barbados
Belize
Bolivia
Brazil
Colombia
Congo
Costa Rica
Dominican Republic
Ecuador
El Salvador
Fiji
Gabon

Guatemala
Guyana
Haiti
Honduras
India
Ivory Coast
Jamaica
Madagascar
Malawi
Mauritius
Mexico
Mozambique
Nicaragua
Panama
Papua New Guinea
Paraguay
Peru
Philippines
St. Kitts and Nevis
South Africa
Swaziland
Taiwan
Thailand
Trinidad-Tobago
Uruguay
Zimbabwe.

''(2) CANE SUGAR.—The term 'cane sugar' has the same meaning as the term has under part VII.''.

Mrs. FEINSTEIN. Mr. President, I offer this amendment to update and somewhat improve the so-called sugar program. The sugar subsidy program has been driving the domestic cane refinery industry out of existence, and it has eliminated thousands of good jobs. This amendment helps strike a new balance between saving our Nation's domestic refinery jobs and protecting sugar producers from foreign competition.

What this amendment does is ensure that the amount of sugar allowed to come into the United States actually makes it to the market. The amendment would reallocate the unfilled portion of a country's quota when that country doesn't fill its quota, which happens almost annually.

The Secretary of Agriculture does have the ability under present law to reallocate the quota, but it is a fight every year for domestic refineries to get enough sugar to refine, and it is also a fight to get the Secretary—regardless of whether it is a Democratic or Republican administration—to make this reallocation.

The amendment would allow refineries to obtain more sugar under the quota by taking some allocation from nations not exporting as much sugar as they are allowed and giving it to nations that would export more sugar to the United States.

The amendment is supported by the United States Cane Sugar Refiners' Association and the following independent refineries: C&H Sugar in Crockett, CA; Colonial Sugar in Gramercy, LA; Savannah Foods in Port Wentworth, GA; Imperial Sugar in Sugar Land, TX.

In the past, we have failed to balance the refineries and the growers of the sugar industry successfully. This farm bill represents an opportunity to make a change before more refineries are forced to close. This amendment will help the country's sugar refining industry. It will not strip the domestic producers of any benefits.

Something must be done to save our sugar refining industry. Since 1981, 13 out of 23 cane refineries in the United States have been forced out of business. Here they are on this chart: Hawaii, Florida, Massachusetts, New York, Illinois, Florida, Louisiana, Pennsylvania, Louisiana, Missouri, and Louisiana. The loss of jobs between 1981 and today is over 4,000. Those refineries that do remain open today struggle to survive under what are very onerous import restrictions.

At the end of the last year, we had a debate and the Senate overwhelmingly, regretfully, voted to continue the sugar subsidy program. I continue to oppose these sugar subsidies, but I recognize there are not the votes to eliminate the sugar program right now.

I first became involved in this issue when David Koncelik, the president and CEO of the California and Hawaiian Sugar Company, known as C&H, informed me in 1994 that his 88-year-old refinery in Crockett, CA, was forced to temporarily close because it could not get cane sugar on the market to refine.

C&H is the largest refinery in the United States. It is the only such facility on the west coast. It refines about 15 percent of the total cane sugar consumed in the United States. The company is capable of producing and selling about 800,000 tons of refined sugar annually. It is currently producing about 700,000 tons.

Anyone who has driven from San Francisco to Sacramento and crossed the Carquinez Straits, as you go on to the bridge, you look down and you see this old, large brick refinery known as C&H. All of us grew up to the C&H commercial where they sang ''pure cane sugar from Hawaii''—something like that—and I have seen the struggle go on year after year.

Hawaii is C&H's sole source of domestic raw cane sugar. But the Hawaii sugarcane industry has been in decline now for over a decade. In fact, from 1996 through 2001, cane acreage fell by 50 percent in Hawaii, according to the Congressional Research Service. C&H can only make up for the lack of Hawaiian cane output by importing cane from other countries.

There is the rub. Our Nation's restrictive sugar import quota limits the amount of sugar available for C&H to refine. Simply put, C&H has been unable to get enough sugar to refine and has been forced to send workers home on several occasions.

In 1981, C&H had 1,313 employees. It is a union plant. In 1995, the company had 812. By 1999, that number dropped to 580 employees. Today, the refinery employs 565 workers.

The U.S. sugar refining industry will continue to be at risk unless we adjust this imbalance in the industry and reform the sugar program. This amendment provides an opportunity to provide immediate relief to C&H and the other domestic refineries without compromising one single benefit to sugar producers. It is going to be interesting to see if we can get it through, because even though it does not take anything from them, they still oppose this. I have a hard time understanding why. This is not an attack. It is simply a way to update and improve the quota system.

Let me repeat that. This amendment is not an attack on the sugar program. Sugar imports have been restricted almost continuously since 1934 in order to support high prices for domestic sugarcane and sugar beet producers. The USTR, working with the Department of Agriculture, allocates shares of the quota among 40 designated countries. Since the 1994 Uruguay Round of trade talks, the United States has allowed the designated countries to export 1.256 million tons of sugar to the United States under the quota. Today's sugar import restrictions are based on a formula derived from trade patterns that prevailed over a quarter of a century ago, and therein lies the rub and the major problem for domestic refiners such as C&H. The quota does not accurately reflect how much countries are able to export to the United States.

Some of the 40 designated countries have even been forced to provide an export allocation when they do not export any sugar at all. Does that make sense? I think not. In fact, according to the GAO, on the average, from 1993 through 1998, 10 of the 40 countries were net importers of sugar. This means they do not export sugar to the United States if they need to import sugar to their own country. Therefore, that allocation, that part of the quota, goes unused. Our refineries that would like to buy that raw sugar on the open market cannot buy it. It makes no sense.

Other countries continue to export sugar, but they have substantially reduced their production. For example, since the allocations were made, the Dominican Republic has experienced a 50-percent decline in sugar production, and the Philippines, a 27-percent drop, but the allocation for both countries has remained the same. If the Philippines is not going to export and the Dominican Republic is not going to export their quota, all we want to do is let some country get that shortfall and put it on the market to give our domestic sugar refiners the opportunity to buy it.

Some countries have substantially increased their sugar production but not seen the amount they are allowed to export to the United States increase. For example, since the allocations were made, Guatemala, Colombia, and Australia have increased their production by 219 percent, 96 percent, and 61 percent, respectively, while their shares of the allocation have remained the same.

Some countries have similar allocations under the quota despite dramatically different levels of sugar exports. For example, Brazil and the Philippines are both allowed to export 14 percent of the total quota, but Brazil

exports 21 times more sugar than the Philippines worldwide. It is unacceptable that quota allocations have not been revised for 20 years, or 2 decades, despite dramatic changes in the ability of many countries to produce and export sugar.

Is there a way to update the sugar export amounts allowed into the United States without adversely impacting growers? I believe there is, and the amendment I have offered will provide the slight change to the sugar export quota that is desperately needed.

The United States has imported on the average about 3 percent less sugar than the quota allowed from the 1996-through-1998 allocation because some countries did not fill their allocations. So there is that 3 percent out there. Since the sugar quota does not reflect the current capability of many countries to produce and export sugar, the GAO has concluded:

The United States Trade Representative's current process for allocating the sugar tariff rate quota does not insure that all of the sugar allowed under the quota reaches the United States market.

There is the point. There is the differential. The sugar that does not reach the market in the quota should be made available.

I would like to read some of the July 1999 report on the sugar program issued by the GAO:

The current allocation process has resulted in fewer sugar imports than allowed under the tariff rate quota. From 1996 through 1998, the United States raw sugar imports averaged 75,000 tons less annually than the amount USDA allowed the United States Trade Representative to allocate under the tariff rate quota. According to domestic refinery officials, this shortfall has exacerbated recent declines in the overall availability of raw cane sugar on the U.S. market.

If there is a shortfall in sugar exported to the United States, and refineries are shut down because there is not enough cane to refine, we need to allow the quota to be flexible when there is this shortfall. The amendment I have offered will reallocate unused sugar in the quota to other countries when there is an export shortfall. This is exactly what the USTR did as recently as 1995. It is also the precise recommendation of the GAO in its 1999 report. In suggesting change to the sugar program, the GAO advised:

Changes could include such actions as providing a means of reallocating the current quota.

All this amendment does is ensure the amount of sugar allowed to come into the United States is actually making it to the market. How is that so threatening to people? This opportunity to reallocate the quota when there is a shortfall will not hurt growers because the shortfall does not represent enough sugar to affect price. Of course, that is what they will say, that this will affect price. It will not affect price. It has not affected price before. There is no reason to believe it will affect it now.

In the 1999 report, the GAO found:

Because the shortfalls in the tariff rate quota reduced total U.S. sugar supplies by less than 1 percent, they had a minimal effect on the domestic price of sugar.

If you do not trust me, trust the GAO. The inefficiencies of the current import restrictions demand that Congress accept this amendment.

I respectfully ask my colleagues to support this amendment. It will help make the sugar program operate more effectively and efficiently. If this body can't accept this simple amendment, it clearly tells me that not only is the sugar allocation outdated, but it is essentially controlled to manipulate so certain people can do business while others cannot.

These refineries are very important. My Crockett refinery is the major source of jobs in that entire Crockett community. Each year, the CEO has to come back here to plead with his representatives in Congress:

I can't buy enough sugar on the market to keep my people employed. I pay them good salaries. It is important I be able to operate and refine sugar. I want to buy it on the open market and I can't—is simply wrong.

It is flawed public policy. I ask for this body's support to pass this amendment.

I ask unanimous consent to have printed in the RECORD an article from the New York Times.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New York Times, May 6, 2001]

SUGAR RULES DEFY FREE-TRADE LOGIC

(By David Barboza)

For anyone who thinks of the United States as a free-trade nation, the 10 story brick sugar refinery on Highway 90A here on the outskirts of Houston is startling.

The plant can produce up to 500,000 tons of sugar a year, enough to sweeten about 90 billion doughnuts. But while America has a sweet tooth, it does not need all that sugar. Indeed, America is swimming in sugar, largely because the sugar business is one of the economy's most protectionist niches. Sugar programs that protect growers from foreign competition cost American consumers almost $2 billion a year in higher prices for everything from candy bars to cold cereal, according to government studies. Artificially high prices have led to overproduction, leaving taxpayers the owners of one million tons of sugar that they pay $1.4 million a month just to store, some of it in Sugar Land.

Yet earlier this year the owner of the plant here—the Imperial Sugar Company, the nation's biggest sugar refiner—was forced to file for Chapter 11 bankruptcy protection, because it has lost so much money lately turning relatively high-priced raw sugar into the refined sugar it sells into a depressed, glutted market.

Now, refiners are demanding an overhaul of the sugar program. Consumer groups want it abolished. And even its backers and beneficiaries—big growers that are major donors to both political parties—are dissatisfied. They want more protection, complaining that new trade initiatives, like the North American Free Trade Agreement, threaten to undermine the industry and further depress the price of sugar.

Congress is now hearing testimony on these matters as it takes up a new farm bill. The conventional wisdom is that Washington is unlikely to scrap a program that has bipartisan support, any more than it has been prone to eliminate supports for other farmers.

But some lawmakers say sugar policy, in particular, is ripe for revision.

''Events of the past year indicate that the sugar program is becoming increasingly unmanageable and that radical reforms are needed urgently,'' said Richard G. Lugar, chairman of the Senate Agriculture Committee and a longtime opponent of the program.

At the heart of the debate is a sugar policy that since the New Deal has held that domestic growers ought to be shielded from the vagaries of the commodity markets. The current program, put in place in 1981, promised that kind of stability by limiting imports and making loans to growers.

But in recent years, helped by technology and weather, production has exploded. And government policies and price supports, on balance, encouraged farmers to abandon even more seriously depressed crops in favor of sugar beets and cane.

Overproduction sent prices tumbling, hurting growers. But the hardest hit were cane refiners. At times, the prices they paid for raw sugar were higher than those at which they could sell refined sugar.

If nothing changes, industry officials fear a feroclous one-two punch: the possible loss of cane-refining capacity at home, which could hurt food producers, and a steady rise in imports, which could wipe out both domestic growers and refiners.

Free-market economists say that might be the most efficient outcome, but no industry disappears without a fight. The refiners are just one of the interest groups that have stormed Capitol Hill.

None are so powerful as the nation's largest producer of raw sugar, the Flo-Sun Corporation of Palm Beach, Fla., run by Jose Pepe Fanjul and Alfonso Fanjul, Cuban exiles who created a sugar empire in the Florida Everglades and who are now big donors to both Republicans and Democrats.

Flo-Sun and other giant producers want to strengthen the program by putting new restrictions on domestic production of sugar beets and cane. They also want to limit the scope of any future trade deal that might lead to what they consider unfair competition.

''We don't believe we ought to sacrifice the American farmer to bring in sugar that is subsidized by other governments,'' said Judy Sanchez, a spokeswoman at U.S. Sugar, one of Florida's biggest cane producers.

Critics of the program—from food producers to refiners to consumer groups—would like the program discarded or significantly weakened.

''We want the program phased out,'' said Jeff Nedelman, a spokesman for the Coalition for Sugar Reform, a trade group that represents food and consumer groups, taxpayer watchdogs and environmental organizations. ''This is corporate welfare for the very rich. The program results in higher prices for consumers, direct payments by U.S. taxpayers to sugar growers, and it's the Achilles' heel of U.S. trade policy.''

Chicago, home of Sara Lee cakes and Brach's Starlight Mints candies, has aligned itself with the critics. A few weeks ago, Mayor Richard M. Daley and other city leaders announced that they would lobby Congress to end the sugar program, which they said was hurting the city's makers of candy and food by inflating costs.

Indeed, the General Accounting Office says the sugar program cost consumer about $1.9 billion in 1998, with the chief beneficiaries being beet and cane growers.

Senator Byron L. Dorgan, a North Dakota Democrat who is a strong backer of the

sugar program, says Americans are not being overcharged. Rather, he contends, prices on the world market are artifically depressed by surplus sugar from countries that subsidize production.

''The world price has nothing to do with the cost of sugar,'' he said. ''And my contention is that the program causes stable prices.''

Americans' appetite for sugar is measured in pounds. The average person in this sugar-saturated country consumes more than 70 pounds a year of refined sugar and that does not include most soft drinks, sauces and syrups, which are sweetened with high-fructose corn syrup.

But even that appetite is no match for current levels of sugar production. A record 8.5 million tons of sugar was produced in the United States in 1999, and that sent raw sugar prices tumbling to 18 cents a pound, the lowest level in 20 years. The Agriculture Department stepped in last June to buy 132,000 tons, at a cost of $54 million, or 20 cents a pound.

Imperial Sugar—already burdened by $500 million in debt because of an acquisition spree—was hit harder than anyone in the industry. The company was forced to buy raw sugar cane at about the same price that it could sell the finish product.

''We're out of gas before we turn the lights on,'' said I.H. Kempner III, Imperial Sugar's chairman, whose family acquired its first holdings in 1907. Imperial filed for bankruptcy protection in January.

The New York-based Domino, a unit of Tate & Lyle of Britain and a leading supplier of pure cane sugar to grocery chains, is also ''in desperate shape,'' said Margaret Blamberg, a spokeswoman. C&H Sugar, a big California refiner, is struggling both with low sugar prices and the state's rising energy costs.

For growers, the biggest threat is the political tide favoring free trade. Under Nafta, Mexico is getting greater access to the American sugar market. And in 2008, the agreement will give Mexico unlimited access to the American market.

Just how much Mexican sugar can enter the American market this year is in dispute. American trade officials say that about 100,000 tons of surplus sugar is allowed in, while Mexican officials say the figure is 500,000 tons. Under an agreement reached at the Uruguay Round of global trade talks in 1994, the United States is required to import about 1.1 million tons of sugar a year.

The solution, the growers say, is more protection for the industry. Two weeks ago, the House Agriculture Committee heard testimony from the major sugar producers, who proposed stricter market and production controls at home and more restrictive trade policies.

''You have to fix the big trade problems,'' said Luther Markwart, chairman of the American Sugar Alliance, which represents the major growers.

Trade experts, however, say the sugar program makes free-trade talk seem hollow.

''Sugar is a nightmare in terms of trade negotiations,'' said Prof. Robin A. King, an expert on trade policy at Georgetown University. ''This is one reason other countries get frustrated with our position on free trade. They say, 'We want to trade, but the items were produce you won't let in.' ''

Mrs. FEINSTEIN. I ask that the amendment be set aside. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HARKIN. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Iowa.

Mr. HARKIN. Madam President, what is the regular order right now in terms of amendments?

The PRESIDING OFFICER. The pending amendment is the Feinstein amendment.

AMENDMENT NO. 2836

Mr. HARKIN. Madam President, I ask unanimous consent that the pending amendments be set aside and ask for the regular order with respect to the Conrad amendment No. 2836.

This amendment has been agreed to by both sides, and I urge its adoption.

The PRESIDING OFFICER. The Conrad amendment is now pending.

Is there further debate on the amendment?

If not, the question is on agreeing to the Conrad amendment No. 2836.

The amendment (No. 2836) was agreed to.

Mr. HARKIN. Madam President, I move to reconsider the vote and move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2837 TO AMENDMENT NO. 2835

Mr. HARKIN. Madam President, I now ask for the regular order with respect to the Craig amendment No. 2835, and call up Senator GRASSLEY's second-degree amendment No. 2837, which is at the desk.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Iowa [Mr. HARKIN], for Mr. GRASSLEY, for himself and Mr. HARKIN, proposes an amendment numbered 2837 to amendment No. 2835.

Mr. HARKIN. Madam President, I ask unanimous consent reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To make it unlawful for a packer to own, feed, or control livestock intended for slaughter)

Strike all after ''**SEC.**'' and insert the following:

10___1. PROHIBITION ON PACKERS OWNING, FEEDING, OR CONTROLLING LIVESTOCK.

(a) IN GENERAL.—Section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192(f)) (as amended by section 1021(a)), is amended by striking subsection (f) and inserting the following:

''(f) Own or feed livestock directly, through a subsidiary, or through an arrangement that gives the packer operational, managerial, or supervisory control over the livestock, or over the farming operation that produces the livestock, to such an extent that the producer is no longer materially participating in the management of the operation with respect to the production of the livestock, except that this subsection shall not apply to—

''(1) an arrangement entered into within 14 days before slaughter of the livestock by a packer, a person acting through the packer, or a person that directly or indirectly controls, or is controlled by or under common control with, the packer;

''(2) a cooperative or entity owned by a cooperative, if a majority of the ownership interest in the cooperative is held by active cooperative members that—

''(A) own, feed, or control livestock; and

''(B) provide the livestock to the cooperative for slaughter; or

''(3) a packer that is owned or controlled by producers of a type of livestock, if during a calendar year the packer slaughters less than 2 percent of the head of that type of livestock slaughtered in the United States; or''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by subsection (a) take effect on the date of enactment of this Act.

(2) TRANSITION RULES.—In the case of a packer that on the date of enactment of this Act owns, feeds, or controls livestock intended for slaughter in violation of section 202(f) of the Packers and Stockyards Act, 1921 (as amended by subsection (a)), the amendments made by subsection (a) apply to the packer—

(A) in the case of a packer of swine, beginning on the date that is 18 months after the date of enactment of this Act; and

(B) in the case of a packer of any other type of livestock, beginning as soon as practicable, but not later than 180 days, after the date of enactment of this Act, as determined by the Secretary of Agriculture.

Mr. HARKIN. Madam President, I will speak a little bit now on this amendment and what it pertains to, but I am offering this on behalf of Senator GRASSLEY, my colleague from Iowa.

This is an amendment to the Craig amendment. Senator GRASSLEY, unavoidably, could not be here today. He has to be back in the State of Iowa. But, obviously, we will not be voting on this until next week anyway. But we wanted to lay this down today.

I am going to take the time now just to talk a little bit about this amendment and what it does. And then, of course, my colleague, Senator GRASSLEY, will further elaborate on this when he returns after the weekend.

As my colleague from Idaho, Senator CRAIG, mentioned yesterday, there has been a great amount of hype surrounding Senator JOHNSON's amendment that bans packer ownership. I cosponsored that amendment. The chief cosponsor, of course, was Senator GRASSLEY from Iowa. Now, Senator CRAIG wants to replace the Johnson amendment which was adopted in the Senate, with a study because Senator CRAIG says he has some concerns about how the Johnson amendment will work.

The basic concern—as I understand it, and as I listened to the speech last night and have read the RECORD—is over the word, ''control''; that somehow there is a confusion about ''control'' and whether ''control'' would prohibit any kind of contracting relationships that a packer might have with a producer.

Certainly, I believed when the Johnson-Grassley amendment was adopted that it was quite clear in the legislative language, and in the legislative history, that the amendment did not in

any way preclude various types of contracting arrangements, such as forward contracting, for example.

But those who are representing the huge packing industry have come in and kind of muddied the water. They have clouded it up and said: Oh, no, this may take away a farmer's right to contract. Of course, I have heard from some of my farmers in Iowa, who, first, do not want packer ownership of livestock because they know how badly that affects them, but, second, they do not want to have interference with contractual relationships they might want to make with packers.

So to take care of any lingering concerns about this issue of ''control,'' Senator GRASSLEY is offering a second-degree amendment to Senator CRAIG's amendment.

In essence, Senator GRASSLEY's amendment, which I have asked to be a cosponsor of, will make it clear that while packers will not be able to own livestock, farmers will still be able to use contracts if they want to.

As I said, there has been a lot of sort of hubbub going on around the Johnson amendment. Earlier this morning, I engaged in a colloquy with my friend from Minnesota, Senator WELLSTONE. And there were these egregious ads taken out in the Sioux Falls Argus Herald by one large packer, Smithfield Foods, Incorporated. The person who signed that was Mr. Joseph W. Luter, III, chairman and chief executive officer of Smithfield Foods, Inc. We talked about this ad and how egregious, how bad it is. It really is economic and political blackmail in the way this ad was written and what they are threatening to do. So again, to clear this up, Senator GRASSLEY and I have offered this amendment to help address this type of economic strongarming.

What the bill said, and what the legislative history made clear, is that packers could no longer own livestock, but the farmers could still contract and enter into these marketing agreements.

Well now, how did the industry, the packing industry, create all this fuss? They did everything in their power to confuse and scare farmers, by making the conclusory statement that the Johnson legislation would ban contracting. In one paper, which Senator CRAIG referenced last night, eight economists made the same false assumption that the prohibition of packer ''control'' of livestock would affect contracting.

Why the economists assume this, I do not know. The economic paper provided no legal analysis. I am told that none of the eight economists is a lawyer or has had any training in the law. The economic paper provided no legal analysis. In fact, to my knowledge, the opponents of this ban, the big packers, have never released any type of legal analysis to the public. They have just said this as a scare tactic. I guess the reason they have not released any legal analysis is because it would not survive legal or public scrutiny.

The economists relied on an incorrect legal assumption. So they relied on an incorrect legal assumption, and they provided a detailed analysis based on that incorrect legal assumption. And, of course, the packing industry and the press ran with it.

Thankfully, three lawyers who have worked in agriculture for years and are some of the best known in the field pointed out the fallacy of the economists' assumption. Roger McEowen of Kansas State University, Neil Harl of Iowa State University—whom I know personally is both a lawyer and an economist—and Peter Carstensen of the University of Wisconsin Law School, the three of them thoroughly explained that the word, ''control,'' has a very predictable meaning in the law and that it does not affect contracting.

Madam President, I will not read it, but I ask unanimous consent to have printed in the RECORD the analysis and statement by these three individuals regarding the legal standpoint issue of ''control.''

There being no objection, the material was ordered to be printed in the RECORD, as follows:

From a legal standpoint, ''control'' issues arise frequently in an agency context in situations involving the need to distinguish between an ''independent contractor'' and an ''employee'' for reasons including, but not limited to, liability and taxation. Typically, the existence of an agency relationship is a question of fact for a jury to decide. At its very essence, whether a relationship is an independent contractor relationship or a master-servant relationship depends on whether the entity for whom the work is performed has reserved the right to control the means by which the work is to be conducted. Under many production contract settings, the integrator controls both the mode and manner of the farming operation. The producer no longer makes many of the day-to-day management decisions while the integrator controls the production-to-marketing cycle. The integrator is also typically given twenty-four hour access to the producer's facilities. Conversely, forward contracts, formula pricing agreements and other types of marketing contracts typically do not give the integrator managerial or operational control of the farming operation or control of the production-to-marketing cycle. Instead, such contracts commonly provide the packer with only a contractual right to receive delivery of livestock in the future. While it is not uncommon that livestock marketing contracts contain quality specifications, most of those contract provisions relate exclusively to the amount of any premium or discount in the final contract payment for livestock delivered under the contract. Importantly, the manner in which quality requirements tied to price premiums are to be satisfied remains within the producer's control. Accordingly, such marketing contracts would likely be held to be beyond the scope of the legislation's ban on packer ownership or control of livestock more than two weeks before slaughter. Thus, a packer would still have the ability to coordinate supply chains and assure markets for livestock producers through contractual arrangements provided the contracts do not give the packer operational and managerial control over the livestock producer's production activities.

Mr. HARKIN. So even with the assurance from these three legal experts, the opponents continue to raise doubts about the Johnson amendment's effect on contracting, even to the extent that some of the original supporters of the ban now want to set it aside because they, too, are concerned about this control issue. We cannot take this step backward.

Recently, Senator GRASSLEY and I, and others, have been working with some of these legal experts, as well as the American Farm Bureau, to develop an amendment that takes away any need to delay further any ban on packer ownership. This amendment makes it even clearer that while packers cannot own livestock, farmers still have the ability to forward contract and enter marketing agreements.

Let me describe how this amendment works.

Essentially, this amendment says that a packer can forward a contract or enter into any type of marketing agreement as long as the producer continues to materially participate in the management of the operation with respect to the production of the livestock. The key phrase here is, ''materially participate.''

Why do we choose those words? Because there is a well-established definition to the phrase. Every farmer knows the phrase. Every attorney who works with the farmers knows well the importance of the term. That is because a farmer who materially participates in the farming operation must pay self-employment taxes. Those who do not materially participate do not have to pay self-employment taxes.

The phrase has appeared in the IRS Code, section 1402(a) since 1956. To say that there is overly abundant case law and administrative comment and law review articles about the term would be an understatement.

The legal community, the tax community, and the farm community know the difference because it is simply the difference between having to pay self-employment taxes or not paying them.

What does this mean for forward contracts and marketing agreements? This amendment does not affect them. I know that farmers in Iowa who sell hogs under marketing agreements or who sell cattle under forward contracts materially participate because they pay self-employment taxes. Because the farmers materially participate in the management of their livestock production, this amendment will not affect their contracts.

This amendment takes care of any concern that people had about the original law being unclear. It definitely takes care of anyone's concern about the law's effect on contracting. This amendment also maintains the same exemption from Senator JOHNSON's original amendment; that is, it exempts cooperatives as well as small packers who slaughter less than 2 percent of the national slaughter.

Therefore, many of the innovative startup projects operating and being

formed to get producers greater bargaining power in the market will not be affected by this amendment.

I have to say something about Senator CRAIG's amendment in which he wants further study. Around here we know that an amendment to do a further study is killing the amendment—especially this one. Senator CRAIG says we need more information. We have been there. The USDA has released a number of studies and papers on the issue of packer ownership and captive supply over the years, and the only thing that is clear is that the issue begs for policy clarification from Congress.

Just in the past few years, the USDA released a major study on the procurement practices in the Texas panhandle as well as a recently released paper on the captive supply of cattle. This paper, which was released on January 18 of this year, included a 15-page appendix that lists the numerous studies already conducted. Senator CRAIG wants more studies.

What do these studies find? They find a strong correlation between increased captive supplies and lower prices. The correlation is there. But the studies usually find that it is too hard to tell for sure whether one causes the other.

It seems that the USDA is never going to be able to tell for sure. Someone can always create doubt. It is precisely in these types of situations that Congress should step in and clarify that certain practices such as packer ownership are illegal, to clarify it once and for all.

It really boils down to this: If you believe that the top four packers of cattle in this country who control 81 percent of the market should be able to own livestock in a captive situation—if you believe that—you want to vote for Craig. You don't want to vote for the Grassley amendment. But if you believe that those independent cattle producers in Missouri, Iowa, South Dakota, Nebraska, Texas, and Kansas—all over the Midwest and the West—if you believe those independent producers ought to have some bargaining power and be able to bargain and negotiate with those top four packers on prices and have some independence and be able to own their livestock or to contract it, then you will want to vote for the Grassley amendment.

That is what it is all about. You have huge packers who want to own livestock, who now own livestock. And here is the way it works. The packer owns the livestock. The farmer comes in. When cattle are ready to sell, you can't keep them around much longer; you have to sell them. So you go to the packer, and the packer says: Here is how much money I will give you for them. The livestock producer says: That is not enough. The packer says: Take it or leave it, because I have my own cattle which I can feed through the packinghouse, and I know you can't keep those cattle for another 14 days on feed.

There you go. They squeeze them. It is called economic concentration, and they squeeze those independent producers. They are going out of business right and left.

In my part of the country, we like to have a good livestock industry. You have balance. Sometimes when grain prices are low, you get high livestock prices. If livestock prices are low, you get higher grain prices. You have a good, even income for farmers who may have both livestock on feed, whether it is cattle or hogs, and grain production.

This takes away from those independent farmers a valuable source of income and livelihood.

Packer ownership does not help farmers. The packers get an increased ability to manipulate the markets. When packers lock up the chain space, as they say at the packing plant, the farmer does not have access to the market. We don't need a study. We have had enough studies. We need good, clear legislation. The Grassley amendment that prohibits the ownership of livestock by packers clears this up once and for all.

Studies we don't need. We don't have to wait for studies. We have had plenty of them. Our farmers have been calling for action for years. Literally dozens of farm, commodity, rural community, and religious groups seek a ban on packer ownership. The two largest general farm organizations, the American Farm Bureau and the National Farmers Union, have explicit policy against packer ownership. They don't call for more delay. They don't call for more wringing of hands, for more studies that never seem to come to fruition. They want us to respond to the real problems that real farmers have out in the countryside today.

Our farmers deserve more than just another study that is not going to show anything. They want real reform in the livestock markets. I think it is time to give them what they need and what our country needs. If we really believe in the market system, and we believe in many players and transparency and openness, how can you vote to let four of the top packers of livestock who control 81 percent of the market control all the inputs? That is not a free market. What our livestock producers are calling for is a free market. That is what we are calling for.

I compliment my colleague from Iowa, Senator GRASSLEY, for his amendment and for working with us—and the staffs working together with others—on a bipartisan basis to clear this up once and for all. When we get back next week, we will speak again about this.

Over the weekend, there should not be any doubt in anyone's mind that the Johnson amendment would prohibit forward contracting. It doesn't. But in case there is any lingering doubt, the Grassley amendment clears it up and makes it explicitly clear that this amendment will not prohibit contracting relationships between farmers and packers.

I yield the floor.

The PRESIDING OFFICER (Mr. WELLSTONE). The Senator from Ohio.

Mr. DEWINE. Mr. President, I rise today to thank Senators LUGAR and HARKIN for the hard work they have demonstrated on this bill. I also thank them for accepting a sense-of-the-Senate resolution that is similar to a resolution I introduced earlier this week along with nine of my colleagues: Senators BINGAMAN, DAYTON, DORGAN, KERRY, SARBANES, CHAFEE, DODD, HAGEL, and LOTT.

Our resolution highlighted the important role effective foreign assistance programs play in fostering political stability, food security, rule of law, democracy, and ultimately peace around the world.

Our resolution, as we originally introduced it, expressed the sense of the Senate regarding the importance of U.S. foreign assistance programs as a diplomatic tool for fighting global terrorism and promoting U.S. security interests.

Many times we think about foreign assistance as just humanitarian assistance, helping other people. We have an obligation to do that. We forget, though, that when it is used effectively, it is a good foreign policy tool.

In fact, it is an essential foreign policy tool. Tragically, I believe we have seen the amount of money that we put into foreign assistance go down in real dollars within the last 20 years. So as we try to carry out American foreign policy, that tool is simply not there as much as it used to be.

Without question, there is a direct link between foreign aid programs and the self-sufficiency and stability of these developing countries. The reality is that when we go into a developing, impoverished, or war-torn nation and give the suffering people assistance, we can make a positive difference. We can feed starving children, care for the sick and elderly, house countless orphans, and teach people new and more effective methods of farming. If we do these things, the people of those nations would be better able to pull themselves out of hopelessness and despair. These assistance programs must be looked at not just as a handout but literally, as we always say, a hand up, giving people the opportunity to help themselves.

Chaos, poverty, hunger, political uncertainty, and social instability are the root causes of violence and conflict around the world. We know this. We also know we must not wait for a nation to implode before we take action. We must not wait for a nation's people to suffer from poverty, disease, and hunger. We must not wait for the rise of despotic leaders and corrupt governments, such as the Taliban.

I believe we certainly have a moral obligation to those in the world suffering at the hands of evil leaders and corrupt governments. We have a moral obligation to the 1.2 billion people in the world who are living on less than $1 a day. We have a moral obligation to

the 3 billion people who live on only $2 a day. This kind of poverty is unacceptable and, quite candidly, it is dangerous to us and to the stability of the world. I think it is something we have to work to change. It is in our self-interest that we do so.

The fact is that foreign assistance has had an enormous impact when applied effectively. For example, over the past 50 years, our assistance has helped reduce infant child death rates in the developing world by 50 percent. We also have had a significant impact on worldwide child survival and health promotions, through initiatives, such as vaccinations and school feeding programs.

Agriculture is certainly another area of great success. Today, 43 of the top 50 countries that import American agricultural products have in the past received humanitarian assistance from the United States. Today, they are our customers. Our investment in better seeds and agricultural techniques over the past two decades have made it possible to feed an additional 1 billion people throughout the world.

Despite its importance and immeasurable value, our overall foreign affairs budget has been stagnant for the past 20 years. As I said, in real dollars, it has gone down. We currently use only about one-half of 1 percent of our Federal budget for humanitarian assistance. Yet this assistance is absolutely critical for people in war-ravaged, politically unstable, impoverished nations. The children, the elderly, and the civilian people are not responsible for the political and economic turmoil in their homelands, but they are the ones who always end up suffering the most.

Right now, increases in foreign assistance could make a very real difference around the world. One example is in our own backyard, and that is in the country of Haiti. I recently returned from a trip to Haiti, where I witnessed the tremendous devastation, destitution, and desperation of that country located less than 2 hours by plane from the shores of Miami.

Haiti remains the poorest country in the hemisphere. Democracy and political stability continue to elude the Haitian people. The already-dire humanitarian conditions of Haiti's 8.2 million people continue, tragically, to deteriorate. Today, less than one-half of their population can read or write. The country's infant mortality rate is the highest, by far, in our hemisphere. At least 23 percent of the children up to age 5 are malnourished. Only 39 percent of Haitians have access to clean water, and diseases such as measles, malaria, and tuberculosis are epidemic.

Haiti is also suffering from an AIDS crisis—really an epidemic. Roughly 1 out of 12 Haitians is living with HIV/AIDS. This is the highest rate in the world, outside of sub-Sahara Africa. According to the Centers for Disease Control projections, Haiti will experience up to 44,000 new HIV/AIDS cases this year, and that is at least 4,000 more than the number expected in the United States. We have a population, obviously, a great deal higher than Haiti. They have a population of about 8 million people. Ours is nearly 35 times larger than theirs.

In addition, there are an estimated 30,000 to 40,000 deaths each year in Haiti from AIDS. Already, AIDS has orphaned 163,000 children. That number is expected to skyrocket to between 320,000 to 390,000 over the next 10 years. Haiti also continues to suffer from an unnecessarily high HIV transmission rate from mother to child. Some of this is easily prevented through proper counseling and medication. Currently, only one clinic in Port-au-Prince provides these critical, lifesaving services.

Indeed, things are bad in Haiti, and they stand to get only worse. Right now there is a great deal of money that the international community is holding up, awaiting reforms to be made, awaiting the Government of Haiti to settle disputes concerning the May 2000 election. I believe it is correct to withhold that money. But what it means is that the only assistance coming from many countries—certainly the only assistance coming from the U.S.—is the purely humanitarian assistance that does not go through the Government. That purely humanitarian assistance has gone down and down and down. We have taken it down for the last few years. The prospects are that we will take it down again this year. I think that is, quite bluntly, a mistake. It is a mistake for us to continue to reduce this humanitarian assistance. This is not money that is going to the Government of Haiti. This money is going to NGOs, private organizations, charitable groups that are dealing directly with the people of Haiti, who are helping with agricultural problems and challenges and helping them feed their children through school feeding programs and helping them with the AIDS problem. All of this work is done directly on the ground by people who are making a difference.

I think we should reconsider our position—the position we have seen in the past few years of continuing to ramp down that assistance that goes directly to these NGOs and to the people of Haiti. I believe we have a moral obligation to stay committed to these people, irrespective of what the Haitian Government does or does not do. The reality is that we need to increase foreign assistance across the board, not just the money that goes to protect the Haitian people but the much-needed aid that reaches all corners of the developing world. While we as a Nation must project strength, we also must project compassion.

Quite simply, providing humanitarian assistance is the right thing to do. It is also in our national interest to do it.

I yield the floor.

The PRESIDING OFFICER. The Senator from Alaska is recognized.

ENERGY POLICY

Mr. MURKOWSKI. Mr. President, I rise today to bring to the attention of my colleagues the coming debate on the energy bill which will be before this body sometime next week, at the pleasure of the majority leader, of course. I want to share with my colleagues the concern I have that somehow in this energy bill we may get into a debate—and it may be more than a debate. It may be pointing fingers at one another—with regard to the Enron situation. I think it is fair to say there is a lot of blame around here.

The objective and responsibility we have is to correct the damage that has been done to ensure it does not happen again, and if indeed we can find accountability, we should proceed with that process because that is part of our job.

In my opinion, as the former chairman of the Energy Committee and ranking member currently, we have going on a little politics both in the House and Senate. We are trying to create a political issue out of the Enron failure. I think it is fair to say at least some are not particularly interested in the facts. They are more interested in the rhetoric, which occasionally occurs around here.

What we have seen is the devastation with the employees, the stockholders, the billions that are lost, and retirement funds that have been wiped out. Indeed, I think we have to focus on the reality that this is a series of lies, a series of deceits, a series of shoddy accounting, a series of corporate misconduct, a series of coverup. That is the bottom line. It should not have happened, but it did happen. I think it is fair to say our obligation goes to trying to protect the consumers and protect the stockholders.

One of the interesting things, though, as one who has followed the energy process very close, the failure of Enron really had nothing to do with the market price of electricity, the market price of national gas, or the market price to consumers in this country. It is very important to understand the system worked. In other words, Enron was buying and selling energy. They were not a great producer of energy. When they basically failed, those who were supplying Enron simply moved to other distributors. So the consumer was not hurt. Keep that in mind. This was a failure internally within this corporation that affected a lot of people, but it did not affect the ratepayers nor the supply in this country. The private system basically worked.

What are some of the issues surrounding the political gain or political consequences? I think we have to agree we should try and look at a bipartisan effort to present real solutions to America's energy problems. Some are interested in demonizing the President and the Vice President with stories that are somewhat misleading and off the focus of the reality of why this corporation failed. We have seen our good

friend over in the House, Congressman HENRY WAXMAN, issue a white paper entitled, ''How the White House Energy Plan Benefited Enron.'' That is a pretty broad accusation.

Now I want to try and balance that a little bit because the Congressman asserts many policies in the White House energy plan are virtually identical to the positions Enron advocated. I want to look at the record for a few minutes.

The intended inference of the report, no matter how inaccurate, is that the administration's national energy policy was written solely to benefit Enron.

In my opinion, the logic of the Congressman leaves a little bit to be desired. To use that logic, we should be critical of any energy bill that helps meet our Nation's growing energy needs just because a company, for that matter any company, even one producing renewable energy, could benefit.

It is true some elements of the administration's energy policy are consistent with the views of Enron, but it is also true that far more elements of the Clinton administration's energy policy were consistent with the views of Enron.

I think we have to look at some of the facts. I am prepared to do that in the next few minutes. For example, one of the elements, according to a Washington Post story on January 12, in a meeting when Secretary of Energy Peña under the Clinton administration, and Ken Lay, who was the head of Enron, pressed the Clinton administration to propose legislation that would assert Federal authority over a national electricity market—now this is what the previous administration basically did. It was kind of interesting because some of the material that comes out of the research that is done by the media, that addresses some of the backroom meetings that went on, deserve the light of day, and I am prepared to share that briefly. I met with Ken Lay in my office on one occasion.

The purpose of Mr. Lay's meeting with me was to encourage me to support deregulation at a time certain of America's electric energy market. Under the deregulation plan he supported, there would be a simultaneous definite date under which various States would come in under deregulation. I was opposed to that.

That had happened, of course, in the California situation where we had a cap by the State of California on retail, and I felt we could not simply mandate everybody come in at the same time under deregulation. The fact that some have deregulated, like Pennsylvania, Texas, and other States, it has gone very well. Those States have seen a reduction in their electric rates. It still was not a perfect process. The States should have the opportunity for innovation and to deregulate over a period of time.

According to a company version of the meeting, Lay and Peña, after my meeting with Lay, agreed that a go-slow approach to deregulation advocated by the Senate Energy Committee's chairman, FRANK MURKOWSKI, Republican of Alaska, was unacceptable. In other words, Peña had asked Enron officials to keep the Energy Department staffers posted on developments in Congress.

The point I want to make, and make very clear, is it would not have been in the national interest to have followed the objective of Ken Lay and Enron to open up simultaneous deregulation of the electric market. As indicated in the memorandum, in the meeting with Peña and Ken Lay—and Peña, again, was Secretary of Energy at that time—they agreed that my approach was too slow and unacceptable.

I want to compare where we are today because this is the issue, or the accusation, that somehow the energy plan proposed by the administration was out of the Enron playbook. I want to compare where the current energy bill is relative to the specifics that would be applicable to Enron if Enron were still a functioning corporation. So let us look at many of the elements of Senator DASCHLE's energy bill because I believe many of them are straight out of the Enron playbook in asserting Federal authority over a national electric market. I think it should be pointed out that Enron has never wanted to deregulate electricity. Instead, they want to Federalize electricity. Now there is a difference. It is the regulatory process. Enron wanted different regulations, not deregulation in the sense of my last remarks where I indicated the only thing they would support was simultaneous deregulation.

So they wanted different regulations. They wanted to preempt States and put FERC, the Federal Energy Regulatory Commission, in charge. Enron wanted to create a one-size-fits-all system that benefits national marketers such as Enron—Enron is a national marketer. They did not produce power—and, on the other hand, ignore local concerns and interests, which is one of the reasons I objected. Enron wanted special provisions of particular benefit to that company.

I think Enron had every intention of getting a movement in their direction, and they had access to take their plans directly to the upper echelons of the leadership, and they did. What is the result? Let me share the result because this is where we are today. This is what this body is going to be looking at next week when we take up the Daschle energy bill.

First, this bill did not come before the committee of jurisdiction. That is the Committee on Energy and Natural Resources. I am the ranking member. It was crafted in secret. It was crafted in violation of traditional Senate rules. And, in my opinion, to a large degree, it would have benefited Enron because the Daschle bill grants further authority to restructure the electric power industry. It allows FERC to take any action it may deem appropriate to create competition as FERC sees fit. The Daschle bill grants FERC open access to all transmission lines. It gives FERC authority over transmission not now within the purview of federally owned and State owned. The Daschle bill creates uniform reliability standards under FERC control. That is something Enron opposed. The industry consensus relied on this because it would allow for regional differences. They did not want regional differences.

The Daschle bill includes transmission information disclosure. That benefited Enron's trading activities, provisions that require disclosure for potential commercial sensitive transactions that would have given Enron a complete and competitive advantage and helped them game the electric power mark.

Further, the Daschle bill offers a special transmission access and benefit for wind generators and a renewable portfolio standard of benefits. As we know, Enron owns wind generation companies.

The Daschle bill includes Federal preemption of States on consumer protection. Enron wanted a uniform regulatory system, equally acceptable across State lines, regardless of different needs in different States.

Finally, the Daschle energy bill includes nationwide uniform interconnection standards. Again, Enron wanted a unified national system without talking and taking into consideration regional concern.

That is a partial wish list. As we look at the allegations back and forth of whose bill favors Enron, we should look at it fairly and objectively. This is a virtual wish list, in my opinion, for a company that made millions and millions of dollars trading electricity nationwide.

Enron's main goal was to create the federalized system found to a large degree in the Daschle bill before the Senate. By knocking down State rights in exchange for Federal command and control, Enron would have gained the substantial advantage in energy markets at the hands of State protections of consumers. In other words, the State has the obligation to protect its consumers.

One Senator referred to the Bush energy plan the other day as ''a cash and carry'' for Enron. If that is the case, perhaps the approach we have in the majority leader's bill ought to be ''a quick check'' as Enron got far more money and would have gotten far more money in the proposed bill before the Senate, the Daschle bill, than it did under the Bush energy plan. As I say, those who live in glasshouses should not throw stones and perhaps should not take baths.

I conclude with the situation surrounding the committee of jurisdiction, the Committee on Energy and Natural Resources. We talk about ensuring that we have an energy supply to meet our Nation's needs. There is one place in this country where energy

is in great demand. In my opinion, that is this body of the Senate. Energy, energy, everywhere, in all sorts of committees—except one committee. That is the committee where it belongs, the Energy and Natural Resources Committee.

Through a press release issued late last October, Senator DASCHLE basically pulled the plug on the Energy Committee: The Senate's leadership wants to avoid quarrelsome, divisive votes in committee. That was how the release read.

What happened was, clearly, the majority leader did not like the writing on the wall, so he basically took and created his own bill and introduced it as the bill that will be considered by this body. I think the development of that bill was in the worst traditions of the Senate and was done without the open process associated with the committee requirements. There was no opportunity for Republican or Democrat amendments, and it was done far out of the reach of the public or input of the reach of the public, out of the glare of the media. That fact, in itself, should have the media howling. But I don't hear many of them howling. But their silence on that fact has been somewhat deafening.

In doing so, the committee of jurisdiction has simply not been allowed to meet. That is in clear violation of committee rules and Senate rules. But we have not met on any markup since October. That is a mandate from the majority leader to the committee chairman, Senator BINGAMAN.

What frustrates a lot of Members on the committee is that this is applicable only to the Energy Committee. Other committees have been allowed to meet, and they have not been pushed aside. For example, the Commerce Committee has been allowed to meet because they are having a vigorous debate about the controversial issues, CAFE standards for automobiles. It is a legitimate debate, and it belongs in the Commerce Committee. It is an energy debate that should be aired in public, in the press, and under scrutiny of public opinion. That is current. But the committee of jurisdiction is not allowed to meet on the underlying bill.

The Environment and Public Works Committee has been allowed to meet. They are having a vigorous debate about a controversial issue, and that is Price-Anderson, to help the nuclear plants that are online in this country. Again, it is an energy debate that should be aired in public, in the press, and under scrutiny. It is being done. Yet the underlying committee of jurisdiction is forbidden from meeting on the energy bill.

The Finance Committee has been allowed to meet. They are debating a wide variety of tax provisions to help spark the next generation energy sources for the country. Again, it is the energy debate that should be aired in public, in the press, and under scrutiny. And it is in the Finance Committee. But where is the Energy Committee, the committee of jurisdiction? Silenced—totally silenced in this debate.

As the ranking member, I will not be silenced. I don't think this is a fair process. We are using every avenue available to help make certain the Americans hear the voice on the other side in this debate. We will continue our effort to carry out the challenge that President Bush laid out in his State of the Union to make this Nation more secure in the face of the volatile and dangerous world in which we live. Energy security must be part of that debate, even if the Energy and Natural Resources Committee is not allowed to meet.

Finally, let me generalize on what the Daschle-Bingaman energy bill, S. 1766, provides. In general, the bill contains very little in the way of increasing domestic production of conventional forms of energy—oil, natural gas, coal, and nuclear. As a consequence of our energy dependence on imported oil, we are about 57 percent dependent. On September 11, we were importing just over a million barrels a day from Iraq. Currently, that is 750,000 barrels a day. One has to question whether indeed an energy bill should address our increased dependence on foreign sources of oil.

I am often reminded of a statement made by Mark Hatfield, who served in this body for a long, long—long time. He headed up the Appropriations Committee. He was a pacifist, if I can characterize him to some degree. But on this issue of increasing our imports of oil from the Mideast, he often said: I will support opening up ANWR, opening up oil discoveries domestically, on any occasion, rather than send one more American, man or woman, overseas to fight a war on foreign soil over oil.

That is what part of this debate is going to be about, because we have opportunities to increase domestic oil production. Some are going to say that we have other forms of energy, let's use them. We do, but the world moves on oil. Until we find another alternative, we are going to be increasing our dependence on very unstable sources: Iraq, Iran, Saudi Arabia. The consequences of that to the American people are, I think, severe.

We are going to have a debate in this body. There is going to be an effort to filibuster. The National Environmental Policy Act groups have been against us. This has been a cash cow for them. Opening up ANWR specifically is the lightning rod. Those organizations have gotten together and put fear in the American people that it cannot be opened up safely.

They suggest it is a 6-month supply. That is absolutely ridiculous. That would be like assuming there was no other energy produced in this country or imported for a period of 6 months.

They say it is somewhere between 5.6 and 16 billion barrels. If it were in the middle, 10 billion barrels, it would equate to about 25 percent of the total crude oil produced in the United States. It would be the largest discovery, if you will, other than Prudhoe Bay. That is more oil than the proven oil reserves in Texas. Some say it will take 10 years. We built the Empire State Building in less than 2 years. We built a pipeline in a couple of years—800 miles. By permitting, we could get this oil on line in a couple of years.

When Members are going to vote on this issue, they are going to be torn by the pressures from America's environmental community that has milked this issue like a cash cow, for money and membership. When we eventually pass it, they are going to move on to another cause, make no mistake about it. I think we are all practical politicians who recognize that.

So these Members who stand here are going to have to make a vote on whether to be responsive to the environmental groups or do what is right for America—that is, to reduce our dependence on imported oil.

This bill favors reduction in energy demand through the creation of new Federal agency efficiency standards—I am talking about CAFE—and it also focuses on fuel and renewable energy technologies, all of which I support. But we have to be careful and recognize that it is very easy to set a goal for 2015 of 37 miles per gallon. We are around 24 miles per gallon now. Because in the year 2015 a lot of us are not going to be here, we are not going to be held accountable. So it is very convenient to put that off and say let's achieve a standard of 37 miles by the year 2015.

We have to concern ourselves with the safety of the automobiles. We have to concern ourselves with the mandate that Government is going to dictate what kind of car you drive, jobs protection in the industry—OK? These are considerations that I believe are paramount in the discussion on CAFE standards.

Some suggest the alternative is to let a scientific process set an achievable increase in CAFE standards, or mileage. That is the position I favor. Let's do what is attainable so we can be held accountable, not being held accountable by the year 2015, or thereabouts, for an amount that may not be practical, achievable, or maybe at a cost that is prohibitive—or at a cost of safety or maybe at a cost of jobs.

Further, this legislation does not appear to solve the pressing energy problems the United States will face in the next decade, acting, instead, as the energy policy for 50 years from now. That is not what we want to do. That is just putting it off. By our account, this bill creates 40 Federal programs, 12 new Federal offices, and authorizes 41 new studies related to energy policy.

I am going to have a lot more to say about this later. I conclude my remarks again with the reference that each Member here is going to be held

accountable for his or her vote and that accountability should be on what is right for America, not what the environmental lobby dictates.

I yield the floor.

I ask unanimous consent an article appearing in the AP entitled ''U.S.-British Planes Bomb Iraq'' dated Monday, February 4, be printed in the RECORD. We are importing 750 million barrels a day from Iraq at the same time we are bombing them.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Associated Press, Feb. 4, 2002]

U.S.-BRITISH PLANES BOMB IRAQ

(By Ben Holland)

INSTANBUL, TURKEY.—U.S. and British planes patrolling a no-fly zone over northern Iraq bombed Iraqi air defense systems Monday in response to anti-aircraft fire, U.S. officials said.

It was the first time U.S. and British planes had bombed Iraq's north since the Sept. 11 terrorist attacks, said Capt. Brian Cullin, a spokesman for U.S. European Command in Stuttgart, Germany. The bombing came amid rising debate on whether Iraq will be the next target of the U.S. anti-terror campaign.

The bombs were dropped after Iraqi forces northeast of Mosul in northern Iraq fired on a routine air patrol, the U.S. European Command said in a written statement.

''All coalition aircraft departed the area safely,'' the statement said. Cullin said it would not be clear for some time how much damage was done to the Iraqi targets.

U.S. and British planes based in southeast Turkey have been flying patrols over northern Iraq since September, 1996. The two countries say the operation is designed to protect the Kurdish population of northern Iraq from Iraqi leader Saddam Hussein.

''There's a day-to-day commitment made by three very strong coalition partners . . . toward a population we still feel we have an obligation to protect,'' Cullin said.

Expectations that Iraq could be the next target of the U.S.-led anti-terror campaign were strengthened by President Bush's State of the Union address last week.

Bush said Iraq was part of an ''axis of evil,'' along with Iran and North Korea, and accused it of seeking weapons of mass destruction.

Turkey, host to the air patrols and a launching pad for strikes against Iraq in the 1992 Gulf War, has expressed anxiety over the prospect of war in Iraq, fearing that the fall of the Baghdad regime could lead Kurds in northern Iraq to create a Kurdish state. That could in turn boost aspirations of autonomy-seeking Kurds in Turkey.

Turkey's Prime Minister, Bulent Ecevit, warned the Iraqi leader on Monday to admit U.N. weapons inspectors in order to head off possible U.S. military action.

Iraq has refused since 1998 to allow U.N. inspectors into the country to check if the Baghdad regime has dismantled its weapons of mass destruction. Baghdad has rejected a U.S. warning to admit the inspectors or face the consequences.

In a letter to Hussein, Ecevit warned of the ''sever consequences to be encountered'' if Iraq does not allow the inspection.

The PRESIDING OFFICER. The majority whip is recognized.

Mr. REID. Mr. President, I say to the distinguished Senator from Alaska, I always enjoy his presentations. He is always prepared. He believes fervently in what he was addressing. I look forward to the debate we are going to have on ANWR and a number of other issues on this energy bill, which is going to come up next week. The majority leader indicated last year that it would be brought up before the Presidents Day break. That break is a week from today.

We are on the agriculture bill. I think we can see the end of that, as I mentioned to my friend from Alaska today. I hope we can be on the energy bill by next Wednesday and work on that for a few days next week and maybe a few days after that when we come back. But I look forward to the debate. It is something we need to do. Energy policy is so important to this country.

While there are divergent views on what that energy policy should be, that is the American system. We are going to come here, work through all this, and come up this year with what I hope is a finalized version after we finish our conference. It will be something to give us a long-term energy policy for this country.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001—Continued

AMENDMENT NO. 2471

Mr. REID. Mr. President, I ask unanimous consent the Senate now proceed to the Crapo amendment, which was offered yesterday. I ask it be recalled for purposes of my offering an amendment to it.

The PRESIDING OFFICER. Without objection, the amendment is pending.

AMENDMENT NO. 2838 TO AMENDMENT NO. 2471

Mr. REID. I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 2838 to amendment no. 2471.

(The text of the amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AMENDMENT NO. 2838, WITHDRAWN

Mr. REID. Mr. President, I ask unanimous consent the amendment I just offered be withdrawn.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, a few weeks ago I saw a movie called ''A Beautiful Mind.'' It is based upon a true story of a man by the name of John Nash who is a mathematician from Blue Field, WV. He is probably one of smartest men ever born on this Earth. I was so fascinated by the movie that I read the book which was the basis for the movie. The book was even more intriguing, interesting, and fascinating than the movie. It was a thick book. It read like a novel. I couldn't put it down.

This brilliant man could see the solution to the most complicated math problems. He could see a solution to the problem before he determined how the solution came about. Most people work the other way. They work up to finding a solution. He knew the solution. After he found the solution, he would work out the problems so other people could understand how he arrived at the solution.

Just one example: He won a Nobel Prize for what is called game theory in economics. Certainly, I am no mathematician. I will not explain it very well.

But there was another eminent scientist who figured out what would happen between two people playing a game—whether it was checkers, or a game of cards, or a game of two people playing basketball. He would determine what the result would be. But John Nash said that is not good enough. What you need to do is figure out what would happen when large numbers of people participated in a game. If two people, or four people, or any amount of people were playing a game, he could determine what would happen. It sounds fantastic and unbelievable that you can do that through mathematics, but he did it.

One of the things that could be determined, for example, were moves of the military during the cold war. Through a mathematical formula using John Nash's theory, you could determine what would happen if the United States did this. This is what the Soviet Union would do.

I will not go into any more detail other than tell you he was a brilliant man. But sadly, he became a schizophrenic paranoid. He had people talking to him all the time who were real to him. These people talking to John Nash were as real as if we were speaking to our wives when we left home today or speaking to one of the Senate staff. He believed things that he heard. As the movie depicts, he saw people on occasion.

Obviously, I was fascinated by this movie and by this book, but listening yesterday to the people come to this Chamber and talk about my language in this farm bill made me think of this movie and this book. I am not accusing them of being paranoid or schizophrenic because they were talking about something they either knew nothing about or they were imagining things because they came down here talking about how bad my water legislation was and they simply were without any basis in fact. I don't know where this came from.

I am from the West and people think about why a Senator from out West would talk about these ''sacred issues'' such as water, grazing, and wilderness. I do it for a number of reasons. No. 1, I feel competent and qualified to do that. I live in the West. We don't need someone from Rhode Island telling us what to do in the West, even though they have a right to do so because this is a national congress. But in addition to that, there is a new West out there.

I have great respect for cowboys, ranchers, and miners. But I am also realistic. The West has changed. Seventy percent of the people in the State of Nevada live in Las Vegas. We have to protect those people in Las Vegas as much as we do the people in the outlining areas. We need to make sure they have water. Reno has 20 percent of the people in the State of Nevada. Ninety percent of the people in Nevada live in two metro areas. I have an obligation to 90 percent of the people in the State of Nevada, just as I have for the other 10 percent of the people in the State of Nevada.

Water has changed. We know that agriculture uses huge amounts of water. In this farm bill, I thought it was time we started being realistic about the new West. Therefore, I worked hard to get a protection in that bill dealing with a conservation program. Why shouldn't we deal with conservation in a farm bill? Many of us involved in the farm bill are not from the breadbasket States. The Presiding Officer is from the State of Minnesota.

When I was Lieutenant Governor of Nevada, one night I went to the Governor's Mansion. My dear friend, Governor O'Calahan, taught me in high school and he taught me how to fight. That is where I learned to box—from Governor O'Calahan. He was a great fighter with over 200 amateur fights. He lost his leg in the Korean war and lost his boxing career.

I can remember we were there in the Governor's Mansion with his old uncle from Minnesota. I sat and listened to these two men—one an old man at that time and Governor O'Calahan who was a very young Governor—talk about growing up in Minnesota. I thought they were making it up. But I have checked with other people since. It is absolutely true that in Minnesota at nighttime in the hot summer you can actually hear the crops growing—snapping, popping out, and growing. That isn't the way of the West.

In Searchlight, NV, there are trees around my home. It takes hundreds of years for the Joshua and Spanish Daggers to grow. It takes hundreds of years. We have bushes all around my home in Searchlight. They take hundreds of years to grow. That is how the arid desert is different than the breadbasket.

So for many of us involved in the farm bill—we are not from the breadbasket States—the most important provisions of this bill are those that deal with conservation.

In the State of the Presiding Officer—the land of lakes—Minnesota has hundreds of lakes, I am told. In Nevada, we have very few lakes. We have Lake Mead that is man made. We have Lake Mojave that is man made because of Davis Dam and Boulder Dam. We have Pyramid Lake and Walker Lake, two desert terminus lakes. There are only 20 lakes like those in the rest of the world.

We do not have many lakes. We have very few rivers. And what we call rivers, people from the Presiding Officer's part of the country would laugh at. You can walk across our rivers. So conservation is important to us in the West.

I started my service in the Senate as a member of the Environment and Public Works Committee. I am still a member of that committee. I have been chairman of the committee twice. Probably the most controversial issue about which we have dealt in that committee is how we deal with the negative environmental effects of farming and ranching.

One time I was serving as chairman of the subcommittee that dealt with fish and wildlife, and we worked on the difficult issue of the Endangered Species Act with the late John Chafee, my dear friend, who at that time was the chairman of the Environment and Public Works Committee; my friend MAX BAUCUS, who now is chairman of the Finance Committee, and at that time was the ranking member of the Environment and Public Works Committee, and Senator Dirk Kempthorne, now the Governor of Idaho. We worked together and crafted a very fine reform of the Endangered Species Act.

That effort failed for a couple reasons. One reason it failed was because it was not moved on quickly enough by Senator LOTT, the then-majority leader. He had his own reasons for not moving on it, I am sure. At the time it gave people too much time to nitpick our legislation.

But I think the main reason the bill failed is that it gave landowners and farmers financial incentives and benefits for helping endangered species but the funding was not mandatory. So the farmers and landowners were afraid we would not give them any money. People did not know if the appropriations process would put money in their hands. So for the farmers and landowners who wanted financial help, we could not give it to them.

This program that is in this bill right now, that my friend, Senator CRAPO, is trying to change, fills the void that bill could not. It brings real money to the table to help address these problems through voluntary incentives.

One of my colleagues from the western part of our country who discussed this issue in the Chamber yesterday asked: Why are we talking about water in the farm bill? For heaven's sake, why shouldn't we talk about water in the farm bill?

In the arid West, agriculture consumes the lion's share of the water. Sometimes that use comes into conflict with other users.

We have had a long, ongoing problem with the tiny little Truckee River that runs through Reno, NV. It is tiny by the standards of Minnesota and other States where there is a lot of water, but in Nevada that is a river that is the lifeblood for the northern part of the State.

I worked and got passed, about 10 years ago, legislation that settled a 100-year water war between the States of California and Nevada, which involved two Indian tribes, two endangered species, involved the cities of Reno and Sparks, agricultural interests, and involved a wetlands that had gone from 100,000 acres to 2,000 very putrid acres that were killing fish and animals that even came there. We resolved that. Now there is fresh water going in there. The legislation is almost implemented.

At that time, the cities of Reno and Sparks were using 69,000 acre-feet of water a year. The farmers were getting out of that same little river, not long before that, 400,000 acre-feet of water a year. It was just a very few farmers. A lot of the water was being wasted that the farmers were using. The only way the wetlands were maintained, even as they were, was because of the overflow from the farms because the Newlands project—the first ever Bureau of Reclamation project, that created that farming community—dried up one lake—Lake Winnemucca is gone—and was in the process of drying up Pyramid Lake, lakes controlled and in the land of the Indians.

We were able to reverse that. I think we are going to have a healthy agricultural community, and certainly we are going to have a better Indian community. They have been able to do a lot of things as a result of that legislation.

But I only gave that example to show the huge amount of water that is used in agriculture. And at the time, they grew basically hay and alfalfa, which are very water intensive.

This section in this bill is a place to address these conflicts. The amendment, which I will offer at the appropriate time, to that program—I am amending my section through the amendment that will be offered to Senator CRAPO's legislation—is to account for the legitimate concerns people have raised since this legislation first came up before the end of last year.

Some of my Western colleagues noted yesterday there will be an amendment to strike the program. That is what Senator CRAPO is doing, trying to eliminate it.

My amendment, and the provision in the bill that I have, is supported by hundreds of groups. The vote that we will take on my amendment and Senator CRAPO's will be scored by the League of Conservation Voters. They already have a letter out on that.

But the groups supporting this legislation I talked about are too numerous to mention. There are scores of organizations that support this legislation,

national organizations, such as the National Audubon Society, the World Wildlife Fund, The Wilderness Society, Trout Unlimited, Environmental Defense, and State and local organizations—well over 100 of them from Alabama to Wisconsin.

This is really good legislation.

Mr. President, I ask unanimous consent that letters that I have just spoken about be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

LEAGUE OF CONSERVATION VOTERS,
Washington, DC, February 7, 2002.

Re oppose anti-environment amendments to the farm bill (S. 1731).

U.S. Senate,
Washington, DC.

DEAR SENATOR: The League of Conservation Voters (LCV) is the political voice of the national environmental community. Each year, LCV publishes the National Environmental Scorecard, which details the voting records of Members of Congress on environmental legislation. The Scorecard is distributed to LCV members, concerned voters nationwide, and the press.

LCV urges you to opposes the following amendments to Senator Harkin's (D-IA) Farm Bill:

A Smith (R-OR) amendment that would use crop disaster relief funds to pay farmers for implementing environmental laws. These payments to implement a broad range of federal laws and contracts could create a huge drain on funds that are needed to compensate farmers for real disasters and would chill enforcement of important federal environmental, labor and other safeguards.

A Crapo (R-ID) amendment that would strike a program that would purchase or lease water rights from farmers to help endangered fish and other species. The program guarantees state water law protections and state approval of all water purchases and leases.

A Roberts (R-KS) amendment that would allow self-interested parties, such as fertilizer company representatives, to become federally-reimbursed advisors to farmers on conservation practices. This ''fox guarding the hen house'' provision could allow commercial businesses with an interest in promoting heavy use of chemical inputs to formulate conservation plans designed to limit such inputs to protect water quality.

Two Burns (R-MT) amendments: the first would prohibit farmers from enrolling more than half of the farms in the Conservation Reserve Program, which could break up CRP into smaller tracts of land that have significantly less habitat value and bar the enrollment of some highly sensitive lands. S. 1731 already prohibits more than 25% of eligible land in any county from being enrolled in regular CRP. The second Burns amendment would require that the Secretary pay more for enrolling less productive lands in CRP than more productive lands. Many valuable enrollments, such as stream buffer strips, are on both productive and non-productive lands. Reducing payments for productive lands would effectively preclude their enrollment.

A Hutchinson (R-AK) amendment to exempt USDA's Wildlife Services program from National Environmental Policy Act (NEPA) review in the killing of migratory birds. It would also eliminate the authority of the Fish and Wildlife Service (FWS) to regulate such killings and create a dangerous precedent for piecemeal exemptions from NEPA and our international treaty obligations.

LCV's Political Advisory Committee will consider including votes on these issues in compiling LCV's 2002 Scorecard. If you need more information, please call Betsy Loyless in my office at (202) 785–8683.

Sincerely,

DEB CALLAHAN,
President.

FEBRUARY 5, 2002.

DEAR SENATOR: We urge you to help resolve conflicts between farmers and endangered fish and other aquatic species by supporting the incentive-based Water Conservation Program in the conservation title of S. 1731, the Agriculture, Conservation and Rural Enhancement Act of 2001.

The Water Conservation Program authorizes the U.S. Department of Agriculture to acquire or lease water rights on 1.1 million acres of land, so long as water transfers are consistent with state water law and have been approved by state officials. State officials must also permit the Secretary of Agriculture to implement the program in their state.

Freshwater species are North America's most endangered class of species—they are vanishing five times faster than North America's mammals or birds and as quickly as tropical rainforest species. Inadequate stream flow is among the leading threats to endangered fish because low summer flows reduce dissolved oxygen levels, increase water temperatures, and limit access to food and spawning habitat. The absence of rising spring flows—which triggers spawning and aids fish migration—is also a major threat.

We urge you to support this voluntary, incentive-based approach to one of the nation's most pressing environment challenges. Please support the Water Conservation Program in the conservation title of S. 1731, the Agriculture, Conservation and Rural Enhancement Act of 2001.

Sincerely,

National Organizations: American Lands; Department of the Planet Earth; Endangered Species Coalition; Environmental Defense; Environmental Working Group; Institute for Agriculture and Trade Policy; Institute for Environment and Agriculture; Land Trust Alliance; National Audubon Society; Rails-to-Trails Conservancy; Restore America's Estuaries; Trout Unlimited; The Wilderness Society; World Wildlife Fund.

State and Local Organizations: Alabama Rivers Alliance, AL; Altamaha Riverkeepers, GA; American Bottom Conservancy, IL; American PIE—Public Information on the Environment, MN; Amigos Bravos, NM; Arkansas Nature Alliance, AR; Ascutney Mountain Audubon Society, VT; Audubon Arkansas, AR; Audubon California, CA; Audubon Colorado, CO; Audubon of Florida, FL; Audubon Society of New York State, Inc./Audubon International, NY; Bear River Watershed Council, UT; Belgrade Regional Conservation Alliance, ME; Blue Heron Environmental Network Inc., WV; Cacapon Institute, WV; California League of Conservation Voters, CA; California Trout, Inc., CA; Campaign to Safeguard America's Waters, Earth Island Institute, AK; Citizens for a Future New Hampshire, NH; Citizens for a Quieter Santa Barbara, CA; Citizens for Alternatives to Chemical Contamination, MI; Citizens of Lee Environmental Action Network, VA.

Clean Air Now, CA; Clean Up Our River Environment (CURE), MN; Clinch Coalition, VA; Coalition for a Clean Minnesota River, MN; Coalition for Jobs and the Environment, VA; Coast Action Group, CA; Coldwater Fisheries Coalition, Inc., NH; Committee on the Middle Fork Vermilion River, IL; Communty Environmental Council, CA; Community Forestry Resource Center, MN; Concerned Citizens Committee of SE Ohio, OH; Delaware-Otsego Audubon Society, NY; Devil's Fork Trail Club, VA; Douglaston Chapter of the Sierra Club, NY; Dutches County Farm Bureau, NY; ECO-Action, FL; ECO-Store, FL; Endangered Habitats League, CA; Environmental Action!, GA; Environmental Defense Center, CA; Experience Appalachia!, OH; Federation of Fly Fishers, MT; Forest Guardinas, NM; Forest Watch, VT; Friends of Butte Creek, CA; Friends of Critters and the Salt Creek, IL; Friends of Poquessing Watershed, PA; Friends of the Locust Fork River, AL; Friends of the Nanticoke River, MD; Friends of the North Fork of the Shenandoah River, VA.

Friends of the Santa Clara River, CA; Friends of the St. Joe River Association, Inc, MI; Friends of the Wekiva River, Inc, FL; Friends of the White Salmon River, WA; Great American Station Foundation, NV; Great Basin Mine Watch, NV; Group for the South Fork, NY; Halifax River Audubon, FL; Hancock County Planning Commission, ME; Hardy Groves, Inc, FL; Humane Education Network, CA; Juniata Valley Audubon Society, PA; Keepers of the Duck Creek Watershed, OH; Lake Champlain Committee, VT; Lake Superior Greens, WI; Maine Congress of Lake Associations, ME; Maine Farmland Trust, ME; Marion County Water Watch, KY; Michigan Resource Stewards, MI; Montana Fishing Outfitters Conservation Fund, MT; Montana River Action Network, MT; Mountaineer Chapter Trout Unlimited, WV; My Mothers Garden Inc. Organic Herbs, FL; Nanticoke River Watershed Conservancy, DE.

New Jersey Chapter of the National Wild Turkey Federation, NJ; New Ulm Area Sport Fishermen, MN; New York Rivers United, NY; North Carolina Smart Growth Alliance, NC; North Fork River Improvement Association, CO; North Shore Audubon, NY; Ohio River Advocacy, OH; Ohio Valley Environmental Coalition, WV; Oregon Shores Conservation Coalition, OR; Organic Consumers Association, MN; Organic Independents, MN; Palomar Audubon Society, CA; Palos Verdes/South Bay Audubon Society, CA; Palouse Land Trust, ID; Pamlico-Tar River Foundation, NC; Park County Environmental Council, MT; Patrick Environmental Awareness Group, VA; PCC Farmland Fund, WA; Pequannock River Coalition, NJ; Planning and Conservation League, CA; Potomac River Association, MD; Preserve Calavera, CA; Rahway River Association, NJ; Rio Grande Restoration, NM; River Tales, PA; River Touring Section, John Muir Chapter, Sierra Club, WI; Rivers Council of Minnesota, MN; Rural Vermont, VT.

Seattle Chapter—Izaak Walton League of America, WA; Seavey Funds, Inc, CA; South Carolina Forest Watch, SC; Southern Illinois University, Environmental Law Society, IL; Southwest Environmental Center, NM; S.A.V.E. (Students Against the Violation of the Environment), IL; Students Improving the Lives of Animals, IL; Taking Responsibility for the Earth and the Environment, VA; United Anglers of California, Inc., CA; Utah Open Lands, UT; Utah Water Project of Trout Unlimited, UT; Vermont Association of Conservation Districts, VT; Virginia Forest Watch, VA; Walburg Realty & Investments Corp., CA: West Virginia Council of Trout Unlimited, WV; West Virginia Rivers Coalition, WV; Wisconsin Council of the Federal of Fly Fishers, WI.

AMERICAN RIVERS, CHESAPEAKE BAY FOUNDATION, DEFENDERS OF WILDLIFE, EARTHJUSTICE LEGAL DEFENSE FUND, ENVIRONMENTAL DEFENSE, ENVIRONMNETAL WORKING GROUP, FRIENDS OF THE EARTH, HUMANE SOCIETY OF THE UNITED STATES, INSTITUTE FOR AGRICULTURE AND TRADE POLICY, NATIONAL AUDUBON SOCIETY, TROUT UNLIMITED, THE WILDERNESS SOCIETY,

February 5, 2002.

DEAR SENATOR: As the Farm Bill debate continues, we urge you to support or oppose the following amendments:

Amendments to SUPPORT:

Wellstone Amendment: Senator Wellstone's amendment would institute safeguards to ensure that funds from the USDA's main water quality protection program (Environmental Quality Incentives Program—EQIP) are not used for the expansion of large confined animal feeding operations (CAFOs). The Farm Bill heading to the Senate floor, S. 1731, removes the animal unit eligibility cap for the Environmental Quality Incentives Program, opening the program to CAFOs of over 1,000 animal units. Our nation's agricultural policy should help family farmers and encourage sustainable agriculture and should not provide incentives for further concentration of livestock into ever-larger factory farms. The proposed Wellstone amendment would prevent EQIP from becoming a massive giveaway to the nation's largest industrial animal factories.

Grassley/Dorgan Payment Cap Amendment: Senators Grassley and Dorgan are offering a major commodity program reform amendment to reduce the payment limit per farm for direct payments to $75,000 and for marketing loan payments to $150,000. This compares to the levels in the underlying bill of $200,000 on direct payments and a $300,000 nominal limit and no effective limit at all on marketing loan gains. The amendment removes the major loopholes in current law and tightens the ''actively engaged in agriculture'' rules. The amendment would reinvest ¾ of the $1.3 billion savings in the food stamp program, with the remainder to the Initiative for Future Agriculture and Food Systems program.

Although farm programs are typically justified as aid to family farms, farm payments in fact today go overwhelmingly to the largest farms, many of which obtain more than $1 million per year. According to USDA, these farms use these funds to our-compete and then buy-out smaller and medium-sized farms. This amendment will help restore integrity to the programs. It also helps the environment because it will reduce some of the pressure for overproduction, which leads to loss of habitats and excess use of chemicals.

Durbin Amendments: The Durbin Amendment would curtail incentives created by farm program payments to cultivate new lands and increase production beyond levels supported by the market. Farm program payments, designed to serve as a safety net for the natoin's commodity producers, are giving farmers incentives to maintain and increased production at levels not supported by the market. According to USDA analysis, roughly 23 million acres of range and pastureland were converted to row crops between 1982 and 1997. These conversions contribute to crop surpluses, low prices, and higher government payments, as well as to significant declines in grassland ecosystems and many bird and other wildlife species that depend upon them. CBO estimates that the Durbin amendment could save $1.4 billion over ten years, which the amendment would devote to added nutrition programs.

Amendments to OPPOSE:

Smith (OR) Amendment: Senator Gordon Smith's amendment would use crop disaster relief fund to pay farmers for implementing environmental law. Although the amendment has been explained as helping farmers deal with ''regulatory disasters,'' the amendment opens up potential liability to pay farmers for the simple reason that they have only subordinate water rights and they face a dry year. Throughout the West, the water available in rivers is over-appropriated, meaning it is owned many times over. Only in the wettest years, can all potential water users be satisfied. This amendment could put the government in the position of paying landowners in essence for water they do not own.

Crapo Water Conservation Amendment: Senator Crapo has introduced an amendment that would weaken the water conservation provisions of the bill by converting a program designed to pay farmers to reduce water use to benefit endangered species into additional traditional CRP acres. The water conservation program in the bill does not take land out of production but instead allows farms to install more efficient water use equipment or shift to more water-efficient crops and lease their surplus water to protect endangered species. It therefore provides an incentive-based tool to alleviate conflicts between farmers and endangered species. Attacks on this program have mistakenly claimed that it would interfere with state water rights. But all leases must meet state water law and therefore in general must be approved by state officials, and the program will only be implemented where Governors have agreed. It is quite possible that other amendments designed to weaken this provision will also be introduced.

Roberts Technical Assistance Amendment: Senator Roberts has introduced an amendment that would weaken and threaten the quality and integrity of the valuable technical assistance that farmers need to implement cropping practices that are environmentally sound. The amendment could exclude employees of state of local governments, such as conservation district personnel, from being able to offer the technical assistance needed to help farmers implement the farm conservation programs. At the same time, the amendment would allow fertilizer company representatives and other self-interested actors to become federally reimbursed advisors to farmers on conservation practices, including fertilizer and pesticide use, while being reimbursed for their services by the federal government. This ''fox guarding the hen house'' provision could lead to widespread abuse because commercial business with an interest in promoting heavy use of chemical inputs would be formulating conservation plans designed to limit such inputs to protect water quality. In addition, the amendment would establish the Certified Crop Advisers Program, just one of many private sector-established programs, as the ''standard'' for the technical assistance certification program that the Natural Resources Conservation Service must develop. This eliminates flexibility for the Secretary to establish a sound certification program that people must meet in order to become providers of conservation technical assistance.

Burns Amendments: Senator Burns has introduced two amendments to deal with the legitimate concern that the Conservation Reserve Program may be enrolling too much land in a few states. Unfortunately, the amendments would do more harm than good. The first amendment would prohibit farmers from enrolling more than half of their farms in the program. The affect would be to break up CRP into smaller tracts of land that have significantly less habitat value and to bar the enrollment of some highly sensitive lands. Senator Harkin's bill (S. 1731) already prohibits more than 25% of eligible land in any county from being enrolled in regular CRP. In addition, producers cannot receive more than $50,000 total in CRP program payments. While it takes sense to enroll more CRP land in practices like buffer strips, enrolling many half farms (regardless of the size of the farm) may be the worst solution. The Harkin bill already includes new provisions to encourage more buffer strip enrollments.

A second amendment by Senator Burns would require that the Secretary pay more for enrolling less productive lands in CRP than paid for more productive lands. In general, CRP criteria can and should target less, rather than more, productive lands. But many of the most valuable enrollments are strips of land, such as stream buffers, on both productive and non-productive lands. In addition, some highly productive lands are also highly erodible or otherwise very sensitive. USDA has followed a policy of discouraging enrollment of productive lands but not precluding their enrollment when there is a strong environmental justification. This amendment would require that USDA greatly reduce payments for these high value enrollments on productive lands, effectively precluding their enrollments. In many parts of the country, this policy could preclude almost all enrollments.

Hutchinson NEPA and Migratory Bird Exemption Amendment: Senator Hutchinson has introduced an amendment to exempt USDA's Wildlife Services program for National Environmental Policy Act (NEPA) review before the killing of migratory birds and would eliminate the authority of the Fish and Wildlife Service (FWS) to regulate such killings. The amendment presently applies to all migratory birds, but may be narrowed to apply just to cormorants. The amendment should be opposed in either form.

The Hutchinson amendment short-circuits the efforts by the FWS to address cormorant management issues through the regulatory process. After a complete environmental review, FWS has concluded that cormorants have not caused any clear adverse effects on fish populations in open water (as opposed to aquaculture). The Hutchinson amendment would also create a dangerous precedent to establish a wholesale exemption from NEPA and our international treaty obligations for a single species.

Mr. REID. Mr. President, the amendment that I will offer is a complete substitute for the Water Conservation Program that is in the bill. It addresses all the arguments that have been raised about it since last year.

It prohibits the Federal Government from holding, leasing or buying water rights in any way whatsoever.

It gives control over the program to the States with Federal oversight, consistent with existing United States Department of Agriculture farm conservation programs.

It gives States real money to help address real problems through programs they are implementing already.

This program is important because when a drought occurs, competition for water becomes fierce. Farmers and fish—that is lakes—both get less water because of the drought. Or it could be a stream or a river. If conditions become bad enough, the farmer loses

whatever water he has. No one gives the farmer a way to get by until the drought is over.

My existing Water Conservation Program that is in the bill—and this substitute—would get him that payment to tide him over until the drought is over.

The existing program said that if a farmer wanted to transfer his water to benefit fish or water, lake, stream, or river during a drought year, he would get a Federal payment in return.

It would be up to the farmer and up to the State to decide if the State law would allow the transfer to occur. Many States already have programs such as this: California, Idaho, Oregon, Nevada.

Some of my colleagues from the West raised some concerns about the program before we recessed in December. They said a lot of things about the program that were not intended or just were not true.

Some of these arguments were repeated on the floor yesterday. They said it gave the Federal Government the right to confiscate water. I don't know how to say it other than it doesn't. It is ridiculous. They said if one farmer decided to transfer his water under a short-term contract, they could take away the other farmer's water. Think about the logic of that. If you are a farmer or a rancher who is using his water to irrigate, who, under this program, now decides to leave his water in the stream, how can leaving water in a stream ever mean another farmer is going to get less water? That is illogical. It doesn't make sense.

Some of my colleagues had some legitimate questions about the program. The main concern was that the States rights and traditional role in setting their own water could be affected. So it was decided that one way to deal with this problem was to let the States decide whether they want the program or not. Senators DOMENICI and BINGAMAN and I amended the program to say that. If you don't want to participate in the program, you don't participate. If you want to, come on in.

I thought more about their concerns and decided the best way to get water conservation programs implemented in the right way was to let the States run them as they do under a few USDA conservation programs already. The Conservation Reserve Enhancement Program and the Farmland Protection Program both put States in the driver's seat with respect to conservation. The USDA makes sure that the State's conservation ideas are sound and that the State implements conservation plans and agreements with USDA oversight.

That is what this amendment does. It replaces the existing program with two pilots. Both pilot programs are run by the States—not by big brother in Washington—according to the existing model. Both pilots get mandatory conservation money into the hands of States and gives them discretion on how to spend it to solve their water conservation needs.

The first pilot program would expand a successful partnership between the USDA's Conservation Reserve Program and the State of Oregon to restore habitat and to lease water to help fish and wildlife. The second provision would create a new State-delegated program to help fund irrigation efficiency measures, help willing farmers convert from water-intensive crops to less water-intensive crops, and to lease, sell options, or sell water. The programs provide $375 million for States to use on this menu of different water-conserving options.

Both provisions will help resolve conflicts between endangered species and farmers such as we have seen in the Klamath Basin in Oregon, the San Francisco Bay Delta, and the Truckee-Carson Basin in Nevada. Let me explain how these programs work.

First, the Water Conservation Enhancement Program will build on the successful Conservation Reserve Enhancement Program. This program permits USDA and States to combine CRP and State funds to target critical resources for protection and restoration. Today, 17 States have these programs to target protection of important resources, such as the Chesapeake Bay.

The Water Conservation Enhancement Program expands to other States the Conservation Reserve Enhancement Program developed by the State of Oregon which pays farmers irrigated land rates if they voluntarily transfer their water rights to the State for a limited amount of time. Under this model, farmers may also enter into the program and not transfer their water if the enrollment would benefit the fish habitat in some way. The provision would reserve a half million acres of this Conservation Reserve Enhancement Program for this purpose; 40 million acres would remain available for traditional uses of the CRP.

Just like the current program, States must develop and submit proposals to the secretary so States have the control. Farmers do not have to participate in the program. If they do participate, they do not have to transfer their water rights to the State.

Under the provision, farmers could simply choose to receive funds to restore lost wetlands, grasslands, and other habitat, and retain their water rights.

The second provision creates a new $375 million water benefits program run by States that could use the money for any of the three broad water conserving programs. Most Western States already have programs to do this. This Federal money will bolster these programs. First, States can use the money to help farmers install irrigation efficiency infrastructure, such as lining canals and building fish screens. Second, States can use the money to help farmers switch crops and use less water. For these options, the State would get 75 percent of the cost of the measure adopted. A farmer, the State, or a conservation group can match the remaining cost.

The amount of water saved by virtue of the Federal contribution would be transferred for an environmental purpose while the measure is in place and only while the measure is in place.

The amount saved by the farmer's contribution can be used by the farmer any way he wants. If the farmer wants to contribute more to the cost of the measure, say, 50 percent of the irrigation measure, he uses that 50 percent of the saved water.

Third, States can use the money to lease, sell options on, or buy water rights from willing farmers for fish and if consistent with State law. Like the Water Conservation Reserve Enhancement Program, States would have complete control over the program. For people walking in here yesterday saying they are taking away the States rights, my water engineer, a man by the name of Mike Turnipseed, a very conservative person, believes this is a great program.

States must affirmatively ask to be certified by the Secretary to administer the program, and the State must designate an appropriate State agency to administer the program. The State would hold any water rights leased or acquired under this program. The Federal Government is strictly prohibited by this legislation from holding or buying water rights. In addition, States would have to subject all water leases and purchases for the review and approval of the State water boards—in our case, the State water engineer.

As I have mentioned, both programs have to be initiated by States subject to State water law, approved by State water officials, and ensure that the water rights be held by States. If that is not clear enough, I have added general language to make it clear that the State water law is paramount. I have also added language to ensure that private property rights are fully protected.

Both of these programs would help ease the conflicts between the needs of farmers and the needs of endangered fish, as we have seen in the Klamath Basin and in my State in the Truckee and Walker River Basins. These programs will give States the resources they need to plan ahead for years when water supplies are too low to meet all needs. These programs will give farmers greater flexibility.

Under this program, a farmer who wouldn't have enough water to have a profitable year can, if he or she chooses, transfer that water to benefit a lake or fish or a stream.

The contract payment can then tide the farmer over until better water years, years in which the fish don't need the water. These programs will also help protect freshwater species, species which are important to the recreational and commercial economies of States in the West.

Freshwater species are North America's most endangered class of species. They are vanishing five times faster than North America's mammals or birds and as quickly as tropical rain forest species. Habitat loss and degradation are the single biggest threat to freshwater species in trouble. Inadequate streamflow is the largest.

In closing, there are a few things to remember about these water conservation provisions: The Water Conservation Reserve Enhancement Program and the Water Benefits Program. First, both programs are completely voluntary. No farmer could be coerced, forced, or in any way cajoled into participating in either of them.

Second, the Federal Government, by this legislation, is explicitly prohibited from leasing, buying, and holding water rights.

Third, States must choose to participate in these programs. If they do, the programs are run by States and must be consistent with State water law.

Fourth, State water boards and engineers must review and approve all water transfers.

Fifth, the water benefits programs will pay for irrigation efficiency projects that not only conserve water for fish and other things, but will also conserve water that farmers can use to grow more crops or can sell to other farmers.

But I think, most importantly, lastly, the program will help reduce conflicts between the needs of farmers and the needs of this Nation's fish and wildlife, rather than just one or the other.

Mr. President, I have already asked that the list of organizations supporting this legislation be printed in the RECORD. It is extensive. I don't see other Senators here in the Chamber, but virtually every State has organizations that support this legislation.

I yield the floor.

The PRESIDING OFFICER (Mr. LEAHY). The distinguished senior Senator from Montana is recognized.

AMENDMENT NO. 2839 TO AMENDMENT NO. 2471

Mr. BAUCUS. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The pending amendment is laid aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Montana (Mr. BAUCUS), for himself, Mr. ENZI, Mr. REID, Ms. LANDRIEU, Mr. DORGAN, Mr. JOHNSON, Mr. CONRAD, Mrs. CARNAHAN, Mr. DAYTON, Ms. STABENOW, and Mrs. LINCOLN, proposes an amendment numbered 2839.

Mr. BAUCUS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

(Purpose: To provide emergency agriculture assistance)

On page 128, line 8, strike the final period and insert a period and the following:

Subtitle ____—Emergency Agriculture Assistance

SEC. ___01. INCOME LOSS ASSISTANCE.

(a) IN GENERAL.—The Secretary of Agriculture (referred to in this subtitle as the ''Secretary'') shall use $1,800,000,000 of funds of the Commodity Credit Corporation to make emergency financial assistance available to producers on a farm that have incurred qualifying income losses in calendar year 2001, including losses due to army worms.

(b) ADMINISTRATION.—The Secretary shall make assistance available under this section in the same manner as provided under section 815 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–55), including using the same loss thresholds for the quantity and economic losses as were used in administering that section.

(c) USE OF FUNDS FOR CASH PAYMENTS.—The Secretary may use funds made available under this section to make, in a manner consistent with this section, cash payments not for crop disasters, but for income loss to carry out the purposes of this section.

SEC. ___02. LIVESTOCK ASSISTANCE PROGRAM.

(a) IN GENERAL.—The Secretary shall use $500,000,000 of the funds of the Commodity Credit Corporation to make and administer payments for livestock losses to producers for 2001 losses in a county that has received an emergency designation by the President or the Secretary after January 1, 2001, of which $12,000,000 shall be made available for the American Indian livestock program under section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–51).

(b) ADMINISTRATION.—The Secretary shall make assistance available under this section in the same manner as provided under section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 105–277; 114 Stat. 1549A–51).

SEC. ___03. MARKET LOSS ASSISTANCE FOR APPLE PRODUCERS.

(a) IN GENERAL.—The Secretary of Agriculture shall use $100,000,000 of funds of the Commodity Credit Corporation for fiscal year 2002 to make payments to apple producers, as soon as practicable after the date of enactment of this Act, for the loss of markets during the 2000 crop year.

(b) PAYMENT QUANTITY.—A payment to the producers on a farm for the 2000 crop year under this section shall be made on the lesser of—

(1) the quantity of apples produced by the producers on the farm during the 2000 crop year; or

(2) 5,000,000 pounds of apples.

(c) LIMITATIONS.—The Secretary shall not establish a payment limitation, or income eligibility limitation, with respect to payments made under this section.

SEC. ___04. COMMODITY CREDIT CORPORATION.

The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subtitle.

SEC. ___05. ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—In addition to funds otherwise available, not later than 30 days after the date of enactment of this Act, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to pay the salaries and expenses of the Department of Agriculture in carrying out this subtitle $50,000,000, to remain available until expended.

(b) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under subsection (a), without further appropriation.

SEC. ___06. REGULATIONS.

(a) IN GENERAL.—The Secretary may promulgate such regulations as are necessary to implement this subtitle.

(b) PROCEDURE.—The promulgation of the regulations and administration of this subtitle shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. ___07. EMERGENCY REQUIREMENT.

The entire amount necessary to carry out this subtitle is designated by Congress as an emergency requirement pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(e)).

Mr. BAUCUS. Mr. President, this amendment will help farmers who have experienced very deep, strong disasters due to weather conditions. It provides desperately needed disaster assistance for America's farmers and ranchers.

I begin by thanking Senators ENZI, REID, BURNS, LANDRIEU, DORGAN, JOHNSON, CONRAD, CARNAHAN, DAYTON, STABENOW, and LINCOLN for cosponsoring this.

I also thank the 57 Senators who voted in support of this measure when we tried to append it to the stimulus package a couple weeks ago. We came very close to passing this amendment. Unfortunately, 10 of our colleagues were not present for the vote, and given the strong showing of bipartisan support and the likelihood that I think more than 60 Senators support this measure, it is vital that we try again with more Senators present.

The amendment extends to the 2001 crop the same agricultural disaster programs that have proven crucial to American farmers in recent years. What could be more obvious and commonsense than to extend to the 2001 crop the same programs that have proven crucial to American farmers in recent years?

The amendment provides $1.8 billion for crop disaster program and covers quality loss due to army worms. It provides $500 million to the livestock assistance program, with $12 million directed to the Native American livestock feed program. It also addresses the concerns of our apple producers and provides $100 million toward their market loss assistance program.

Producers desperately need these disaster programs. They need them to help mitigate the devastating effects of an unprecedented streak of poor weather throughout the United States.

Mr. President, I know you will remember when you came to Montana, I

think in the 1980s, how bad that drought was, walking out in the fields, virtual dust, with no crops. That was, I think, in the late 1980s. I must tell you, regrettably, I was thinking about that trip you and I, Senator John Melcher, and others took to Montana earlier this year when I was in an area a little way from where we were, with the same conditions—dust, no crops. In about a 200-square-mile area nothing was combined.

This chart basically indicates the drought impact in the United States. The red, as you can see, are areas of our country already declared disaster because of drought. The green patches you can see here are areas that are recovering from drought. They are obviously not out of the woods. They have been in a drought situation. The yellow represents drought watch areas. That means close to being declared a drought area. That is an area qualifying for disaster assistance.

On the map, essentially all of the United States down around the Mississippi River is either in drought conditions or drought watch conditions. I don't know whether it is climate change that is causing this or global warming. All I know is that very strange weather conditions are hurting farmers and ranchers. It is our job to do what we can to be sure they are made whole.

These weather conditions could not have happened at a worse time. While struggling to survive 3 disastrous years in agriculture, farmers also have faced sharply escalating operating costs. Just think of it. The drought hits, operating costs go up—high operating costs due to high energy and fertilizer prices—income is not doing too well, and farm debt is increasing.

A couple words about farm expenses. Total farm expenses were estimated to rise another $4.5 billion in 2001. That is after the rise of nearly $10 billion in the preceding year. Farm debt has been rising in the last 3 years, after recovering from the crisis in the mid-1980s. We just talked about the late 1980s, and now farmers are borrowing as much or higher, and that adds to their operating costs.

Statistics kept by USDA's Economic Research Service demonstrate that net farm business income was at a decade low in 1999 and in 2000. Thanks to a limited recovery in income last year—very slight—which means that unless Government assistance continues, net farm income in 2001 is projected to be lower than farm income in 1999 or 2000. Thus, if our efforts are curtailed, if weather problems continue, costs rise, and there is no time to recover from the contraction of farm operating income since 1998, the impact on rural America will be devastating.

You might ask: Why now? Why this amendment on the farm bill? Basically, simply, because the clock is ticking. People need help now. They can't wait. Farmers in economic distress are not able to make the usual purchases of seed or fertilizer now, not to mention—I don't want to overdramatize this—in some cases, plain old food and clothing.

Equipment and tractor dealers close their doors, as do rural schools and local merchants, which makes the agricultural sector—which is directly and indirectly responsible for nearly one-fifth of the U.S. gross domestic product—among the worst affected areas in the United States and the most vulnerable sectors of the U.S. economy.

Our amendment extends the disaster relief programs that have been critical to shoring up farm income over the last 3 years. This relief will allow farmers—and rural economies that depend on them—to get back on their feet.

I want to address several issues that were raised when we last debated this issue. First, some worried that these payments would go to millionaire farmers. Why should this agricultural disaster assistance, they say, go to millionaire farmers? I might say that charge is totally inaccurate, unfounded, and probably misunderstood.

The crop disaster benefits under this amendment are limited to $80,000 per person and no one with an annual gross income of $2.5 million or more is eligible. That is, if your gross income is $2.5 million or more, you don't qualify. That sounds like a lot of money, but that is gross income, not net income. Most farmers have no net income. If you take the gross and subtract out the costs, whether it is debt service or expenses, or whatever else it might be, the net income for most farmers is negligible—if there is income at all.

Second, some Senators believed these disasters were already covered under the crop insurance program.

Let me be clear: I support Federal crop insurance. I think most Senators do. However, Federal crop insurance only covers a small percentage of farmers, as well as only a fraction of their losses. That is due to adverse weather conditions in 2001.

To quote the president of the National Association of Wheat Growers, Gary Broyles:

> Current crop insurance only covers up to 57 percent of a farmer's loss, but farmers do not operate with a 25 percent profit margin, especially in areas that have had multiple years of weather-related problems.

In addition, other sectors in the agricultural industry such as specialty crops and livestock are not eligible for Federal crop insurance. For them, their losses are really real. They particularly need help. If producers have crops that qualify in the Government programs, I would think livestock and other specialty crops in agriculture should also qualify.

On a related note, farmers who do receive assistance under this program are required to obtain crop insurance on their next crop if it is available.

One final point. Producers are now making planting decisions for next year. Without these disaster payments, I have to say—and I hear this constantly—many banks will refuse to provide operating loans. They will refuse to extend the credit that farmers need to try planting for another year. Without these loans, many farmers will be unable to plant, it is that simple, which is giving up any hope of economic recovery in the near future.

This hits pretty close to home. In my State of Montana, it is anticipated 40 percent of producers seeking operating loans this year will be denied; that is, denied if we fail to provide this assistance under this amendment. It is that timely. It is that significant. Of course, that is going to very much hurt the agricultural economy with individual farmers.

In conclusion, I have many letters of support for this amendment. They literally continue to pour in. They include the National Association of Wheat Growers, the National Cattlemen's Beef Association, the National Farmers Union, the National Cotton Council, the American Farm Bureau, the United Stockgrowers of America, the National Barley Growers Association, the U.S. Canola Association, American Soybean Association, the National Sunflower Association, the Northwest Farm Credit Services, and others.

Today we have another chance to help these farmers get back on their feet. If we cannot make it rain, we can make a difference. I urge my colleagues to support this amendment to provide the disaster assistance so many in American agriculture need given these whacky weather conditions we are experiencing this year which is hurting American agriculture.

I yield the floor, and I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. CONRAD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CONRAD. Mr. President, I'm pleased to be a cosponsor of the amendment offered by the Senator from Montana to provide disaster assistance to those farmers and ranchers who suffered crop or livestock-related losses in calendar year 2001.

American agriculture is beginning its fifth straight year of rock bottom prices. For those farmers lucky enough to raise a decent crop, the only thing that's been keeping them in business is the supplemental relief that Congress has provided in each of the past four years. Last month, the Department of Agriculture confirmed that net farm income will fall by 20 percent this year, to $40.6 billion, unless Congress responds with improved farm policy.

As bad as this situation is, however, the blow is doubly hard for producers whose crops have been ravaged by drought, excess moisture, or some other natural calamity. These producers have little to fall back on, they

cannot hope to make up in volume what they are losing under Depression-era prices. In North Dakota, the brutal reality of today's farm economics leaves little margin for either error or misfortune, and for many of those producers suffering natural disaster losses, their luck has run out. That is why Congress must respond.

I want to commend the Senator from Montana for his tireless efforts to address the disaster situation. I know that his State has been hard hit by consecutive years of drought, and his ranchers are reeling. He's been trying since last fall to respond in some way.

In my own State of North Dakota, we have received some of the rains that passed over Montana. Unfortunately, those rains came just as our wheat crop was maturing, and the result has been serious losses due to scab and other quality problems. Some estimates put North Dakota's disaster losses last year at near $200 million. Even those who have purchased crop insurance find that their indemnity payments won't restore profitability to their operation, so that is why this additional assistance is required.

To vividly illustrate what last year's disaster losses have done to the typical farming operation in North Dakota, I would like to cite some figures from an instructor in an adult farm management program in my state.

According to this farm management instructor, the farm operations he is advising—located in an area hit hard by natural disasters—had an average net farm income last year of just $25,937—down 54 percent from the previous year. These net farm income figures actually include government payments received under existing farm programs. If farm program payments are excluded, these farmers would have had a substantially negative farm income—losing $46,665 per farm, on average, last year. That's the harsh reality of farming in the Northern Great Plains today.

So again, for all these reasons, I am pleased to cosponsor this needed amendment, and I urge its adoption.

Mrs. CARNAHAN. Mr. President, I am pleased to have the opportunity to express my support for the Baucus amendment to the farm bill. I want to commend Senator BAUCUS for his leadership on this amendment.

This amendment provides much needed relief for our farmers and farm communities. This emergency assistance will provide an immediate boost to the sagging farm industry in Missouri. I am especially grateful to Senator BAUCUS for his assistance in providing relief to farmers whose crops were damaged by an invasion of armyworms. Armyworms marched through Missouri and left a trail of crop destruction and economic loss in their wake. The armyworm is a caterpillar only about one and a half inches long, but they march in large groups, moving on only after completely stripping an area. Last winter's unusually warm weather and the summer drought conspired to make life easy for the armyworm and hard for the farmer.

Thousands of farmers across southern Missouri were devastated. One official at the Missouri Department of Agriculture said that last year's invasion was the worst he has seen in his 38 years at the Department. Agriculture Secretary Ann Veneman declared 32 counties in Missouri disaster areas due to the extent of the armyworm damage.

Missouri wasn't the only State hit hard by the armyworm infestation. Farmers throughout the Midwest and Northeast were all affected. The armyworms work extremely fast. Jim Smith, a cattle farmer in Washington County, completely lost 30 acres of hay field and most of the hay on another 30 acres. He said that he did not even know he had armyworms until 20 acres had been mowed down ''slick as concrete'' by the insects. In his 73 years on the farm, Mr. Smith says this is the worst he has even seen.

This invasion has had severe economic consequences for my State. Missouri is second in the Nation in cattle farming. As a result of crop loss, farmers are using winter hay reserves to feed their cattle and dairy cows. Farmers are not only losing thousands of dollars in crop loss, but also have the additional and substantial expense of purchasing livestock feed for their herds this winter. In addition, some farmers were forced to sell their yearlings earlier than normal. Due to premature sales of yearlings, farmers got below average prices for their heads of stock, further increasing farm loss. The effects of this infestation will continue to be felt.

It isn't just the farmers that are suffering economic loss. When the farmers hurt financially so do the feed merchants, farm supply dealers, and gas stations. The funds provided in this bill will help all of Missouri recover from the armyworm infestation. So, I support this amendment and I look forward to its inclusion in the farm bill.

Mr. HARKIN. Mr. President, President Bush was in Denver this morning. He has probably left by now, I suppose, and is on his way to the Olympics in Salt Lake City.

I was very interested in his stop in Denver because he gave an address to the National Cattlemen's Beef Association. He talked about some of his ideas for the new farm bill.

At the outset, I want to note I had a chance to speak personally with the President briefly when he visited Moline, IL, the home of John Deere, about 3 weeks ago. I asked if we could get together and meet on this farm bill, and he said that we could. I am still looking forward to that meeting.

The message that I thought came through to the President very clearly in Moline, IL, was that the farm bill is the economic recovery bill for rural America; that farmers need some certainty, and that our agricultural lenders, agricultural businesses and rural communities need some certainty about what the farm program will be this year. Without some greater assurance, farmers cannot buy the supplies, equipment and other inputs they need and that affects the rural economy.

So I was hopeful and remain hopeful the President will help us try to get this farm bill through the Senate, but we are still stuck on it. I remain hopeful we will be able to finish this farm bill next week, but then again that is not certain.

I paid some attention to the speech the President gave in Denver, and I was interested in what he mentioned. First of all, he said he was committed to the $73.5 billion over 10 years in new spending for the farm bill, which was in our budget resolution for this year. That is good, but it is important to note his budget also calls for dramatic reductions in commodity loan rates. A good share of that $73.5 billion would be required just to make up for the large loan rate reductions. So it is critical to look carefully below the surface of the budget.

Now, the President then went on to talk about how new farm bill funding must be evenly spent over 10 years.

He says he doesn't want to ''frontload'' it, which he said ''overpromises and underperforms.'' I don't quite understand that expression, but it is clear he wants to spend the farm bill funding evenly over 10 years.

There was one glaring omission in the President's remarks. He did not mention that his own Department of Agriculture, a month ago, estimated that net farm income this year would be 20 percent lower than it was last year unless we provide additional assistance. The President glossed over that fact about the dire state of the farm economy.

The President evidently is pointing at the Senate bill which puts somewhat more of the $73.5 billion in the first 5 years than it does in the second 5 years. Actually not a lot more. Half of $73.5 billion would be somewhere around $37 billion. Our bill is about $40 billion in outlays in the first five years. So it is only about $3 billion more than half. We believed it important to put more funding upfront because now is when it is critically needed. The President's own Department of Agriculture said that we would see a 20 percent drop in net farm income this year. When farmers are hurting and going out of business, that is the time to come in and help.

I don't know what the farm economic situation will be 8, 9, or 10 years from now. It may be just fine. If that is the case, we should not need to spend much of any money on commodity programs 8, 9, or 10 years from now. But when commodity prices are low and farmers are struggling, as they are, now is the time to reach out and help. That is the main reason why there is more funding in the first 5 years than in the second 5 years. The President did not mention

that. He wants to say, whatever we spent this year is what we will spend 9 years from now. What sense does that make? I don't know what will happen 9 years from now. I hope farmers are making good money and don't need Government assistance 9 years from now. There is more money in the first 5 years of our bill because it is needed now to help farmers stay in business and for rural communities that are struggling economically.

The President said a good farm bill should include the farm savings account. That is fine. I have nothing against farm savings accounts. When you are losing 20 percent of net farm income, how do you have money to put into a savings account?

Then he said it must include conservation. I believe he said every day is Earth Day for people who rely on the land for a living.

If that is the case, why did the administration in December support a substitute to the Senate bill that slashed support for conservation? What the President is saying does not track with what the administration is doing in Washington on this farm bill.

The President was speaking to the National Cattlemen's Beef Association, the producers of our beef cattle. I am disappointed the President did not mention packer concentration. We debated that this morning. We had debate on it in December also, including the fact that four large packers control 81 percent of all the cattle slaughtered in America. If that is not undue economic concentration, I don't know what is. Yet the President did not talk about that.

We have an amendment on this bill to keep packers from feeding livestock so that our independent pork and beef producers can have a better bargaining position and a fighting chance to survive. But the President didn't mention the issue of economic concentration in Denver. I find that curious, at the least.

The President also said something about political budget gimmickry and cobbling together loose political coalitions. Is this the President who said we have to work together, that we should all work together in a bipartisan atmosphere?

There are competing interests. Agriculture covers a broad spectrum in America. Of course we want to take into account farmers in Vermont, as well as we take care of farmers in Texas, or in Washington, or in Maryland, or in Iowa. It is a broad country. As chairman of the Senate Agriculture Committee, my responsibility is to be cognizant and aware and supportive of agriculture nationwide. Yes, we have put together coalitions. Of course we have. But isn't that what the President wants to do? Work together in a bipartisan atmosphere and try to put together a coalition to get something through?

He said we cannot set the loan rates too high. Specifically, what does that mean? He also vowed, when he became President, he would make agriculture the cornerstone of U.S. economic policy. Yet I have not received the specifics from the Administration that would allow us to negotiate to come up with the new farm bill.

To make something a cornerstone, you have to lay a foundation down first. I have not seen the specifics of a farm bill from the Administration to lay down a foundation for agriculture.

Last year when the Department of Agriculture under Secretary Veneman put out a policy book on American agriculture, I gave it high praise. I found I could support a lot of the objectives in that book, especially including stronger support for conservation. We put it in our bill. Most of it was in the Department of Agriculture book last year.

Again, I was very shocked in December when there was a substitute bill offered to ours that drastically cut the conservation we had put in our bill and the administration supported it. So I hope there will be less talk about political gimmickry and more cooperation from this administration when it comes to getting this farm bill finished.

I am looking forward to work with the President. I have said that time and time again. We have worked in a bipartisan atmosphere here. I continue to point out, as I always say, the facts give lie to rhetoric. The fact is, our bill came through our committee with strong bipartisan support, every single title except the commodity title, which still had bipartisan support but just not overwhelming bipartisan support. The bill on the Senate floor now commands a bipartisan majority. It is good for agriculture.

If we are accused of having gone overboard to represent the dairy farmers in Vermont, the sugar farmers in Louisiana, the cotton farmers in Texas, the rice farmers in Arkansas, the corn and soybean farmers in Iowa, the wheat farmers in Kansas, the pork producers in Iowa and the upper Midwest, the cattle producers all over America, the orchards in Michigan, and the apple growers in Washington State—if we are accused of having gone out of our way to help them survive and be a vital part of rural America, I plead guilty. You bet we have because I believe in American agriculture, and I believe it still should form the foundation for our economic policy in America.

Believing that, we have laid down the cornerstone, we have laid down the foundation, on energy and conservation and commodities and rural economic development and trade and, yes, nutrition.

On nutrition, for which the President's budget provides some $4 billion less for nutrition than is in our farm bill, that is an important part of the farm bill.

I appreciate the President paying a visit to the National Cattlemen's Beef Association. I look forward to working with him in a bipartisan atmosphere, to get through a sound farm bill. I just hope his speech writers and those who are advising him might better inform him what we are doing.

Mr. President, I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LEAHY. Mr. President, I ask unanimous consent the order for the quorum call be dispensed with.

The PRESIDING OFFICER (Mr. HARKIN). Without objection, it is so ordered.

The Senator from Vermont.

Mr. LEAHY. Mr. President, I had the privilege to be presiding while the distinguished Senator from Iowa was speaking of the work he has done putting together this farm bill. I listened. I have been chairman of the Agriculture Committee on one occasion, ranking member on another occasion, when we had to put through the 5-year farm bill.

I have worked with the distinguished chairman of the Senate Agriculture Committee, and now Presiding Officer, for over 20 years between the House and the Senate. I know how hard it is to put such a bill together.

The distinguished Senator from Iowa worked very closely with all Members—both Republicans and Democrats—in meeting after meeting, conversation after conversation, on the floor, in their offices, in the Senate dining room, walking across the Hill. I have been privy to a number of those conversations.

A farm bill has a number of diverse aspects to it. The President seems to wrap everything into some kind of sense of patriotism. We have to be patriotic. We have to have a missile defense system to be patriotic, we have to pass tax credits. Incidentally, the last tax cut and stimulus package they proposed would have given, I believe, a quarter of a billion dollars to Enron. I am not quite sure just what kind of patriotism comes out of giving another $250 million of taxpayers' money to Enron. Maybe it is because I come from Vermont and not Texas, but it didn't seem all that patriotic. But I digress.

The point is, everybody in this body is patriotic, Republicans and Democrats. Why don't we just acknowledge that. We wouldn't be here otherwise. Let's think, though, what that means. That means protecting all aspects of our country.

The United States is the only significant power in the world able to feed itself and still export food—billions of dollars worth of food. That is part of our national security. We are not energy sufficient. Maybe someday we will be, if we do a better job of conservation. We are food sufficient. We are a nation of over a quarter of a billion people and we can feed ourselves from within our own borders, and that will

continue to be true if we continue the incentives that keep people on the land, keep the land productive, protect the environment for farmers so they can keep that land productive, and to be able to tell farmers: You will work hard and long, but you will be able to make a living out of it, your kids can go to college, someday you will be able to retire—all the things people desire.

I hope as we go forward the White House would realize we are all in this together. We are not talking about a partisan farm bill. One of the things I have enjoyed the most, serving for 27 years now on the Agriculture Committee, is the bipartisanship of that committee. I value my friendship with the current chairman. I value my friendship with the former chairman, Senator LUGAR. They are two of the closest friends I have in this body.

I remember Hubert Humphrey, George McGovern, and Bob Dole working closely together on nutrition matters. This is a diverse group, but I think one thing that united them was their great sense of humor and a passion, a special passion for feeding the children of this country.

There have been bipartisan coalitions on that committee ever since I came here. There was a bipartisan coalition that started the WIC Program, one of the best things for children, for pregnant women, for women post partum, after giving birth. These are programs that have come out of there—the School Lunch Program, which has improved the nutrition of our children and is now considered just a staple of Government. Yet as Harry Truman knew at the time of World War II, so many people were rejected for the draft because of lack of nutrition, so he started the School Lunch Program.

I say this to commend the tremendous work of the Senator from Iowa. I am proud of him. I am proud to be his friend. I am proud to serve as a member of his committee.

With that, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. AKAKA). Without objection, it is so ordered.

HAPPY BIRTHDAY GREETINGS TO SENATOR PAUL SARBANES

Mr. BYRD. Mr. President, I am delighted to extend, even though belatedly, happy birthday greetings to the senior Senator from Maryland, Mr. SARBANES. His birthday was on February 3, so he has now reached the grand age of 69. Oh, to be 69 again!

Let me say that Senator SARBANES and I have more differences than just our ages. He is of Greek ancestry, and proud of it. I am of southern and Appalachian ancestry, and beyond that, going back through the years of time and change, of Anglo-Saxon ancestry, and I am proud of that.

He is a member of the Greek Orthodox Church. I am a member of the Southern Missionary Baptist Church.

He is from the Chesapeake region of the Eastern Shore of Maryland. I am from the coalfields of southern West Virginia.

His career began by waiting on tables, washing dishes, and mopping floors in the Mayflower Grill in downtown Salisbury, MD. Mine began by working in a gas station in the cold winter of January and February 1935, having to walk 4 miles to work and 4 miles back, and earning $50 a month, $600 a year.

But, Mr. President, Senator SARBANES and I share many common interests. One of these common interests that Senator SARBANES and I share is our love for the Senate. And I have always appreciated that in Senator SARBANES' career.

I have observed Senator SARBANES since he was first elected to the Senate in 1976—200 years after that historic year of 1776. I have admired the rational way that this perfectly reasonable man has always gone about his business.

I watch him when he is listening to witnesses in committees. I serve on the Budget Committee of the Senate with Senator SARBANES. He has a rare, subtle way of listening carefully and then going right to the crux of a matter. He is very effective in his questions and the manner in which he performs his work on committees.

He is a thinker. I spoke of his Greek ancestry. PAUL SARBANES is the epitome of the Greek thinker, of which we have read so much in history.

I have watched him as he has served as chairman of the Congressional Joint Economic Committee, as chairman of the Senate Banking, Housing, and Urban Affairs Committee.

He is also the chairman of the impressive and influential Maryland congressional delegation, which includes Senator BARBARA MIKULSKI in the Senate as well as Representative STENY HOYER in the House.

He has been a very effective member of the Senate Foreign Relations Committee and, as I earlier indicated, as a member of the Senate Budget Committee.

There is a long list of reasons I admire PAUL SARBANES. One of the reasons I came to admire PAUL SARBANES was the support he gave to me when I was the majority leader and when I was minority leader in the Senate. During troubling times, during the most difficult votes, in the midst of the most controversial issues, I nearly always called upon PAUL SARBANES for his counsel, for his advice. Every leader would be fortunate to have a PAUL SARBANES as a colleague to whom he could go and seek advice and counsel.

So there he was, with his advice and his friendship. I can't begin to say how much I appreciated that in PAUL SARBANES, as one of the most probing, acute intellects that I have seen in my 56 years of serving in legislative bodies. His word is his bond. His loyalty is unchallenged. His integrity is beyond reproach.

So allow me to use these belated birthday greetings to say: Thank you; thank you, Senator PAUL SARBANES, for being a friend as well as a colleague; thank you for your tremendous work for your State and our country.

I should also thank the people of the State of Maryland for having the wisdom and the common sense to send PAUL SARBANES here to be with us in 1982, in 1988, in 1994, and in 2000. He is now the longest serving U.S. Senator in the history of the State of Maryland. The Senate and our country are the better for it.

Count your garden by the flowers,
Never by the leaves that fall;
Count your days by the sunny hours,
Not remembering clouds at all.
Count your nights by stars, not shadows;
Count your days by smiles, not tears.

And on this beautiful February afternoon, PAUL SARBANES, count your life by smiles, not tears.

FAITH

Mr. BYRD. Mr. President, yesterday the President spoke at the National Prayer Breakfast. Let me just quote a few excerpts from the President's remarks. This is what he said. He said more, of course, but these are four paragraphs that I will excerpt from the totality of the remarks.

The President said:

Since we met last year, millions of Americans have been led to prayer. They have prayed for comfort in time of grief; for understanding in a time of anger; for protection in a time of uncertainty. Many, including me, have been on bended knee. The prayers of this nation are a part of the good that has come from the evil of September the 11th, more good than we could ever have predicted. Tragedy has brought forth the courage and the generosity of our people.

None of us would ever wish on anyone what happened on that day. Yet, as with each life, sorrows we would not choose can bring wisdom and strength gained in no other way. This insight is central to many faiths, and certainly to faith that finds hope and comfort in a cross.

Every religion is welcomed in our country; all are practiced here. Many of our good citizens profess no religion at all. Our country has never had an official faith. Yet we have all been witnesses these past 21 weeks to the power of faith to see us through the hurt and loss that has come to our country.

Faith gives the assurance that our lives and our history have a moral design. As individuals, we know that suffering is temporary, and hope is eternal. As a nation, we know that the ruthless will not inherit the Earth. Faith teaches humility, and with it, tolerance. Once we have recognized God's image in ourselves, we must recognize it in every human being.

Mr. President, I ask unanimous consent that the entire speech by President Bush be printed in the RECORD at the close of my remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. BYRD. Mr. President, I will differ with President Bush in many things, and in many ways; and I suppose practically every Senator here will at some point differ with the President in regard to something. On his faith-based initiative, I may differ with him. But I am glad that the President took time in his busy day to make these remarks at the National Prayer Breakfast. I am glad to hear him utter the name of God—the person in our country who is at the apex of the executive branch of Government, pausing in his day to recognize a higher power than that of the Chief Executive of this country. The Chief Magistrate of our Nation spoke of God and spoke of having been on bended knee.

Mr. President, remarks such as these have become all too rare, even in this country, when uttered by a high Government official who is elected—not directly, but indirectly, at least —by the people of the United States.

So I respect President Bush for his humility, for his willingness to call upon God, to express a faith, to express a strength that can only come from calling upon the Creator of us all. It is unfortunate, but these are times when few men and women, relatively speaking, it seems to me, recognize God in their lives and in the life of the Nation. ''Blessed is the nation whose God is the Lord.''

I am almost an antique around these precincts in our Capitol. I suppose one might say I am almost a neanderthal, having lived 84 years. I come from a background in which God was a major factor in my life.

When I was a little boy living in the ''sticks'' in southern West Virginia, in Mercer County, impressed upon my young mind was a belief in a Higher Power. The Bible was the one book in my humble household—the Bible—the King James version of the Bible. The woman who raised me was my aunt. Her husband was my uncle by virtue of their marriage. Many times, when I was a child living in Mercer County, I would hear her pray after we had turned out the kerosene lamps. I would hear her praying in the other room. Even after I had grown to manhood and was a Member of Congress and would go back to West Virginia on the weekends, or during a recess, always when I started back to Washington, she would say, ''ROBERT, you be a good boy. I always pray for you.''

Many times, I have gone back to those coal fields and knocked on her door at night, at 2 o'clock in the morning, 3 o'clock in the morning, after having driven across mountain roads from Washington. She would always get up and unlock the door. Sometimes I would go up on the porch and see her on her knees praying. Many times, she would get out of bed and unlock the door and let me in the house and offer to fix a meal for me at 1 or 2 o'clock in the morning. And then, when I would go to bed, and the lights were all out, I would hear her prayers coming from another room. I knew she was on her knees.

So, the President spoke of having been on his knees at times, and that our Nation during these trying days has found comfort in its suffering by being on its knees. People are turning back to the church. I remember that woman as she prayed on her knees. And I remember him, her husband. I knew no other father than he. He was the only man I ever knew as my father—except for one occasion when I was in high school, my senior year, when he and I caught a Greyhound bus and traveled back to North Carolina where I did meet my biological father and spent about a week in his home. But that coal miner who raised me, and whom I called my dad, was likewise a religious man.

These two wonderful old people, this couple who raised me, didn't go around wearing their religion on their sleeve and making a big whoop-de-do about it; they didn't claim to be good, as the Bible says that no man is good. They didn't belong to the Christian right or the Christian left, or Christian middle, or whatever it was. They had that King James Bible in their home. They lived their religion. They didn't look down upon any man and they didn't look up to any man—except they looked up to God. So they brought me up like that and taught me like that.

Now, I will say this: Regardless of how far one may stray from the right path, if he has had this basic faith drilled into him from the beginning by parents who reared him and taught him how to live, he may stray away from those lessons, but he will come back.

We all err and fall short of the glory of God. It just touches my heart and makes me feel good that the Chief Magistrate of our country talks about getting on his knees. So I say while I may differ, and will differ from President Bush, I will also respect him and respect his humility, his basic faith exemplified by what he is saying in this instance, exemplified by his indicating that a nation advances when it advances on its knees. Once when my wife and I dined at the White House with Mr. Bush as President—that is and may be the only time we will ever have the privilege of dining there—but upon that occasion President Bush said grace at the table before we ate. He did not call on me to say grace. He said it himself. He was, I am sure, not attempting to impress us with his faith but he was practicing it. Nobody was there other than TED STEVENS, his wife, my wife, me and the President.

So, yes, we will differ on President Bush's budget—we will disagree mightily on that—but when it is all said and done I have to remember that here is a man who preaches and practices, as far as I have seen, his faith.

''Except the Lord build the house, they labor in vain that build it. Except the Lord keep the city, the watchman waketh but in vain.''

I hope we will never become so mighty, so wrapped up in ourselves individually, so subordinated to the tenets of partisan political parties, that we fail to acknowledge God. After all, when it comes down to the last mile of the way, the last hour of my days, if I have a clear mind at that point I will not be thinking about the Democratic Party. I will not be reciting the tenets, the principles, of the Democratic Party. Politcal party in that moment will mean nothing to me. Instead, I will be wondering, how will it be with my soul when I have to meet God face-to-face.

Now perhaps I did not think so much about these things when I was 24 or when I was 34, but 50 years later at the age of 84, I am drawn to think about these things. No, the party platform will not be worth much to me in that hour. Nor will it be to you or to you, but that moment is coming. For some of us, it will be all too soon. We know not when. It comes to us all. It comes to Presidents. It comes to Kings. It comes to Governors. It comes to Senators. It comes to coal miners, to farmers, to schoolteachers, to lawyers, but it comes.

I salute President Bush for his remarks. I hope he will continue to call upon his Maker in his search for strength and comfort.

I lost a grandson 20 years ago this year. For a long time thereafter, I walked in a deep valley. I sought everywhere for strength. I went to see the coroner. I went to see the State policeman who was there and saw my grandson's body removed from the truck that had crashed and then caught fire. I went to see the volunteer fire department that was nearby. Again and again I went to these same people. I was searching, trying to persuade myself that my grandson had not suffered. I found the greatest of comfort when I felt that my grandson was aware of my grief—that he knew about my grief, and that I have the promise in God's Word that I can see Michael again.

There may come a time in the young lives of these high school juniors who are here as pages, when they, too, will find succor and comfort only in God's Word, feeling that, yes, He is here, He knows about their grief.

I will refer to one other time in my life. I was much younger than 84, much younger than I was in 1982 when I lost my grandson. This was back in 1945, during the Second World War. I had been a welder in Baltimore for a year and a half working on ''Victory'' ships and ''Liberty'' ships. I decided to take my wife and two daughters and go south to Florida the next winter rather than remain in Baltimore shipyards where the cold winds came across the bay, as we were on the decks of the ships welding that cold steel. I was in Crab Orchard, WV, in southern West Virginia, visiting with my uncle and aunt who had raised me and I dreamed

that Mr. Byrd, the man whom I had always recognized as my dad, had died.

The very next day I received a telegram from my brother—who is still living; he is 88, a little older than I, still living in North Wilkesboro, NC—saying to me that my biological father, Mr. Cornelius Calvin Sale, had died. After having dreamed that my adopted father had died, the very next day I received a telegram saying that my natural father had died.

Mr. Byrd and I caught a Greyhound bus and we traveled to North Carolina. I attended the funeral of my father, Mr. Sale. From there, I left alone to go to Florida to get a job there, if I could, as a welder, building ships. I traveled all night on a bus. I took a welding test the next morning in Jacksonville in a shipyard. I failed the test. Having been up all night, I didn't have a steady hand, perhaps. I failed that test.

I asked: Where else are they testing and hiring welders here in Florida? I was told to go over on the west side of Florida on the side of the gulf. I was told that they were hiring welders in Tampa. So across Florida I started again on a bus. When I reached Lakeland, late in the day, I got off the bus and I went into a little grocery store and bought a stick of pepperoni, some crackers, a piece of Longhorn cheese, and a can of sardines. I sat down on a railroad rail outside the grocery store and I ate. What was left, I put back in the paper bag and found myself a hotel. It didn't cost much in those days to stay in a hotel, so I spent the night in a hotel.

While in that hotel I, of course, felt lonely. My wife and two daughters were back in West Virginia, miles away. I was homesick.

I opened the drawer of a table in the room, and there was a Gideon Bible. That was the first Gideon Bible I had ever seen. It was the King James version. Senators often hear me refer to the King James version. That is the only Bible I will read, the King James version. I like its immaculate English, its beautiful prose. I read two or three chapters of that Bible and went to bed. I said a little prayer and asked God to protect me and protect my wife and children back in West Virginia, to forgive us, and to help me the next day when I took the welding test in Tampa.

The next day, I rose early. I ate what I had left over from the previous day: some pepperoni, some cheese, some of the bread. I went on to Tampa, took the welding test, passed it with flying colors, and was hired to work in McCloskey Shipyard.

I found in that Bible the words of comfort and succor that helped me on that night in Tampa, FL. That was 57 years ago.

I say to the young people here and to those young people who are watching the Senate via television, I want us to appreciate the words of the President when he talks about God, about prayer. I want you to realize that even though you are just juniors in high school, you too are going to grow old some day. We all grow old if God lets us live long enough. And there will come a time in life when you will need the strength that comes from a faith in a Creator, faith in a higher power. That is the kind of faith that our fathers had, the men and women who built this country, who built this Republic. It is a representative democracy. But it is not a democracy, a pure democracy. Theirs was a pure democracy in Athens, in Greece. But that was a small town compared with Washington, DC, or New York City.

I say to the young people of this country—as well as to Senators—it doesn't make any difference how many degrees you may have, how many degrees you may attain, what you may achieve, the heights of whatever career you may choose in this life. Remember, when it all comes down to the end, six feet of Earth makes us all of one size. What will count then most of all is how well will I be prepared when I stand before the eternal judge?

I attended an execution once of a young man who had killed a cab driver. He had hired a cab driver in Huntington, WV, to take him to Logan. On the way to Logan he shot the cab driver in the back, tossed him out beside the road, took his money, and went on. A few days later the young man was apprehended in a theater in Montgomery, WV. He was brought to trial, convicted, and sentenced to die in the electric chair.

West Virginia law at that time required a certain number of witnesses to an execution. I thought that, inasmuch as I had occasion often to speak to young people in Sunday school classes, churches, Boy Scouts, Girl Scout troops, 4H Clubs, if I could talk with this young man who was about to go to the electric chair, he might be able to tell me something that would help these young people with whom I would meet and speak.

On this occasion I went to the State penitentiary at Moundsville. I asked the warden to let me be one of the witnesses. He gave his approval. Before the execution, which was scheduled to be at 9 p.m., I asked the warden to let me talk with this young man whose name was Jim Hewlett. This was in 1951 when I was a member of the West Virginia Senate. I went to the death house, entered the death house, and there was Jim Hewlett. I shook his hand. It was clammy, with perspiration. Behind him was a chaplain.

I said to Jim Hewlett, I have come tonight to ask you if you might have something that I could say to young people. I often have the occasion to speak with young people. I think you just might have something I could tell them, that would help them.

He said:

Well, tell them to go to Sunday school and church.

He said:

If I had gone, I wouldn't be here tonight.

And then, as I started to go—I knew the time was fleeting and his remaining minutes were precious to him. As I turned to go, he said:

Wait a minute. Tell them one other thing.

He said:

Tell them not to drink the stuff that I drank.

Those were his exact words:

Tell them not to drink the stuff that I drank.

I said:

Well, now, what do you mean by that?

The Chaplain broke in. He said:

I know what he means. He was drinking when he killed the cab driver. You see that little crack on the wall up there? If he were to have two or three drinks right now, he would try to get through that crack in the wall. That's what it does to him.

I left the death house and went back to the warden's office, and when the hour came, I returned to the death house, and entered the death chamber. As one of the witnesses, I watched Jim Hewlett die.

Some years later, probably 30 years later, I was in the northern panhandle of West Virginia, and while I was there, someone said: Why don't you go down and see Father—I don't remember the Father's name—go down and see Father So-and-So. He's very ill, and I am sure it would help him if you just stopped by and said hello.

I said:

OK, where does he live?

I had my driver take me to the man's house. He was sitting out on the back porch in the sunshine. I introduced myself and sat down with him.

For some reason, I cannot account why, my conversation went back to a time when I visited Moundsville and witnessed the execution of a young man named Jim Hewlett. I don't recall how our conversation took this turn. But this priest, who, indeed, was in very failing health, listened raptly as I told about this execution, about what I had said, about what Jim Hewlett had said.

When I finished, the priest said:

Yes, that's the way it was. You see, I was the Chaplain that night when you visited Jim Hewlett in his cell.

I didn't know the priest. I didn't know his name. But there he was, 30 years later, and he had been in that cell.

The point I want to make is this. The young man scoffed at religion, and after he was convicted of this crime and scheduled to die, he didn't want a chaplain in his cell. He scoffed at religion. But when the last days came and Governor Patteson of West Virginia declined to change his sentence, declined to commute his sentence from death to life in prison or whatever, Jim Hewlett knew then that he was, indeed, going to die, and he wanted a chaplain in his cell. He had scoffed at religion. Now, when he knew that he indeed was going to meet God shortly, he wanted a chaplain in his cell.

That is why I say to you young people all over this country, there will come a time when you, too, will want—will want God.

Last night, I passed beside the blacksmith's door,
And heard the anvil ring the vesper chime,
And looking in, I saw upon the floor,
Old hammers worn with beating years of time.
''How many anvils have you had,'' said I,
''To wear and batter all these hammers so?''
''Only one,'' the blacksmith said, then with twinkling eye,
''The anvil wears the hammers out, you know.''
And so the Bible, the anvil of God's word,
For centuries, skeptic blows have beaten upon,
But, though the noise of falling blows was heard,
The anvil is unharmed, the hammers gone.

EXHIBIT 1

REMARKS BY THE PRESIDENT AT NATIONAL PRAYER BREAKFAST, WASHINGTON HILTON HOTEL, WASHINGTON, DC

The President: Thank you very much, John. Laura and I are really honored to join you this morning to celebrate the 50th anniversary of the National Prayer Breakfast. And Admiral Clark, whatever prayer you used for eloquence, worked. (Laughter and applause.) I appreciate your message and I appreciate your service to our great country. (Applause.)

I want to thank Jon Kyl and Judge Sentelle for their words, and CeCe for your music. I appreciate getting the chance to meet Joe Finley, the New York City firefighter. He's a living example of what sacrifice and courage means. Thank you for coming, Joe. (Applause.)

I want to thank Congressman Bart Stupak. I really appreciate the fact that my National Security Advisor, Condoleezza Rice, is here to offer prayer. (Applause.) I appreciate the members of my Cabinet who are here. I want to say hello to the members of Congress.

I'm particularly grateful to Lisa Beamer for her reading and for her example. (Applause.) I appreciate here example of faith made stronger in trial. In the worst moments of her life, Lisa has been a model of grace—her own, and. (Applause.) And all America welcomes into the world Todd and Lisa's new daughter, Morgan Kay Beamer. (Applause.)

Since we met last year, millions of Americans have been led to prayer. They have prayed for comfort in time of grief; for understanding in a time of anger; for protection in a time of uncertainty. Many, including me, have been on bended knee. The prayers of this nation are a part of the good that has come from the evil of September the 11th, more good than we could ever have predicted. Tragedy has brought forth the courage and the generosity of our people.

None of us would ever wish on any one what happened on that day. Yet, as with each life, sorrows we would not choose can bring wisdom and strength gained in no other way. This insight is central to many faiths, and certainly to faith that finds hope and comfort in a cross.

Every religion is welcomed in our country; all are practiced here. Many of our good citizens profess no religion at all. Our country has never had an official faith. Yet we have all been witnesses these past 21 weeks to the power of faith to see us through the hurt and loss that has come to our country.

Faith gives the assurance that our lives and our history have a moral design. As individuals, we know that suffering is temporary, and hope is eternal. As a nation, we know that the ruthless will not inherit the Earth. Faith teaches humility, and with it, tolerance. Once we have recognized God's image in ourselves, we must recognize it in every human being.

Respect for the dignity of others can be found outside of religion, just as intolerance is sometimes found within it. Yet for millions of Americans, the practice of tolerance is a command of faith. When our country was attacked, Americans did not respond with bigotry. People from other countries and cultures have been treated with respect. And this is one victory in the war against terror. (Applause).

At the same time, faith shows us the reality of good, and the reality of evil. Some acts and choices in this world have eternal consequences. It is always, and everywhere, wrong to target and kill the innocent. It is always, and everywhere, wrong to be cruel and hateful, to enslave and oppress. It is always, and everywhere, right to be kind and just, to protect the lives of others, and to lay down your life for a friend.

The men and women who charged into burning buildings to save others, those who fought the hijackers, were not confused about the difference between right and wrong. They knew the difference. They knew their duty. And we know their sacrifice was not in vain. (Applause.)

Faith shows us the way to self-giving, to love our neighbor as we would want to be loved ourselves. In service to others, we find deep human fulfillment. And as acts of service are multiplied, our nation becomes a more welcoming place for the weak, and a better place for those who suffer and grieve.

For half a century now, the National Prayer Breakfast has been a symbol of the vital place of faith in the life of our nation. You've reminded generations of leaders of a purpose and a power greater than their own. In times of calm, and in times of crisis, you've called us to prayer.

In this time of testing for our nation, my family and I have been blessed by the prayers of countless of Americans. We have felt their sustaining power and we're incredibly grateful. Tremendous challenges await this nation, and there will be hardships ahead. Faith will not make our path easy, but it will give us strength for the journey.

The promise of faith is not the absence of suffering, it is the presence of grace. And at every step we are secure in knowing that suffering produces perseverance, and perseverance produces character, and character produces hope—and hope does not disappoint.

May God bless you, and may God continue to bless America. (Applause.)

Mr. BYRD. Mr. President, I yield the floor. I suggest the absence of a quorum.

The PRESIDING OFFICER. The senior Senator from West Virginia yields the floor and suggests the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001—Continued

Mr. REID. Mr. President, I ask for the regular order, and I ask that the Crapo amendment be the regular order.

The PRESIDING OFFICER. The amendment is the regular order.

Mr. REID. Mr. President, I appreciate that very much. I didn't know that. Thanks for advising me.

AMENDMENT NO. 2842

Mr. REID. Mr. President, I send an amendment to the desk.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Nevada [Mr. REID] proposes an amendment numbered 2842.

Mr. REID. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The amendment is printed in today's RECORD under ''Amendments Submitted.'')

Mr. REID. Mr. President, there has been a lot of discussion regarding the Crapo amendment. I spoke at some length this morning regarding my amendment to that amendment. I am sure there will be more discussion on Monday and Tuesday as to this amendment. It is an important amendment. My amendment is supported by virtually every conservation group in America. It is supported by many farm groups. The people who oppose this amendment, as I said this morning, have a lot of imagination because what they are talking about has no relation to the facts, and it is obvious to me it is without foundation.

I hope people will refer to the statement I made earlier today and recognize that all these concerns about the Federal Government taking the water from these poor, unfortunate ranchers and farmers is simply untrue. State law would rule. Any water that would be transferred would be that of a willing seller or a willing lessor. No one can be forced to do anything. It does not change State water law. For example, in the State of Nevada, the water engineer makes those decisions relating to water and would still make those decisions.

MORNING BUSINESS

RUBY RIDGE

Mr. SPECTER. Mr. President, I have sought recognition to report on what may be the concluding chapter of the tragic incident at Ruby Ridge where the Bureau of Alcohol, Tobacco and Firearms and the FBI had a standoff with Randy Weaver which resulted in the death of his wife and the death of his son Sammy Weaver and the death of a deputy U.S. marshal.

The Judiciary subcommittee which I chaired conducted extensive hearings on this matter back in 1995. At that time we developed the facts that Randy Weaver was sought out by agents from the Bureau of Alcohol, Tobacco and Firearms unit to be an informant. And they sought to buy from him two sawed-off shotguns which he did provide. Then they threatened him with criminal prosecution unless he would be an informant. When he refused to do that, a criminal prosecution was initiated.

Process was not served on Randy Weaver, and the process server thought they had given him notice of the trial. But that led to the issuance of a warrant of arrest, and Randy Weaver resisted on the mountaintop. That led the Bureau of Alcohol, Tobacco and Firearms unit to come to try to compel the arrest. A fire fight ensued, where Deputy Marshal Degan was killed; where Sammy Weaver, age 14, was killed in an incident involving Sammy Weaver's dog, a very tragic setting. Then the FBI came in with their hostage rescue team and Randy Weaver's wife was killed.

The case went to trial in the Federal court against Randy Weaver, which found him guilty on lesser charges but concluded that Randy Weaver had, in fact, been entrapped.

During the course of the extensive hearings before the Judiciary subcommittee, it was developed that while Randy Weaver was certainly at fault in providing these two sawed-off shotguns, that he had in fact been entrapped and that it was totally inappropriate conduct by the Bureau of Alcohol, Tobacco and Firearms in mounting this assault on Randy Weaver and his family.

During the course of these hearings, FBI Director Louis Freeh conceded that the FBI had violated Weaver's constitutional rights in their use of deadly force, and the FBI changed those practices. John Magaw, who was the Director of the Bureau of Alcohol, Tobacco and Firearms, steadfastly defended the propriety of what BATF had done in the face of what the subcommittee found to be overwhelming evidence of impropriety on the part of the BATF.

Recently President Bush nominated Mr. Magaw to be an under secretary for the Department of Transportation for airport security.

And that led Senator CRAIG, who sat with the subcommittee—although not a member of the subcommittee—and myself to have a meeting with Mr. Magaw to review his conduct and his attitude on BATF at Ruby Ridge. During the course of those discussions, we went into the matter in some detail. When Mr. Magaw had his hearing on December 20, I questioned him at length before the Commerce subcommittee. Although not a member, I received the acquiescence of the Commerce Committee and the subcommittee to question Mr. Magaw. We went through the facts.

Mr. Magaw said at that hearing that if he had it all to do over again, he would, in effect, concede that the BATF unit had made serious mistakes in their conduct there. Notwithstanding some reservations that I personally had about Mr. Magaw's judgment, even in the face of this concession, it seemed to me that when we have the major problems of airport security in the United States today, and the President wanted Mr. Magaw, had personally interviewed him, and I discussed the matter at length with Secretary of Transportation, Norman Mineta, who wanted Mr. Magaw confirmed. That was the last day of the session. I decided not to put a hold on Mr. Magaw. I thought, in fact, he would be confirmed in what we call wrap-up. But somebody else put a hold on, not me. He was not confirmed.

The President made an interim appointment. After we reconvened in January, Mr. Magaw has been confirmed by the Senate. I have taken these few minutes to put on the record what I think is a very important concession from the then-Director of the Bureau of Alcohol, Tobacco and Firearms, that his unit did not act properly.

We have to recognize, in my opinion, that when congressional oversight finds serious errors and serious problems with the administrative branches, that there be a sincere effort to correct them, and to the credit of the FBI and Louis Freeh, that concession was made. They changed their policy on the use of deadly force. Now we have on the record at these hearings in the Commerce Committee that then-Director Magaw conceded the errors and elaborated on changes which he had made in BATF procedures.

I yield the floor.

CONGRATULATIONS TO HIGHMORE, SD GRAND OPENING OF THE NEW HIGHMORE HIGH SCHOOL

Mr. DASCHLE. Mr. President, I would like to take this opportunity to congratulate the community of Highmore, SD, and the Highmore School District as they celebrate the grand opening of their new high school.

Helping each child obtain the best possible education is more important than ever. While some of our Nation's schools are providing instruction at an exceptional level, others are simply not making the grade. Poor infrastructure and inadequate facilities can have an effect on student learning. When a school has a leaky roof, or holes in the walls, or other unsafe conditions, it sends a message to the students who attend that school that education is not really a high priority.

Highmore is sending a different message to its children. Highmore's commitment to give its students a safe learning environment will have tremendous effects on this community for years to come. This community should be commended for its efforts to ensure every child in the district has access to a quality education, starting with a great school building.

I am especially impressed by the determination of the school district and Superintendent Larry Gauer to see this project to completion. School Board President Julie Gutzmer, Vice Chairman Leroy Scott, board members Jim Frost, Ed Westcott, Jerry Dittman, Rod Kusser and Peggy Kroeplin, and the outstanding faculty and staff are all to be commended for their vision and dedication to this project.

It is true that our Nation's future security depends on the soundness of its foundation. Our future will be strong and bright only if we help all of our children grow up to be well-educated, healthy, contributing citizens. I view public education as an investment in our national security, and I will continue my efforts to see that all students have access to a healthy, positive school environment that encourages them to learn and grow.

But the Federal Government can only be a partner in this important effort. The efforts of dedicated people in communities like Highmore working together is what will make the difference for the youth of South Dakota and across the Nation. It is wonderful to see that the people of Highmore are making education a priority. I salute them for their foresight.

ADDITIONAL STATEMENTS

MINNESOTAN TO LEAD THE NATION INTO THE WINTER OLYMPICS

● Mr. DAYTON. Mr. President, as we all know, the 2002 Winter Olympics begin tonight in Salt Lake City. These games have taken on a special importance in our country this year in the wake of the September 11 terrorist attacks, and will be an important part of our Nation's healing process.

That is why I am so proud that Minnesotan Stacey Liapis will help carry the flag that once flew at the World Trade Center into the Opening Ceremony of the Olympics.

Stacey Liapis is a curling team member from Bemidji, who at the age of 27, is competing for the first time in the Winter Olympics. Before making it to Salt Lake City, Liapis finished eighth at the 1998 World Championships and came in fifth in 2001.

Stacey took up curling in 1987 and has played most of her career with older sister Kari Erickson, the skip for the U.S. team. They were inspired by their parents, both of whom were recreational curlers.

In honor of Stacey's many accomplishments and to mark her being chosen as one of the eight Olympic athletes to carry the ground zero flag into the Opening Ceremony of the Winter Olympics, I am having a U.S. flag flown over our Nation's Capitol. The chosen athletes, one from each of the eight Winter Olympic sports, were selected by their teammates. I congratulate Stacey on being recognized by her teammates with this honor.

Thank you, Stacey for your participation in this historic event. Tonight, you will make all Minnesotans and the entire Nation proud. ●

THE PIPELINE SAFETY IMPROVEMENT ACT OF 2001

● Mr. MCCAIN. Mr. President, one year ago today, the Senate passed S. 235, the Pipeline Safety Improvement Act of 2001. This bill, overwhelmingly approved by a vote of 98–0, is the product

of many months of hearings, bipartisan compromise, and cooperation that began during the last Congress. It is designed to promote both public and environmental safety by reauthorizing and strengthening our federal pipeline safety programs which expired in September, 2000.

Since the Senate began debating pipeline safety improvement legislation in 1999, the House has taken little action. Various pipeline safety improvement measures are available for consideration by the House, including a bill introduced December 20, 2001 by the Chairman of the House Transportation and Infrastructure Committee. I encourage the House Members to act swiftly and help prevent not only needless deaths and injuries, but also environmental and economic disasters. Legislative action is necessary as demonstrated by the number of tragic accidents in recent years.

For example, on June 10, 1999, 277,000 gallons of gasoline leaked from a 16 inch underground pipeline into the Hannah Creek near Bellingham, WA. The gasoline migrated into the Whatcom Creek, where it was subsequently ignited. The ignition set off an explosion and fire, burning along both sides of the creek, for approximately 1.5 miles, killing two 10 year old boys and an 18 year old young man who was fishing in the creek. In addition to the three deaths, there were eight injuries and environmental damage to the area. Also, the fire damaged the Bellingham Water Treatment Plant and other industrial structures, as well as a private residence. Interstate 5 was closed for a period of time because of the thick smoke, and the Coast Guard closed Bellingham Bay for a one mile radius from the mouth of the Whatcom Creek.

Other tragedies have occurred. On August 19, 2000, a natural gas transmission line ruptured in Carlsbad, NM, killing 12 members of two families. On September 7, 2000, a bulldozer in Lubbock, TX, ruptured a propane pipeline. The ensuing cloud was ignited by a passing vehicle, creating a fireball which killed a police officer.

Congress was called on to act after the first accident in Washington. I introduced S. 2438, the Pipeline Safety Improvement Act of 2000, on April 13, 2000. With the assistance of a bipartisan group of Senators, including Senators Slade Gorton and PATTY MURRAY, the Commerce Committee reported the measure favorably later that July. The Senate took swift action upon return from the August recess, during which the accident in New Mexico had occurred. We passed S. 2438 by unanimous consent on September 7, 2000, on the same day as the rupture in Texas.

The Senate's accomplishment that year stemmed from several months of hearings and countless meetings. Unfortunately, the House failed to approve a pipeline safety measure so we were never able to go to conference or send a measure to the President. Our collective inaction was a black mark on the 106th Congress.

After the opening of the 107th Congress, I introduced nearly identical legislation, S. 235, the Pipeline Safety Improvement Act of 2001. The Senate acted swiftly and passed S. 235 on this date last year, one of the first legislative actions of the 107th Congress. The House now has the opportunity to remove the black mark by acting on pipeline safety legislation.

Including the tragedies I mentioned earlier, a total of 71 fatalities have occurred as a result of a pipeline accident over the past three years. It should be noted, however, that despite these horrible accidents, the pipeline industry has a good safety record relative to other forms of transportation. According to the Department of Transportation, pipeline related incidents dropped nearly 80 percent between 1975 and 1998, and the loss of product due to accidental ruptures has been cut in half. From 1989 through 1998, pipeline accidents resulted in about 22 fatalities per year—far fewer than the number of fatal accidents experienced among other modes of transportation. But this record should not be used as an excuse for inaction on legislation to strengthen pipeline safety.

The Office of Pipeline Safety, OPS, within the Department of Transportation's, DOT, Research and Special Programs Administration, RSPA, oversees the transportation of about 65 percent of the petroleum and most of the natural gas transported in the United States. OPS regulates the day-to-day safety of 3,000 gas pipeline operators with more than 1.6 million miles of pipeline. It also regulates more than 200 hazardous liquid operators with 155,000 miles of pipelines. Given the immense array of pipelines that traverse our nation, reauthorization of our pipeline safety programs is critical to the safety and security of thousands of communities and millions of Americans nationwide.

Early attention by the Senate demonstrates our firm commitment to improving pipeline safety. I will continue to do all I can to advance pipeline safety legislation this year. When the Senate considers an Energy bill in the upcoming days or weeks, I intend to offer S. 235 as an amendment to it. I hope my colleagues will join with me in demonstrating their strong support for addressing identified pipeline safety lapses and will vote for this amendment.

I remain hopeful that Congress as a whole will finally act before we receive another call to action by yet another tragic accident. Action is needed. It is needed now.●

IN RECOGNITION OF RICHARD ''NIGHT TRAIN'' LANE

● Mr. LEVIN. Mr. President, I am delighted to rise today to acknowledge the life of Richard Lane, a National Football League player who finished his career playing for the Detroit Lions, who passed away Tuesday, January 29th. Richard ''Night Train'' Lane possessed great athletic capabilities, a passion for the game and played the game of football like no one else. He is still recognized by many as one of the greatest cornerbacks to ever play the game.

Through hard work and an unwavering commitment to the game of football, Night Train Lane's skill has made an indelible mark on the annals of football history. At six feet, two inches and 210 pounds, he will be remembered for hounding wide receivers with his trademark tackle, the Night Train Necktie.

Upon graduating from High School, Night Train attended Scottsbluff Junior College, where he played football for one season. After a year in college, he served four years in the United States Army. He played wide receiver for service teams during his time in the Army and was spotted by a Los Angeles Rams scout during an Army exhibition game. In 1952, upon his discharge from the Army, Night Train was invited to drop by the Rams training camp for a try out.

In his rookie season with the Rams, he had 14 interceptions in a 12 game season, a record that has stood for 50 years despite the NFL season schedule increasing to 16 games. After starting his career with the Rams, he was traded to the Chicago Cardinals, and later traded to the Detroit Lions. Over the course of his 14 year career, he made 68 interceptions, five for touchdowns. His career interception return yards total of 1,207 is still second in NFL history.

After retiring from the NFL, Lane worked in the front office of the Detroit Lions, and was later head coach of both Southern University and Central State University. He later returned to Detroit to become executive director of the Police Athletic League, a sports program for at-risk children in Detroit. Night Train Lane's hard work and tremendous ability has been recognized by his peers who elected him to the Pro Football Hall of Fame in 1974 and to the 75th anniversary all-time team in 1994.

I hope my Senate colleagues will join me in saluting Night Train Lane for his extraordinary career in the National Football League, his honorable service to our nation and his work with the children of Detroit.●

LOCAL LAW ENFORCEMENT ACT OF 2001

● Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred May 19, 1994 in Savannah, GA. Milton Bradley, 72, was fatally strangled by a man who believed Bradley to be gay.

The attacker, Gary Ray Bowles, 32, was charged with the murder in connection with the incident.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.●

MINNESOTAN TO LEAD THE NATION INTO THE WINTER OLYMPICS

● Mr. DAYTON. Mr. President, as all of America knows, the XIX Olympic Winter Games begin tonight in Salt Lake City. For an athlete, making the Olympic team is one of the highest possible accomplishments. To be chosen by one's teammates to carry the American flag and to lead the American team into tonight's opening ceremony is an absolutely stratospheric achievement!

That great honor has been bestowed by the American team on Minnesota's Amy Peterson. I wish to pay tribute to her extraordinary athletic skills and leadership abilities, and to all the other Minnesota athletes competing in this year's Games.

Amy is a speed skater from Maplewood, MN, who at the age of 30 is competing in her fifth Olympics! She has already won a silver medal and two bronze medals for the United States, and this year she hopes to cap her career with a gold medal. Amy, I hope you achieve your goal. Yet, you have already surpassed that high achievement by the honor you earned tonight.

Amy has been called, in recent press reports, ''arguably the greatest Winter Olympian in Minnesota history.'' That is quite a distinction, since Minnesota has always been one of the best-represented states in the Winter Games. Both the 1960 and 1980 gold medal-winning U.S. men's hockey teams were spearheaded by Minnesota players and coaches. In the most recent Winter Games, Minnesota players led the U.S. women's hockey team to win the gold medal. In so many other winter sports, Minnesota athletes have excelled. Now, to that roster of great Minnesota athletes and leaders, we proudly add the name of Amy Peterson.

To honor Amy's many accomplishments and her selection by her American teammates to lead them, I am having an American flag flown today over the U.S. Capitol. When the Games are concluded, I will present this flag to Amy. I hope she will fly it proudly for her lifetime, and that it will always remind her of this most special night.●

RECOGNITION OF THE POLAR PLUNGE FOR SPECIAL OLYMPICS

● Mr. BUNNING. Mr. President, today I rise to recognize the recent success of the Third Annual Polar Bear Plunge for Special Olympics Kentucky.

This always exciting, entertaining, and chilling polar plunge was able to shatter previous year's records for participants and money raised. With nearly 260 ''Polar Bears'' taking the icy plunge, Special Olympics Kentucky raised more than $45,000 to help support year round sports training and competition for Kentuckians with mental disabilities. Special attention needs to be paid to such groups as the Lexington Police/FOP Bluegrass Lodge No. 4 for raising $4,694 and Louisa Elementary School for contributing $845.

I applaud the selfless efforts of the participants of this year's Third Annual Polar Bear Plunge, and would also like to pay my respects to the organizers of Special Olympics Kentucky for their strength of character and progressive vision. We should all thank them for their commitment to the betterment of Kentucky's disabled community.●

RECOGNITION OF DEPUTY SHERIFF KEITH FLINK

● Mr. GRASSLEY. Mr. President, on October 20th, a significant event took place that I am afraid was lost in the crush of events. Deputy Sheriff Keith Flink was recognized by the National Order of Benevolent Elks' Drug Awareness Program and the Drug Enforcement Administration with the first ever Enrique Camarena Award. His efforts to educate the young people of Iowa deserve to be highlighted.

The Enrique Camarena Award honors law enforcement officials who perform above and beyond the call of duty in drug enforcement. Enrique Camarena was a DEA agent who was kidnaped, tortured, and murdered by drug traffickers while working undercover in March of 1985. Agent Camerena believed that one person could make a difference.

The memory of his sacrifice made for his country has been memorialized through the celebration of National Red Ribbon Week, and now through the National Enrique Camarena Award that was established by the Benevolent and Protective Order of Elks. The award was established to recognize and honor an individual who has made a significant contribution in the field of drug prevention and who personifies Agent Camarena's belief that one person can make a difference.

Last fall, Deputy Sheriff Keith D. Flink from Odebolt, IA, was the winner of the first Enrique Camarena Award. Deputy Sheriff Flink has spent over 30 years working in law enforcement, and working with young people to teach them the dangers of drugs and alcohol, mostly on his own time. I think the time and commitment that Deputy Sheriff Flink has given to his community is best reflected in a letter his children sent the Award Selection Committee. I would like to have printed the full text of the letter in the RECORD following this statement, and add my praise to theirs for the hard work their father has done in Sac County.

It is important that each of us remembers that it is the activities of people like Deputy Sheriff Flink that really make a difference. The people of Odebolt, the citizens of Sac County, are aware of this. The Elks recognized the value of his contributions by giving him this award. And we, as a nation, should always remember that while the ''big things'' that was as a country stand for are important, it is the everyday activities that make a difference. We should never forget, never become too busy to recognize the accomplishments of everyday heros like Deputy Sheriff Keith Flink.

The letter follows:

OCTOBER 1, 1999.

Enrique Camarina Award Selection Committee.

DEAR SELECTION COMMITTEE: My brothers and I heard our father, Keith Flink, has been nominated for the Enrique Camarina Award. After hearing this, we wanted his dedication and achievements to be known. He has achieved many great things in life by doing tasks above and beyond what is expected. He is so concerned with the safety of all people that he has no problem teaching about ''the war on drugs'' while not on duty. There are so many times he will work the night shift, sleep for 3 or 4 hours, and get up to give a presentation on his own time. He does this with no complaints because it is very important to him to get everyone to ''say no to drugs''! He has also done a lot of research to give great, effective presentations to the citizens in the area. As you can see, he is very dedicated to his job on and off duty!

Our father has taught us a lot about life. While growing up, we always saw him practicing what he truly believed. He still does this through all the volunteering he does for the safety of the community. He is a true leader by the work that he does and the positive example that he sets for society.

My brothers and I are very proud of our father and would be honored if he was the recipient of the Enrique Camarina Award. He definitely deserves it!

Thank you for your time.

Sincerely,

JEANA BOYD,
JUSTIN FLINK,
JORY FLINK.●

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–5296. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, a determination by the Deputy Secretary of State concerning assistance for the Independent States of the Former Soviet Union; to the Committee on Foreign Relations.

EC–5297. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the Commission's report under the Government in the Sunshine Act for Calendar Year 2001; to the Committee on Governmental Affairs.

EC–5298. A communication from the Deputy Chief Counsel, Office of Foreign Assets Control, Department of the Treasury, transmitting, pursuant to law, the report of a rule

entitled ''Rough Diamonds (Sierra Leone and Liberia) Sanctions Regulations'' received on February 4, 2002; to the Committee on Banking, Housing, and Urban Affairs.

EC–5299. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Sulfuryl Fluoride; Temporary Pesticide Tolerances'' (FRL6823–4) received on February 6, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5300. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Bentazon; Pesticide Tolerance'' (FRL6820–9) received on February 6, 2002; to the Committee on Agriculture, Nutrition, and Forestry.

EC–5301. A communication from the Chairman of the Nuclear Regulatory Commission, transmitting, pursuant to law, the Commission's Budget Estimates and Performance Plan for Fiscal Year 2003; to the Committee on Governmental Affairs.

EC–5302. A communication from the Acting Director of the Fish and Wildlife Service, Endangered Species, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Determination of Endangered Status for the Washington Plant Hackelia venusta (Showy Stickseed)'' (RIN1018–AF75) received on February 1, 2002; to the Committee on Environment and Public Works.

EC–5303. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Air Quality Implementation Plans; Kentucky; Revisions to the 1-Hour Ozone Maintenance State Implementation Plan for the Paducah Area, Kentucky; Correction'' (FRL7138–5) received on February 6, 2002; to the Committee on Environment and Public Works.

EC–5304. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Protection of Stratospheric Ozone: Allocation of Essential-use Allowances for Calendar Year 2002; and Extension of the De Minimis Exemption for Essential Laboratory and Analytical Uses through Calendar Year 2005'' (FRL7140–5) received on February 6, 2002; to the Committee on Environment and Public Works.

EC–5305. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval of Revision to State Implementation Plan; New Mexico; Dona Ana County State Implementation Plan for Ozone; Emission Inventory; Permits; Approval of Waiver of Nitrogen Oxides Control Requirements; Volatile Organic Compounds, Nitrogen Oxides, Ozone'' (FRL7140–4) received on February 6, 2002; to the Committee on Environment and Public Works.

EC–5306. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Protection of Stratospheric Ozone: Allocation of Essential-use Allowances for Calendar Year 2002; and Extension of the De Minimis Exemption for Essential Laboratory and Analytical Uses through Calendar Year 2005'' (FRL7140–5) received on February 6, 2002; to the Committee on Environment and Public Works.

EC–5307. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Recognition Awards Under the Clean Water Act'' (FRL7140–8) received on February 6, 2002; to the Committee on Environment and Public Works.

EC–5308. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Revisions to the California State Implementation Plan, South Coast Air Quality Management District'' (FRL7134–4) received on February 6, 2002; to the Committee on Environment and Public Works.

EC–5309. A communication from the Secretary of the Commission, Bureau of Competition, Federal Trade Commission, transmitting, pursuant to law, the report of a rule entitled ''Revised Jurisdictional Thresholds for Section 8 of the Clayton Act'' received on February 4, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5310. A communication from the Administrator of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the Capital Investment Plan for Fiscal Years 2003 through 2007, an overview of the Federal Aviation Administration's National Airspace System capital investments; to the Committee on Commerce, Science, and Transportation.

EC–5311. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations: Youngs Bay and Lewis and Clark River, OR'' ((RIN2115–AE47)(2002–0011)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5312. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations: 63rd Street Bridge, Indian Creek, mile 4.0 Miami Beach, Miami-Dade County, Florida'' ((RIN2115–AE47)(2002–0017)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5313. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations; Snake Creek Drawbridge, Islamorada, Florida'' ((RIN2115–AE47)(2002–0014)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5314. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations: West Bay, MA'' ((RIN2115–AE47)(2002–0012)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5315. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations: Missouri River'' ((RIN2115–AE47)(2002–0015)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5316. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations: Harlem River, NY'' ((RIN2115–AE47)(2002–0016)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5317. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations; Lake Pontchartrain, LA'' ((RIN2115–AE47)(2002–0013)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5318. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; St. Croix, USVI'' ((RIN2115–AA97)(2002–0018)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5319. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Alternate Compliance Program; Incorporation of Offshore Supply Vessels'' ((RIN2115–AG17)(2002–0001)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5320. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations; Falgout Canal, LA'' ((RIN2115–AE47)(2002–0019)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5321. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations: Lake Pontchartrain, LA'' ((RIN2115–AE47)(2002–0018)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5322. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Pilgrim Nuclear Power Plant, Plymouth, Massachusetts'' ((RIN2115–AA97)(2002–0017)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5323. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Regulated Navigation Areas, Safety and Security Zones: Long Island Sound Marine Inspection and Captain of the Port Zone'' ((RIN2115–AE84)(2002–0004)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5324. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations: Longboat Pass and New Pass, Longboat Key, Florida'' ((RIN2115–AE47)(2002–0008)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5325. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Regulated Navigation Areas: Chesapeake Bay Entrance and Hampton Roads, VA and Adjacent Waters'' ((RIN2115–AE84)(2002–0003)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5326. A communication from the Chief of Regulations and Administrative Law,

United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations: Maybank Highway Bridge, Stono River, Johns Island, SC'' ((RIN2115–AE47)(2002–0009)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5327. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Drawbridge Regulations; Terrebonne Bayou, LA'' ((RIN2115–AE47)(2002–0010)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5328. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Regatta Regulations: Fireworks Displays, Atlantic Ocean, Virginia Beach, Virginia'' ((RIN2115–AE46)(2002–0006)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5329. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Regatta Regulations: Fireworks Displays, Patapsco River, Baltimore, Maryland'' ((RIN2115–AE46)(2002–0007)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5330. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Fore River Bridge Repairs—Weymouth, Massachusetts'' ((RIN2115–AA97)(2002–0012)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5331. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Port Hueneme Harbor, Ventura County, California (COTP Los Angeles-Long Beach 01–013'' ((RIN2115–AA97)(2002–0013)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5332. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Chicago Harbor, Chicago, Illinois'' ((RIN2115–AA97)(2002–0014)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5333. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations; Lake Michigan, Navy Pier, Chicago, Illinois'' ((RIN2115–AA97)(2002–0015)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5334. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Safety/Security Zone Regulations: Seabrook Nuclear Power Plant, Seabrook, New Hampshire'' ((RIN2115–AA97)(2002–0016)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5335. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (41); Amdt. No. 2075'' ((RIN2120–AA65)(2002–0006)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5336. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (28); Amdt. No. 2074'' ((RIN2120–AA65)(2002–0005)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5337. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Removal of the Prohibition Against Certain Flights Within the Territory and Airspace of Afghanistan'' (2120–AH64) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5338. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Service Difficulty Reports; Dalay of Effective Date'' ((RIN2120–AF71)(2002–0001)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5339. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (40); Amdt. No. 2082'' ((RIN2120–AA65)(2002–0010)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5340. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (24); Amdt. No. 1083'' ((RIN2120–AA65)(2002–0009)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5341. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (43); Amdt. No. 2080'' ((RIN2120–AA65)(2002–0008)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5342. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (19) Amdt. No. 2081'' ((RIN2120–AA65)(2002–0007)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5343. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Sikorsky Model S 70A and 70C Helicopters'' ((RIN2120–AA64)(2002–0057)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5344. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Dornier Luftfahrt GmbH Models 228–100, 101, 200, 201, 202 , and 212 Airplanes'' ((RIN2120–AA64)(2002–0056)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

EC–5345. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Reims Aviation S.A. Model F406 Airplanes; Correction'' ((RIN2120–AA64)(2002–0055)) received on February 6, 2002; to the Committee on Commerce, Science, and Transportation.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. LIEBERMAN (for himself, Mr. SANTORUM, Mr. BAYH, Mr. BROWNBACK, Mr. NELSON of Florida, Mr. COCHRAN, Mrs. CARNAHAN, Mr. LUGAR, Mrs. CLINTON, and Mr. HATCH):

S. 1924. A bill to promote charitable giving, and for other purposes; to the Committee on Finance.

By Mr. KERRY (for himself, Mr. KENNEDY, and Mr. GREGG):

S. 1925. A bill to establish the Freedom's Way national Heritage Area in the States of Massachusetts and New Hampshire, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. KERRY (for himself and Mr. HOLLINGS):

S. 1926. A bill to improve passenger automobile fuel economy and safety, reduce greenhouse gas emissions, reduce dependence on foreign oil, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DAYTON:

S. 1927. A bill to amend the Internal Revenue Code of 1986 to freeze the highest Federal income tax rate at 38.6 percent; to the Committee on Finance.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MURKOWSKI:

S. Res. 206. A resolution designating the week of March 17 through March 23, 2002 as ''National Inhalants and Poison Prevention Week''; to the Committee on the Judiciary.

ADDITIONAL COSPONSORS

S. 677

At the request of Mr. HATCH, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 677, a bill to amend the Internal Revenue Code of 1986 to repeal the required use of certain principal repayments on mortgage subsidy bond financing to redeem bonds, to modify the purchase price limitation under mortgage subsidy bond rules based on median family income, and for other purposes.

S. 999

At the request of Mr. BINGAMAN, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 999, a bill to amend title 10, United States Code, to provide for a Korea Defense Service Medal to be issued to members of the Armed Forces who participated in operations in Korea after the end of the Korean War.

S. 1792

At the request of Mr. BAYH, the name of the Senator from North Dakota (Mr. DORGAN) was added as a cosponsor of S. 1792, a bill to further facilitate service for the United States, and for other purposes.

S. 1917

At the request of Mr. JOHNSON, his name was added as a cosponsor of S. 1917, a bill to provide for highway infrastructure investment at the guaranteed funding level contained in the Transportation Equity Act for the 21st Century.

S. 1921

At the request of Mrs. HUTCHISON, the name of the Senator from Kansas (Mr. ROBERTS) was added as a cosponsor of S. 1921, a bill to amend the Internal Revenue Code of 1986 and the Employee Retirement Income Security Act of 1974 to provide greater protection of workers' retirement plans, to prohibit certain activities by persons providing auditing services to issuers of public securities, and for other purposes.

AMENDMENT NO. 2533

At the request of Mr. CRAPO, the name of the Senator from Arizona (Mr. KYL) was added as a cosponsor of amendment No. 2533 .

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. LIEBERMAN (for himself, Mr. SANTORUM, Mr. BAYH, Mr. BROWNBACK, Mr. NELSON of Florida, Mr. COCHRAN, Mrs. CARNAHAN, Mr. LUGAR, Mrs. CLINTON, and Mr. HATCH):

S. 1924. A bill to promote charitable giving, and for other purposes; to the Committee on Finance.

Mr. LIEBERMAN. Mr. President, I am truly proud to join Senators SANTORUM, BAYH, BROWNBACK, BILL NELSON, COCHRAN, CARNAHAN, LUGAR, CLINTON and HATCH in introducing the Charity Aid, Recovery, and Empowerment, or CARE, Act. This important bill responds to a significant problem facing our nation: the social service needs of far too many of our fellow citizens continue to go unmet, and we in Congress must do more to bring additional resources to people in need and to assist and empower the community and charitable groups seeking to serve them.

A little over a year ago, Senator SANTORUM and I stood with President Bush as he unveiled his Faith-based and Community Initiative. At the time, I embraced the plan's worthy goals, to strengthen our partnerships with charitable organizations and help them help more people in need, but I cautioned that the devil truly would be in the details.

As it turned out, those details, particularly as they related to creating a larger, lawful space for faith-based groups at the public policy table, proved more than devilish when it came to translating our outline into legislation. It would not be an exaggeration to say that many people had lost faith in ever seeing anything remotely resembling a faith-based and community initiative.

But after many months of discussion, debate, and disappointments, I am proud to report that we have finally reached a balanced, bipartisan agreement, one that avoids the controversies that have to date bogged down the President's plan in Congress, and that advances our common interest in turning the growing good will in our country into more good works in our communities. The truly bipartisan and diverse group of cosponsors who join me today testify to that.

That good will is an unmistakable outgrowth of the September 11 attacks. I have never seen our country more united or more committed to our common values, to freedom and tolerance, faith and family, responsibility and community. With this bill, we hope to harness that renewed American spirit to help make our country as good as our values, and to help restore hope to people and places it has too often gone missing.

We start by acknowledging that, in the wake of September 11 and the weakened economy, there is an ongoing and consequential charity crunch. With so much of our generosity focused on relief efforts, contributions to other groups have dropped markedly and resources have dwindled considerably, severely constraining the ability of many vital charities to meet rising demands. A survey released this week by the Association of Fundraising Professionals found that 44 percent of charities are experiencing shortfalls in contributions.

This bill is designed in part to respond directly to that charity crunch with a targeted two-year strategy to help leverage new public and private funding for the nation's non-profits. It would create a series of new tax incentives, including a meaningful deduction for non-itemizers, to spur more charitable giving. And it would substantially increase Federal funding for the Social Services Block Grant program, which underwrites a broad range of critical programs, by more than $1 billion.

But this is not a short-term or short-sighted proposal. The CARE Act employs a number of other tools to help empower community and faith-based groups over the long haul and expand their capabilities, by providing new forms of technical assistance that will make it easier for smaller grassroots organizations to qualify for Federal aid. And it builds on a proposal that Senator SANTORUM and I have long advocated to expand the use of innovative Individual Development Accounts, IDAs, to help low-income working families save and build assets and attain self-sufficiency.

As you can tell, this is not just a faith-based bill. It is a civil society bill. It is aimed at strengthening support for the broad range of community, civic, and philanthropic groups, including the religiously-affiliated, that are strengthening our social fabric. It contains none of the troubling charitable choice provisions that were in the House bill, H.R. 7, that undermined or preempted civil rights laws and raised constitutional concerns.

What it does do, though, is to take some common-sense, narrowly-targeted steps to knock down specific, documented barriers preventing many smaller faith-based social service providers from fairly competing for Federal funding. There's just no good reason to disqualify an otherwise qualified faith-based group just because they have a cross on their wall or a mezuzah on their door, or because they have a religious name in their title, or they have praise for God in their mission statement.

In moving forward with this bill, we as Democrats and Republicans recognize that while charities are not a replacement for government, government cannot do it all, either. In fact, there are some things that government cannot do at all, like repairing the human spirit. That is why it is so important for us to partner with the agents of civil society, who, as we saw again and again after September 11, can fill in those holes and fill up our hearts.

And that is why I am so pleased with this proposal, and proud of the work we have done together to make it viable. In the end, the Good Lord, not the devil, is in the details. I want to thank the President for his leadership and his cooperation, and to thank my friend Senator SANTORUM for his steadfast faith in that process. This is one CARE package that will, I am confident, deliver a lot of good to a lot of people, and which I believe a lot of Democrats and Republicans will eagerly support.

People in need and the groups that help them are waiting for our help. The CARE Act will bring it to them. I urge my colleagues to join us in supporting it. I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 1924

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Charity Aid, Recovery, and Empowerment Act of 2002'' or the ''CARE Act of 2002''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

TITLE I—CHARITABLE GIVING INCENTIVES PACKAGE

SEC. 101. DEDUCTION FOR PORTION OF CHARITABLE CONTRIBUTIONS TO BE ALLOWED TO INDIVIDUALS WHO DO NOT ITEMIZE DEDUCTIONS.

(a) IN GENERAL.—Section 170 of the Internal Revenue Code of 1986 (relating to charitable, etc., contributions and gifts) is amended by redesignating subsection (m) as subsection (n) and by inserting after subsection (l) the following new subsection:

''(m) DEDUCTION FOR INDIVIDUALS NOT ITEMIZING DEDUCTIONS.—In the case of an individual who does not itemize his deductions for any taxable year beginning after December 31, 2001, and before January 1, 2004, there shall be taken into account as a direct charitable deduction under section 63 an amount equal to the lesser of—

''(1) the amount allowable under subsection (a) for the taxable year for cash contributions, or

''(2) $400 ($800 in the case of a joint return).''.

(b) DIRECT CHARITABLE DEDUCTION.—

(1) IN GENERAL.—Subsection (b) of section 63 of the Internal Revenue Code of 1986 (defining taxable income) is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the direct charitable deduction.''.

(2) DEFINITION.—Section 63 of such Code is amended by redesignating subsection (g) as subsection (h) and by inserting after subsection (f) the following new subsection:

''(g) DIRECT CHARITABLE DEDUCTION.—For purposes of this section, the term 'direct charitable deduction' means that portion of the amount allowable under section 170(a) which is taken as a direct charitable deduction for the taxable year under section 170(m).''.

(3) CONFORMING AMENDMENT.—Subsection (d) of section 63 of such Code is amended by striking ''and'' at the end of paragraph (1), by striking the period at the end of paragraph (2) and inserting '', and'', and by adding at the end thereof the following new paragraph:

''(3) the direct charitable deduction.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 102. TAX-FREE DISTRIBUTIONS FROM INDIVIDUAL RETIREMENT ACCOUNTS FOR CHARITABLE PURPOSES.

(a) IN GENERAL.—Subsection (d) of section 408 of the Internal Revenue Code of 1986 (relating to individual retirement accounts) is amended by adding at the end the following new paragraph:

''(8) DISTRIBUTIONS FOR CHARITABLE PURPOSES.—

''(A) IN GENERAL.—No amount shall be includible in gross income by reason of a qualified charitable distribution.

''(B) QUALIFIED CHARITABLE DISTRIBUTION.—For purposes of this paragraph, the term 'qualified charitable distribution' means any distribution from an individual retirement account—

''(i) which is made directly by the trustee—

''(I) to an organization described in section 170(c), or

''(II) to a split-interest entity, and

''(ii) which is made on or after the date that the individual for whose benefit the account is maintained has attained age 67.

A distribution shall be treated as a qualified charitable distribution only to the extent that the distribution would be includible in gross income without regard to subparagraph (A) and, in the case of a distribution to a split-interest entity, only if no person holds an income interest in the amounts in the split-interest entity attributable to such distribution other than one or more of the following: the individual for whose benefit such account is maintained, the spouse of such individual, or any organization described in section 170(c).

''(C) CONTRIBUTIONS MUST BE OTHERWISE DEDUCTIBLE.—For purposes of this paragraph—

''(i) DIRECT CONTRIBUTIONS.—A distribution to an organization described in section 170(c) shall be treated as a qualified charitable distribution only if a deduction for the entire distribution would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

''(ii) SPLIT-INTEREST GIFTS.—A distribution to a split-interest entity shall be treated as a qualified charitable distribution only if a deduction for the entire value of the interest in the distribution for the use of an organization described in section 170(c) would be allowable under section 170 (determined without regard to subsection (b) thereof and this paragraph).

''(D) APPLICATION OF SECTION 72.—Notwithstanding section 72, in determining the extent to which a distribution is a qualified charitable distribution, the entire amount of the distribution shall be treated as includible in gross income without regard to subparagraph (A) to the extent that such amount does not exceed the aggregate amount which would be so includible if all amounts were distributed from all individual retirement accounts otherwise taken into account in determining the inclusion on such distribution under section 72. Proper adjustments shall be made in applying section 72 to other distributions in such taxable year and subsequent taxable years.

''(E) SPECIAL RULES FOR SPLIT-INTEREST ENTITIES.—

''(i) CHARITABLE REMAINDER TRUSTS.—Notwithstanding section 664(b), distributions made from a trust described in subparagraph (G)(i) shall be treated as ordinary income in the hands of the recipient of the annuity described in section 664(d)(1)(A) or the payment described in section 664(d)(2)(A).

''(ii) POOLED INCOME FUNDS.—No amount shall be includible in the gross income of a pooled income fund (as defined in subparagraph (G)(ii)) by reason of a qualified charitable distribution to such fund, and all distributions from the fund which are attributable to qualified charitable distributions shall be treated as ordinary income to the recipient.

''(iii) CHARITABLE GIFT ANNUITIES.—Qualified charitable distributions made for a charitable gift annuity shall not be treated as an investment in the contract.

''(F) DENIAL OF DEDUCTION.—Qualified charitable distributions shall not be taken into account in determining the deduction under section 170.

''(G) SPLIT-INTEREST ENTITY DEFINED.—For purposes of this paragraph, the term 'split-interest entity' means—

''(i) a charitable remainder annuity trust or a charitable remainder unitrust (as such terms are defined in section 664(d)) which is funded exclusively by qualified charitable distributions,

''(ii) a pooled income fund (as defined in section 642(c)(5)), but only if the fund accounts separately for amounts attributable to qualified charitable distributions, and

''(iii) a charitable gift annuity (as defined in section 501(m)(5)).''.

(b) MODIFICATIONS RELATING TO INFORMATION RETURNS BY CERTAIN TRUSTS.—

(1) RETURNS.—Section 6034 of the Internal Revenue Code of 1986 (relating to returns by trusts described in section 4947(a)(2) or claiming charitable deductions under section 642(c)) is amended to read as follows:

''SEC. 6034. RETURNS BY TRUSTS DESCRIBED IN SECTION 4947(a)(2) OR CLAIMING CHARITABLE DEDUCTIONS UNDER SECTION 642(c).

''(a) TRUSTS DESCRIBED IN SECTION 4947(a)(2).—Every trust described in section 4947(a)(2) shall furnish such information with respect to the taxable year as the Secretary may by forms or regulations require.

''(b) TRUSTS CLAIMING A CHARITABLE DEDUCTION UNDER SECTION 642(c).—

''(1) IN GENERAL.—Every trust not required to file a return under subsection (a) but claiming a charitable, etc., deduction under section 642(c) for the taxable year shall furnish such information with respect to such taxable year as the Secretary may by forms or regulations prescribe, including:

''(A) the amount of the charitable, etc., deduction taken under section 642(c) within such year,

''(B) the amount paid out within such year which represents amounts for which charitable, etc., deductions under section 642(c) have been taken in prior years,

''(C) the amount for which charitable, etc., deductions have been taken in prior years but which has not been paid out at the beginning of such year,

''(D) the amount paid out of principal in the current and prior years for charitable, etc., purposes,

''(E) the total income of the trust within such year and the expenses attributable thereto, and

''(F) a balance sheet showing the assets, liabilities, and net worth of the trust as of the beginning of such year.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply in the case of a taxable year if all the net income for such year, determined under the applicable principles of the law of trusts, is required to be distributed currently to the beneficiaries. Paragraph (1) shall not apply in the case of a trust described in section 4947(a)(1).''.

(2) INCREASE IN PENALTY RELATING TO FILING OF INFORMATION RETURN BY SPLIT-INTEREST TRUSTS.—Paragraph (2) of section 6652(c) of such Code (relating to returns by exempt organizations and by certain trusts) is amended by adding at the end the following new subparagraph:

''(C) SPLIT-INTEREST TRUSTS.—In the case of a trust which is required to file a return under section 6034(a), subparagraphs (A) and (B) of this paragraph shall not apply and paragraph (1) shall apply in the same manner as if such return were required under section 6033, except that—

''(i) the 5 percent limitation in the second sentence of paragraph (1)(A) shall not apply,

''(ii) in the case of any trust with gross income in excess of $250,000, the first sentence of paragraph (1)(A) shall be applied by substituting '$100' for '$20', and the second sentence thereof shall be applied by substituting '$50,000' for '$10,000', and

''(iii) the third sentence of paragraph (1)(A) shall be disregarded.

If the person required to file such return knowingly fails to file the return, such person shall be personally liable for the penalty imposed pursuant to this subparagraph.''.

(3) CONFIDENTIALITY OF NONCHARITABLE BENEFICIARIES.—Subsection (b) of section 6104 of such Code (relating to inspection of annual information returns) is amended by adding at the end the following new sentence: ''In the case of a trust which is required to file a return under section 6034(a), this subsection shall not apply to information regarding beneficiaries which are not organizations described in section 170(c).''.

(c) EFFECTIVE DATES.—

(1) SUBSECTION (a).—The amendment made by subsection (a) shall apply to taxable years beginning after December 31, 2001, and before January 1, 2004.

(2) SUBSECTION (b).—The amendments made by subsection (b) shall apply to returns for taxable years beginning after December 31, 2001.

SEC. 103. INCREASE IN CAP ON CORPORATE CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Paragraph (2) of section 170(b) of the Internal Revenue Code of 1986 (relating to corporations) is amended by striking ''10 percent'' and inserting ''the applicable percentage''.

(b) APPLICABLE PERCENTAGE.—Subsection (b) of section 170 of the Internal Revenue Code of 1986 is amended by adding at the end the following new paragraph:

''(3) APPLICABLE PERCENTAGE DEFINED.—For purposes of paragraph (2), the applicable percentage shall be determined in accordance with the following table:

''For taxable years beginning	**The applicable in calendar year—percentage is—**
2002	13
2003	15
2004 and thereafter	10.''.

(c) CONFORMING AMENDMENTS.—

(1) Sections 512(b)(10) and 805(b)(2)(A) of the Internal Revenue Code of 1986 are each amended by striking ''10 percent'' each place it occurs and inserting ''the applicable percentage (determined under section 170(b)(3))''.

(2) Sections 545(b)(2) and 556(b)(2) of such Code are each amended by striking ''10-percent limitation'' and inserting ''applicable percentage limitation''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 104. CHARITABLE DEDUCTION FOR CONTRIBUTIONS OF FOOD AND BOOK INVENTORIES AND BONDS.

(a) FOOD INVENTORY.—Subsection (e) of section 170 of the Internal Revenue Code of 1986 (relating to certain contributions of ordinary income and capital gain property) is amended by adding at the end the following new paragraph:

''(7) SPECIAL RULE FOR CONTRIBUTIONS OF FOOD INVENTORY.—For purposes of this section—

''(A) IN GENERAL.—In the case of a charitable contribution of apparently wholesome food by a taxpayer—

''(i) paragraph (3)(A) shall be applied without regard to whether or not the contribution is made by a C corporation, and

''(ii) in the case of a taxpayer other than a C corporation, the total deductions under subsection (a) with respect to such contributions for any taxable year shall not exceed the applicable percentage under subsection (b)(2) of the taxpayer's net income from the trade or business, computed without regard to this section.

''(B) LIMIT ON REDUCTION.—In the case of a charitable contribution of apparently wholesome food which is a qualified contribution (within the meaning of paragraph (3)(A), as modified by subparagraph (A) of this paragraph), the amount of the reduction determined under paragraph (3)(B) shall not exceed the amount determined under clause (ii) thereof (computed without taking into account the amount determined under clause (i) thereof).

''(C) DETERMINATION OF BASIS.—For purposes of this paragraph, if a taxpayer—

''(i) does not account for inventories under section 471, and

''(ii) is not required to capitalize indirect costs under section 263A,

the taxpayer may elect, solely for purposes of paragraph (3)(B)(ii), to treat the basis of any qualified contribution of such taxpayer as being equal to 25 percent of the fair market value of such contribution.

''(D) DETERMINATION OF FAIR MARKET VALUE.—In the case of a charitable contribution of apparently wholesome food which is a qualified contribution (within the meaning of paragraph (3), as modified by subparagraphs (A) and (B) of this paragraph) and which, solely by reason of internal standards of the taxpayer or lack of market, cannot or will not be sold, the fair market value of such contribution shall be determined—

''(i) without regard to such internal standards or such lack of market and

''(ii) by taking into account the price at which the same or substantially the same food items are sold by the taxpayer at the time of the contribution (or, if not so sold at such time, in the recent past).

''(E) APPARENTLY WHOLESOME FOOD.—For purposes of this paragraph, the term 'apparently wholesome food' has the meaning given such term by section 22(b)(2) of the Bill Emerson Good Samaritan Food Donation Act (42 U.S.C. 1791(b)(2)), as in effect on the date of the enactment of this paragraph.

(b) BOOK INVENTORY.—Section 170(e)(3) of the Internal Revenue Code of 1986 (relating to certain contributions of ordinary income and capital gain property) is amended by redesignating subparagraph (C) as subparagraph (D) and by inserting after subparagraph (B) the following new subparagraph:

''(D) SPECIAL RULE FOR CONTRIBUTIONS OF BOOK INVENTORY FOR EDUCATIONAL PURPOSES.—

''(i) CONTRIBUTIONS OF BOOK INVENTORY.—In determining whether a qualified book contribution is a qualified contribution, subparagraph (A) shall be applied without regard to whether or not—

''(I) the donee is an organization described in the matter preceding clause (i) of subparagraph (A), and

''(II) the property is to be used by the donee solely for the care of the ill, the needy, or infants.

''(ii) QUALIFIED BOOK CONTRIBUTION.—For purposes of this paragraph, the term 'qualified book contribution' means a charitable contribution of books, but only if the requirements of clauses (iii) and (iv) are met.

''(iii) IDENTITY OF DONEE.—The requirement of this clause is met if the contribution is to an organization—

''(I) described in subclause (I) or (III) of paragraph (6)(B)(i), or

''(II) described in section 501(c)(3) and exempt from tax under section 501(a) (other than a private foundation (as defined in section 509(a)) which is not an operating foundation defined in section 4942(j)(3)) which is organized primarily to make books available to the general public at no cost or to operate a literacy program.

''(iv) CERTIFICATION BY DONEE.—The requirement of this clause is met if the donee certifies in writing that—

''(I) the books are suitable, in terms of currency, content, and quantity, for use in the donee's educational programs, and

''(II) the donee will use the books in its educational programs and will not transfer the books in exchange for money, property, or services.''.

(c) BONDS.—Section 170(e)(5) of the Internal Revenue Code of 1986 (relating to special rule for contributions of stock for which market quotations are readily available) is amended—

(1) by striking ''stock.'' in subparagraph (A) and inserting ''stock or qualified appreciated bonds.'',

(2) by adding at the end the following new subparagraph:

''(D) QUALIFIED APPRECIATED BONDS.—

''(i) IN GENERAL.—For purposes of this paragraph, the term 'qualified appreciated bonds' means United States Treasury securities and such other debt instruments as may be prescribed by the Secretary in regulations.''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001, and before January 1, 2004.

SEC. 105. REFORM OF EXCISE TAX ON NET INVESTMENT INCOME OF PRIVATE FOUNDATIONS.

(a) IN GENERAL.—Subsection (a) of section 4940 of the Internal Revenue Code of 1986 (relating to excise tax based on investment income) is amended by striking ''2 percent'' and inserting ''1 percent (2 percent for any taxable year beginning after December 31, 2003)''.

(b) TEMPORARY REPEAL OF REDUCTION IN TAX WHERE PRIVATE FOUNDATION MEETS CERTAIN DISTRIBUTION REQUIREMENTS.—Section 4940(e) of the Internal Revenue Code of 1986 is amended by inserting ''beginning after December 31, 2003'' after ''any taxable year''..

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 106. EXCISE TAX ON UNRELATED BUSINESS TAXABLE INCOME OF CHARITABLE REMAINDER TRUSTS.

(a) IN GENERAL.—Subsection (c) of section 664 of the Internal Revenue Code of 1986 (relating to exemption from income taxes) is amended to read as follows:

''(c) TAXATION OF TRUSTS.—

''(1) INCOME TAX.—A charitable remainder annuity trust and a charitable remainder unitrust shall, for any taxable year, not be subject to any tax imposed by this subtitle.

''(2) EXCISE TAX.—

''(A) IN GENERAL.—In the case of a charitable remainder annuity trust or a charitable remainder unitrust that has unrelated business taxable income (within the meaning of section 512, determined as if part III of subchapter F applied to such trust) for a taxable year, there is hereby imposed on such trust or unitrust an excise tax equal to the amount of such unrelated business taxable income.

''(B) CERTAIN RULES TO APPLY.—The tax imposed by subparagraph (A) shall be treated as imposed by chapter 42 for purposes of this title other than subchapter E of chapter 42.

''(C) TAX COURT PROCEEDINGS.—For purposes of this paragraph, the references in section 6212(c)(1) to section 4940 shall be deemed to include references to this paragraph.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

SEC. 107. EXPANSION OF CHARITABLE CONTRIBUTION ALLOWED FOR SCIENTIFIC PROPERTY USED FOR RESEARCH AND FOR COMPUTER TECHNOLOGY AND EQUIPMENT USED FOR EDUCATIONAL PURPOSES.

(a) SCIENTIFIC PROPERTY USED FOR RESEARCH.—Clause (ii) of section 170(e)(4)(B) of the Internal Revenue Code of 1986 (defining qualified research contributions) is amended by inserting ''or assembled'' after ''constructed''.

(b) COMPUTER TECHNOLOGY AND EQUIPMENT FOR EDUCATIONAL PURPOSES.—Clause (ii) of section 170(e)(6)(B) of the Internal Revenue Code of 1986 is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(c) CONFORMING AMENDMENT.—Subparagraph (D) of section 170(e)(6) of the Internal Revenue Code of 1986 is amended by inserting ''or assembled'' after ''constructed'' and ''or assembling'' after ''construction''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001, and before January 1, 2004.

SEC. 108. ADJUSTMENT TO BASIS OF S CORPORATION STOCK FOR CERTAIN CHARITABLE CONTRIBUTIONS.

(a) IN GENERAL.—Paragraph (2) of section 1367(a) of the Internal Revenue Code of 1986 (relating to adjustments to basis of stock of shareholders, etc.) is amended by adding at the end the following new flush sentence:

''The decrease under subparagraph (B) by reason of a charitable contribution (as defined in section 170(c)) of property shall be the amount equal to the shareholder's proportionate share of the adjusted basis of such property.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply to taxable years beginning after December 31, 2001.

TITLE II—INDIVIDUAL DEVELOPMENT ACCOUNTS

SEC. 201. SHORT TITLE.

This title may be cited as the ''Savings for Working Families Act of 2002''.

SEC. 202. PURPOSES.

The purposes of this title are to provide for the establishment of individual development account programs that will—

(1) provide individuals and families with limited means an opportunity to accumulate assets and to enter the financial mainstream,

(2) promote education, homeownership, and the development of small businesses,

(3) stabilize families and build communities, and

(4) support continued United States economic expansion.

SEC. 203. DEFINITIONS.

As used in this title:

(1) ELIGIBLE INDIVIDUAL.—

(A) IN GENERAL.—The term ''eligible individual'' means, with respect to any taxable year, an individual who—

(i) has attained the age of 18 years but not the age of 61 as of the last day of such taxable year,

(ii) is a citizen or legal resident of the United States as of the last day of such taxable year,

(iii) was not a student (as defined in section 151(c)(4) of the Internal Revenue Code of 1986) for the immediately preceding taxable year,

(iv) is not an individual with respect to whom a deduction under section 151 of such Code is allowable to another taxpayer for a taxable year of the other taxpayer ending during the immediately preceding taxable year of the individual, and

(v) is a taxpayer the modified adjusted gross income of whom for the immediately preceding taxable year does not exceed—

(I) $20,000, in the case of a taxpayer described in section 1(c) of such Code,

(II) $30,000, in the case of a taxpayer described in section 1(b) of such Code,

(III) $40,000, in the case of a taxpayer described in section 1(a) of such Code, and

(IV) zero in the case of a taxpayer described in section 1(d) of such Code.

(B) INFLATION ADJUSTMENT.—

(i) IN GENERAL.—In the case of any taxable year beginning after 2003, each dollar amount referred to in subparagraph (A)(v) shall be increased by an amount equal to—

(I) such dollar amount, multiplied by

(II) the cost-of-living adjustment determined under section (1)(f)(3) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting ''2002'' for ''1992''.

(ii) ROUNDING.—If any amount as adjusted under clause (i) is not a multiple of $50, such amount shall be rounded to the nearest multiple of $50.

(C) MODIFIED ADJUSTED GROSS INCOME.—For purposes of subparagraph (A)(v), the term ''modified adjusted gross income'' means adjusted gross income—

(i) determined without regard to sections 86, 893, 911, 931, and 933 of the Internal Revenue Code of 1986, and

(ii) increased by the amount of interest received or accrued by the taxpayer during the taxable year which is exempt from tax.

(2) INDIVIDUAL DEVELOPMENT ACCOUNT.—The term ''Individual Development Account'' means an account established for an eligible individual as part of a qualified individual development account program, but only if the written governing instrument creating the account meets the following requirements:

(A) The owner of the account is the individual for whom the account was established.

(B) No contribution will be accepted unless it is in cash.

(C) The holder of the account is a qualified financial institution.

(D) The assets of the account will not be commingled with other property except in a common trust fund or common investment fund.

(E) Except as provided in section 207(b), any amount in the account may be paid out only for the purpose of paying the qualified expenses of the account owner.

(3) PARALLEL ACCOUNT.—The term ''parallel account'' means a separate, parallel individual or pooled account for all matching funds and earnings dedicated to an Individual Development Account owner as part of a qualified individual development account program, the sole owner of which is a qualified financial institution, a qualified nonprofit organization, or an Indian tribe.

(4) QUALIFIED FINANCIAL INSTITUTION.—

(A) IN GENERAL.—The term ''qualified financial institution'' means any person authorized to be a trustee of any individual retirement account under section 408(a)(2) of the Internal Revenue Code of 1986.

(B) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed as preventing a person described in subparagraph (A) from collaborating with 1 or more qualified nonprofit organizations or Indian tribes to carry out an individual development account program established under section 204.

(5) QUALIFIED NONPROFIT ORGANIZATION.—The term ''qualified nonprofit organization'' means—

(A) any organization described in section 501(c)(3) of the Internal Revenue Code of 1986 and exempt from taxation under section 501(a) of such Code,

(B) any community development financial institution certified by the Community Development Financial Institution Fund,

(C) any credit union chartered under Federal or State law, or

(D) any public housing agency as defined in section 3(b)(6) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)(6)).

(6) INDIAN TRIBE.—The term ''Indian tribe'' means any Indian tribe as defined in section 4(12) of the Native American Housing Assistance and Self-Determination Act of 1996 (25 U.S.C. 4103(12), and includes any tribally designated housing entity (as defined in section 4(21) of such Act (25 U.S.C. 4103(21)), tribal

subsidiary, subdivision, or other wholly owned tribal entity.

(7) QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAM.—The term ''qualified individual development account program'' means a program established under section 204 after December 31, 2001, under which—

(A) Individual Development Accounts and parallel accounts are held by a qualified financial institution, and

(B) additional activities determined by the Secretary, in consultation with the Secretary of Health and Human Services, as necessary to responsibly develop and administer accounts, including recruiting, providing financial education and other training to Account owners, and regular program monitoring, are carried out by the qualified financial institution, a qualified nonprofit organization, or an Indian tribe.

(8) QUALIFIED EXPENSE DISTRIBUTION.—

(A) IN GENERAL.—The term ''qualified expense distribution'' means any amount paid (including through electronic payments) or distributed out of an Individual Development Account and a parallel account established for an eligible individual if such amount—

(i) is used exclusively to pay the qualified expenses of the Individual Development Account owner or such owner's spouse or dependents,

(ii) is paid by the qualified financial institution, qualified nonprofit organization, or Indian tribe—

(I) except as otherwise provided in this clause, directly to the unrelated third party to whom the amount is due,

(II) in the case of distributions for working capital under a qualified business plan (as defined in subparagraph (B)(iv)(IV)), directly to the Account owner,

(III) in the case of any qualified rollover, directly to another Individual Development Account and parallel account, or

(IV) in the case of a qualified final distribution, directly to the spouse, dependent, or other named beneficiary of the deceased Account owner, and

(iii) is paid after the Account owner has completed a financial education course if required under section 205(b).

(B) QUALIFIED EXPENSES.—

(i) IN GENERAL.—The term ''qualified expenses'' means any of the following expenses approved by the qualified financial institution, qualified nonprofit organization, or Indian tribe:

(I) Qualified higher education expenses.

(II) Qualified first-time homebuyer costs.

(III) Qualified business capitalization or expansion costs.

(IV) Qualified rollovers.

(V) Qualified final distribution.

(ii) QUALIFIED HIGHER EDUCATION EXPENSES.—

(I) IN GENERAL.—The term ''qualified higher education expenses'' has the meaning given such term by section 529(e)(3) of the Internal Revenue Code of 1986, determined by treating the Account owner, the owner's spouse, or one or more of the owner's dependents as a designated beneficiary, and reduced as provided in section 25A(g)(2) of such Code.

(II) COORDINATION WITH OTHER BENEFITS.—The amount of expenses which may be taken into account for purposes of section 135, 529, or 530 of such Code for any taxable year shall be reduced by the amount of any qualified higher education expenses taken into account as qualified expense distributions during such taxable year.

(iii) QUALIFIED FIRST-TIME HOMEBUYER COSTS.—The term ''qualified first-time homebuyer costs'' means qualified acquisition costs (as defined in section 72(t)(8)(C) of the Internal Revenue Code of 1986) with respect to a principal residence (within the meaning of section 121 of such Code) for a qualified first-time homebuyer (as defined in section 72(t)(8)(D)(i) of such Code).

(iv) QUALIFIED BUSINESS CAPITALIZATION OR EXPANSION COSTS.—

(I) IN GENERAL.—The term ''qualified business capitalization or expansion costs'' means qualified expenditures for the capitalization or expansion of a qualified business pursuant to a qualified business plan.

(II) QUALIFIED EXPENDITURES.—The term ''qualified expenditures'' means expenditures included in a qualified business plan, including capital, plant, equipment, working capital, inventory expenses, attorney and accounting fees, and other costs normally associated with starting or expanding a business.

(III) QUALIFIED BUSINESS.—The term ''qualified business'' means any business that does not contravene any law.

(IV) QUALIFIED BUSINESS PLAN.—The term ''qualified business plan'' means a business plan which has been approved by the qualified financial institution, qualified nonprofit organization, or Indian tribe and which meets such requirements as the Secretary may specify.

(v) QUALIFIED ROLLOVERS.—The term ''qualified rollover'' means the complete distribution of the amounts in an Individual Development Account and parallel account to another Individual Development Account and parallel account established in another qualified financial institution for the benefit of the Account owner.

(vi) QUALIFIED FINAL DISTRIBUTION.—The term ''qualified final distribution'' means, in the case of a deceased Account owner, the complete distribution of the amounts in the Individual Development Account and parallel account directly to the spouse, any dependent, or other named beneficiary of the deceased.

(9) SECRETARY.—The term ''Secretary'' means the Secretary of the Treasury.

SEC. 204. STRUCTURE AND ADMINISTRATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) ESTABLISHMENT OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.—Any qualified financial institution, qualified nonprofit organization, or Indian tribe may establish 1 or more qualified individual development account programs which meet the requirements of this title.

(b) BASIC PROGRAM STRUCTURE.—

(1) IN GENERAL.—All qualified individual development account programs shall consist of the following 2 components:

(A) An Individual Development Account to which an eligible individual may contribute cash in accordance with section 205.

(B) A parallel account to which all matching funds shall be deposited in accordance with section 206.

(2) TAILORED IDA PROGRAMS.—A qualified financial institution, a qualified nonprofit organization, or an Indian tribe may tailor its qualified individual development account program to allow matching funds to be spent on 1 or more of the categories of qualified expenses.

(c) COORDINATION WITH PUBLIC HOUSING AGENCY INDIVIDUAL SAVINGS ACCOUNTS.—Section 3(e)(2) of the United States Housing Act of 1937 (42 U.S.C. 1437a(e)(2)) is amended by inserting ''or in any Individual Development Account established under the Savings for Working Families Act of 2002'' after ''subsection''.

(d) TAX TREATMENT OF PARALLEL ACCOUNTS.—

(1) IN GENERAL.—Chapter 77 of the Internal Revenue Code of 1986 (relating to miscellaneous provisions) is amended by adding at the end the following new section:

''SEC. 7525. TAX INCENTIVES FOR INDIVIDUAL DEVELOPMENT PARALLEL ACCOUNTS.

''For purposes of this title—

''(1) any account described in section 204(b)(1)(B) of the Savings for Working Families Act of 2002 shall be exempt from taxation,

(2) except as provided in section 45G, no item of income, expense, basis, gain, or loss with respect to such an account may be taken into account, and

(3) any amount withdrawn from such an account shall not be includible in gross income.''.

(2) CONFORMING AMENDMENT.—The table of sections for chapter 77 of such Code is amended by adding at the end the following new item:

''Sec. 7525. Tax incentives for individual development parallel accounts.''.

SEC. 205. PROCEDURES FOR OPENING AND MAINTAINING AN INDIVIDUAL DEVELOPMENT ACCOUNT AND QUALIFYING FOR MATCHING FUNDS.

(a) OPENING AN ACCOUNT.—An eligible individual may open an Individual Development Account with a qualified financial institution, a qualified nonprofit organization, or an Indian tribe upon certification that such individual has never maintained any other Individual Development Account (other than an Individual Development Account to be terminated by a qualified rollover).

(b) REQUIRED COMPLETION OF FINANCIAL EDUCATION COURSE.—

(1) IN GENERAL.—Before becoming eligible to withdraw matching funds to pay for qualified expenses, owners of Individual Development Accounts must complete a financial education course offered by a qualified financial institution, a qualified nonprofit organization, an Indian tribe, or a government entity.

(2) STANDARD AND APPLICABILITY OF COURSE.—The Secretary, in consultation with representatives of qualified individual development account programs and financial educators, shall establish minimum quality standards for the contents of financial education courses and providers of such courses offered under paragraph (1) and a protocol to exempt individuals from the requirement under paragraph (1) in the case of hardship, lack of need, the attainment of age 61, or a qualified final distribution.

(c) PROOF OF STATUS AS AN ELIGIBLE INDIVIDUAL.—Federal income tax forms for the immediately preceding taxable year shall be presented to the qualified financial institution, qualified nonprofit organization, or Indian tribe at the time of the establishment of the Individual Development Account and in any taxable year in which contributions are made to the Account to qualify for matching funds under section 206(b)(1)(A).

(d) DIRECT DEPOSITS.—The Secretary may, under regulations, provide for the direct deposit of any portion (not less than $1) of any overpayment of Federal tax of an individual as a contribution to the Individual Development Account of such individual.

SEC. 206. DEPOSITS BY QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) PARALLEL ACCOUNTS.—The qualified financial institution, qualified nonprofit organization, or Indian tribe shall deposit all matching funds for each Individual Development Account into a parallel account at a qualified financial institution.

(b) REGULAR DEPOSITS OF MATCHING FUNDS.—

(1) IN GENERAL.—Subject to paragraph (2), the qualified financial institution, qualified nonprofit organization, or Indian tribe shall deposit into the parallel account with respect to each eligible individual the following amounts:

(A) A dollar-for-dollar match for the first $500 contributed by the eligible individual

into an Individual Development Account with respect to any taxable year of such individual.

(B) Any matching funds provided by State, local, or private sources in accordance to the matching ratio set by those sources.

(2) INFLATION ADJUSTMENT.—

(A) IN GENERAL.—In the case of any taxable year beginning after 2003, the dollar amount referred to in paragraph (1)(A) shall be increased by an amount equal to—

(i) such dollar amount, multiplied by

(ii) the cost-of-living adjustment determined under section (1)(f)(3) of the Internal Revenue Code of 1986 for the calendar year in which the taxable year begins, by substituting ''2002'' for ''1992''.

(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of $20, such amount shall be rounded to the nearest multiple of $20.

(3) TIMING OF DEPOSITS.—A deposit of the amounts described in paragraph (1) shall be made into a parallel account—

(A) in the case of amounts described in paragraph (1)(A), not later than 30 days after the end of the calendar quarter during which the contribution described in such paragraph was made, and

(B) in the case of amounts described in paragraph (1)(B), not later than 2 business days after such amounts were provided.

(4) CROSS REFERENCE.—

For allowance of tax credit for Individual Development Account subsidies, including matching funds, see section 45G of the Internal Revenue Code of 1986.

(c) DEPOSIT OF MATCHING FUNDS INTO INDIVIDUAL DEVELOPMENT ACCOUNT OF INDIVIDUAL WHO HAS ATTAINED AGE 61.—In the case of an Individual Development Account owner who attains the age of 61, the qualified financial institution, qualified nonprofit organization, or Indian tribe which owns the parallel account with respect to such individual shall deposit the funds in such parallel account into the Individual Development Account of such individual on the later of—

(1) the day which is the 1-year anniversary of the deposit of such funds in the parallel account, or

(2) the first business day of the taxable year of such individual following the taxable year in which such individual attained age 61.

(d) UNIFORM ACCOUNTING REGULATIONS.—To ensure proper recordkeeping and determination of the tax credit under section 45G of the Internal Revenue Code of 1986, the Secretary shall prescribe regulations with respect to accounting for matching funds in the parallel accounts.

(e) REGULAR REPORTING OF ACCOUNTS.—Any qualified financial institution, qualified nonprofit organization, or Indian tribe shall report the balances in any Individual Development Account and parallel account of an individual on not less than an annual basis to such individual.

SEC. 207. WITHDRAWAL PROCEDURES.

(a) WITHDRAWALS FOR QUALIFIED EXPENSES.—

(1) IN GENERAL.—An Individual Development Account owner may withdraw funds in order to pay qualified expense distributions from such individual's—

(A) Individual Development Account, and

(B) parallel account, but only—

(i) from matching funds which have been on deposit in such parallel account for at least 1 year,

(ii) from earnings in such parallel account, after all matching funds described in clause (i) have been withdrawn, and

(iii) to the extent such withdrawal does not result in a remaining balance in such parallel account which is less than the remaining balance in the Individual Development Account after such withdrawal.

(2) PROCEDURE.—Upon receipt of a withdrawal request which meets the requirements of paragraph (1), the qualified financial institution, qualified nonprofit organization, or Indian tribe shall directly transfer the funds electronically to the distributees described in section 203(8)(A)(ii). If a distributee is not equipped to receive funds electronically, the qualified financial institution, qualified nonprofit organization, or Indian tribe may issue such funds by paper check to the distributee.

(b) WITHDRAWALS FOR NONQUALIFIED EXPENSES.—An Individual Development Account owner may withdraw any amount of funds from the Individual Development Account for purposes other than to pay qualified expense distributions, but if, after such withdrawal, the amount in the parallel account of such owner (excluding earnings on matching funds) exceeds the amount remaining in such Individual Development Account, then such owner shall forfeit from the parallel account the lesser of such excess or the amount withdrawn.

(c) WITHDRAWALS FROM ACCOUNTS OF NONELIGIBLE INDIVIDUALS.—If the individual for whose benefit an Individual Development Account is established ceases to be an eligible individual, such account shall remain an Individual Development Account, but such individual shall not be eligible for any further matching funds under section 206(b)(1)(A) for contributions which are made to the Account during any taxable year when such individual is not an eligible individual.

(d) EFFECT OF PLEDGING ACCOUNT AS SECURITY.—If, during any taxable year of the individual for whose benefit an Individual Development Account is established, that individual uses the Account or any portion thereof as security for a loan, the portion so used shall be treated as a withdrawal of such portion for purposes other than to pay qualified expenses, and such individual shall forfeit an equal amount of matching funds from the individual's parallel account.

SEC. 208. CERTIFICATION AND TERMINATION OF QUALIFIED INDIVIDUAL DEVELOPMENT ACCOUNT PROGRAMS.

(a) CERTIFICATION PROCEDURES.—Upon establishing a qualified individual development account program under section 204, a qualified financial institution, a qualified nonprofit organization, or an Indian tribe shall certify to the Secretary on forms prescribed by the Secretary and accompanied by any documentation required by the Secretary, that—

(1) the accounts described in subparagraphs (A) and (B) of section 204(b)(1) are operating pursuant to all the provisions of this title, and

(2) the qualified financial institution, qualified nonprofit organization, or Indian tribe agrees to implement an information system necessary to monitor the cost and outcomes of the qualified individual development account program.

(b) AUTHORITY TO TERMINATE QUALIFIED IDA PROGRAM.—If the Secretary determines that a qualified financial institution, a qualified nonprofit organization, or an Indian tribe under this title is not operating a qualified individual development account program in accordance with the requirements of this title (and has not implemented any corrective recommendations directed by the Secretary), the Secretary shall terminate such institution's, nonprofit organization's, or Indian tribe's authority to conduct the program. If the Secretary is unable to identify a qualified financial institution, a qualified nonprofit organization, or an Indian tribe to assume the authority to conduct such program, then any funds in a parallel account established for the benefit of any individual under such program shall be deposited into the Individual Development Account of such individual as of the first day of such termination.

SEC. 209. REPORTING, MONITORING, AND EVALUATION.

(a) RESPONSIBILITIES OF QUALIFIED FINANCIAL INSTITUTIONS, QUALIFIED NONPROFIT ORGANIZATIONS, AND INDIAN TRIBES.—

(1) IN GENERAL.—Each qualified financial institution, qualified nonprofit organization, or Indian tribe that operates a qualified individual development account program under section 204 shall report annually to the Secretary within 90 days after the end of each calendar year on—

(A) the number of eligible individuals making contributions into Individual Development Accounts,

(B) the amounts contributed into Individual Development Accounts and deposited into parallel accounts for matching funds,

(C) the amounts withdrawn from Individual Development Accounts and parallel accounts, and the purposes for which such amounts were withdrawn,

(D) the balances remaining in Individual Development Accounts and parallel accounts, and

(E) such other information needed to help the Secretary monitor the cost and outcomes of the qualified individual development account program (provided in a non-individually-identifiable manner).

(2) ADDITIONAL REPORTING REQUIREMENTS.—Each qualified financial institution, qualified nonprofit organization, or Indian tribe that operates a qualified individual development account program under section 204 shall report at such time and in such manner as the Secretary may prescribe any additional information that the Secretary requires to be provided for purposes of administering and supervising the qualified individual development account program. This additional data may include, without limitation, identifying information about Individual Development Account holders, their Accounts, additions to the Accounts, and withdrawals from the Accounts.

(b) RESPONSIBILITIES OF THE SECRETARY.—

(1) MONITORING PROTOCOL.—Not later than 12 months after the date of the enactment of this Act, the Secretary, in consultation with the Secretary of Health and Human Services, shall develop and implement a protocol and process to monitor the cost and outcomes of the qualified individual development account programs established under section 204.

(2) ANNUAL REPORTS.—In each year after the date of the enactment of this Act, the Secretary shall submit a progress report to Congress on the status of such qualified individual development account programs. Such report shall, to the extent data is available, include from a representative sample of qualified individual development account programs information on—

(A) the characteristics of participants, including age, gender, race or ethnicity, marital status, number of children, employment status, and monthly income,

(B) deposits, withdrawals, balances, uses of Individual Development Accounts, and participant characteristics,

(C) the characteristics of qualified individual development account programs, including match rate, economic education requirements, permissible uses of accounts, staffing of programs in full time employees, and the total costs of programs, and

(D) process information on program implementation and administration, especially on problems encountered and how problems were solved.

(3) REAUTHORIZATION REPORT ON COST AND OUTCOMES OF IDAS.—

(A) IN GENERAL.—Not later than July 1, 2008, the Secretary of the Treasury shall submit a report to Congress and the chairmen and ranking members of the Committee on Finance, the Committee on Banking, Housing, and Urban Affairs, and the Committee on Health, Education, Labor, and Pensions of the Senate and the Committee on Ways and Means, the Committee on Banking and Financial Services, and the Committee on Education and the Workforce of the House of Representatives, in which the Secretary shall—

(i) summarize the previously submitted annual reports required under paragraph (2),

(ii) from a representative sample of qualified individual development account programs, include an analysis of—

(I) the economic, social, and behavioral outcomes,

(II) the changes in savings rates, asset holdings, and household debt, and overall changes in economic stability,

(III) the changes in outlooks, attitudes, and behavior regarding savings strategies, investment, education, and family,

(IV) the integration into the financial mainstream, including decreased reliance on alternative financial services, and increase in acquisition of mainstream financial products, and

(V) the involvement in civic affairs, including neighborhood schools and associations, associated with participation in qualified individual development account programs,

(iii) from a representative sample of qualified individual development account programs, include a comparison of outcomes associated with such programs with outcomes associated with other Federal Government social and economic development programs, including asset building programs, and

(iv) make recommendations regarding the reauthorization of the qualified individual development account programs, including—

(I) recommendations regarding reforms that will improve the cost and outcomes of the such programs, including the ability to help low income families save and accumulate productive assets,

(II) recommendations regarding the appropriate levels of subsidies to provide effective incentives to financial institutions and Account holders under such programs, and

(IV) recommendations regarding how such programs should be integrated into other Federal poverty reduction, asset building, and community development policies and programs.

(B) AUTHORIZATION.—There is authorized to be appropriated $2,500,000, for carrying out the purposes of this paragraph.

SEC. 210. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to the Secretary $1,000,000 for fiscal year 2003 and for each fiscal year through 2009, for the purposes of implementing this title, including the reporting, monitoring, and evaluation required under section 209, to remain available until expended.

SEC. 211. ACCOUNT FUNDS DISREGARDED FOR PURPOSES OF CERTAIN MEANS-TESTED FEDERAL PROGRAMS.

Notwithstanding any other provision of Federal law that requires consideration of 1 or more financial circumstances of an individual, for the purposes of determining eligibility to receive, or the amount of, any assistance or benefit authorized by such provision to be provided to or for the benefit of such individual, an amount shall be disregarded for such purposes equal to the sum of—

(1) the lesser of—

(A) all amounts (including earnings thereon) in any Individual Development Account of such individual, or

(B) an amount equal to $1,000 times the number of years (including the year in which such determination is made) that such Account (including any predecessor Account) has been open, plus

(2) the matching deposits made on behalf of such individual (including earnings thereon) in any parallel account.

SEC. 212. MATCHING FUNDS FOR INDIVIDUAL DEVELOPMENT ACCOUNTS PROVIDED THROUGH A TAX CREDIT FOR QUALIFIED FINANCIAL INSTITUTIONS.

(a) IN GENERAL.—Subpart D of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to business related credits) is amended by adding at the end the following new section:

''SEC. 45G. INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT CREDIT.

''(a) DETERMINATION OF AMOUNT.—For purposes of section 38, the individual development account investment credit determined under this section with respect to any eligible entity for any taxable year is an amount equal to the individual development account investment provided by such eligible entity during the taxable year under an individual development account program established under section 204 of the Savings for Working Families Act of 2002.

''(b) APPLICABLE TAX.—For the purposes of this section, the term 'applicable tax' means the excess (if any) of—

''(1) the tax imposed under this chapter (other than the taxes imposed under the provisions described in subparagraphs (C) through (Q) of section 26(b)(2)), over

''(2) the credits allowable under subpart B (other than this section) and subpart D of this part.

''(c) INDIVIDUAL DEVELOPMENT ACCOUNT INVESTMENT.—

''(1) IN GENERAL.—For purposes of this section, the term 'individual development account investment' means, with respect to an individual development account program of a qualified financial institution in any taxable year, an amount equal to the sum of—

''(A) the aggregate amount of dollar-for-dollar matches under such program under section 206(b)(1)(A) of the Savings for Working Families Act of 2002 for such taxable year, plus

''(B) $50 with respect to each Individual Development Account maintained as of the end of such taxable year, with a balance of not less than $100 (other than the taxable year in which such Account is opened).

''(2) INFLATION ADJUSTMENT.—

''(A) IN GENERAL.—In the case of any taxable year beginning after 2003, the $50 amount referred to in paragraph (1)(B) shall be increased by an amount equal to—

''(i) such dollar amount, multiplied by

''(ii) the cost-of-living adjustment determined under section (1)(f)(3) for the calendar year in which the taxable year begins, by substituting '2002' for '1992'.

''(B) ROUNDING.—If any amount as adjusted under subparagraph (A) is not a multiple of $5, such amount shall be rounded to the nearest multiple of $5.

''(d) ELIGIBLE ENTITY.—For purposes of this section, except as provided in regulations, the term 'eligible entity' means a qualified financial institution.

''(e) OTHER DEFINITIONS.—For purposes of this section, any term used in this section and also in the Savings for Working Families Act of 2002 shall have the meaning given such term by such Act.

''(f) DENIAL OF DOUBLE BENEFIT.—

''(1) IN GENERAL.—No deduction or credit (other than under this section) shall be allowed under this chapter with respect to any expense which—

''(A) is taken into account under subsection (c)(1)(A) in determining the credit under this section, or

''(B) is attributable to the maintenance of an Individual Development Account.

''(2) DETERMINATION OF AMOUNT.—Solely for purposes of paragraph (1)(B), the amount attributable to the maintenance of an Individual Development Account shall be deemed to be the dollar amount of the credit allowed under subsection (c)(l)(B) for each taxable year such Individual Development Account is maintained.

''(g) REGULATIONS.—The Secretary may prescribe such regulations as may be necessary or appropriate to carry out this section, including—

''(1) regulations allowing taxpayers other than qualified financial institutions to claim credits under this section, and

''(2) regulations providing for a recapture of the credit allowed under this section (notwithstanding any termination date described in subsection (h)) in cases where there is a forfeiture under section 207(b) of the Savings for Working Families Act of 2002 in a subsequent taxable year of any amount which was taken into account in determining the amount of such credit.

''(h) APPLICATION OF SECTION.—

''(1) IN GENERAL.—This section shall apply to any expenditure made in any taxable year ending after December 31, 2002, and beginning on or before January 1, 2010, with respect to any Individual Development Account which—

''(A) is opened before January 1, 2008, and

''(B) as determined by the Secretary, when added to all previously opened Individual Development Accounts, does not exceed 900,000 Accounts.

Notwithstanding the preceding sentence, this section shall apply to amounts which are described in subsection (c)(1)(A) and which are timely deposited into a parallel account during the 30-day period following the end of last taxable year beginning before January 1, 2010.

''(2) DETERMINATION OF LIMITATION.—The limitation on the number of Individual Development Accounts under paragraph (1)(B) shall be allocated by the Secretary among qualified individual development account programs selected by the Secretary.''.

(b) CREDIT TREATED AS BUSINESS CREDIT.—Section 38(b) of the Internal Revenue Code of 1986 (relating to current year business credit) is amended by striking ''plus'' at the end of paragraph (14), by striking the period at the end of paragraph (15) and inserting '', plus'', and by adding at the end the following new paragraph:

''(16) the individual development account investment credit determined under section 45G(a).''.

(c) NO CARRYBACKS.—Subsection (d) of section 39 of the Internal Revenue Code of 1986 (relating to carryback and carryforward of unused credits) is amended by adding at the end the following:

''(11) NO CARRYBACK OF SECTION 45G CREDIT BEFORE EFFECTIVE DATE.—No portion of the unused business credit for any taxable year which is attributable to the individual development account investment credit determined under section 45G may be carried back to a taxable year ending before January 1, 2003.''.

(d) CONFORMING AMENDMENT.—The table of sections for subpart C of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by adding at the end the following new item:

''Sec. 45G. Individual development account investment credit.''.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years ending after December 31, 2002.

TITLE III—EQUAL TREATMENT FOR NONGOVERNMENTAL PROVIDERS

SEC. 301. NONGOVERNMENTAL ORGANIZATIONS.

(a) GENERAL AUTHORITY.—For any social service program, a nongovernmental organization that is (or is applying to be) involved in the delivery of social services for the program shall not be required—

(1) to alter or remove art, icons, scripture, or other symbols, or to alter its name, because the symbols or name are religious;

(2) to alter or remove provisions in its chartering documents because the provisions are religious, except that no such charter provisions shall affect the application to a nongovernmental organization of any law that would (notwithstanding this paragraph) apply to the nongovernmental organization; or

(3) to alter or remove religious qualifications for membership on its governing boards.

(b) PRIOR EXPERIENCE.—A nongovernmental organization that has not previously been awarded a contract, grant, or cooperative agreement from an agency shall not, for that reason, be disadvantaged in a competition to secure a contract, grant, or cooperative agreement to deliver services under a social service program from the agency administering the program.

(c) INTERMEDIATE GRANTORS.—

(1) IN GENERAL.—An agency that administers a social service program, and that is authorized to award grants or cooperative agreements to nongovernmental organizations under the program, may award to a nongovernmental organization (referred to in this subsection as an ''intermediate grantor'') a grant or cooperative agreement, the terms of which authorize the intermediate grantor—

(A) to award contracts or subgrants to nongovernmental providers, to administer and deliver social services for the program; and

(B) to administer the contracts or subgrants.

(2) RESPONSIBILITIES.—Except for those administrative responsibilities that the intermediate grantor fully performs on behalf of the recipient of such a contract or subgrant, the recipient of the contract or subgrant shall have the same responsibilities with respect to the program as the recipient would have if it were the intermediate grantor.

(3) RIGHTS.—The recipient of a contract or subgrant from an intermediate grantor shall have the same rights under this section as the recipient would have if it were the intermediate grantor.

(d) COMPLIANCE.—To enforce the provisions of this section against a Federal agency or official, a nongovernmental organization may bring an action for injunctive relief in an appropriate United States district court. To enforce the provisions of this section against a State or local agency or official, a nongovernmental organization may bring an action for injunctive relief in an appropriate State court of general jurisdiction.

(e) DEFINITIONS.—In this section:

(1) FEDERAL FINANCIAL ASSISTANCE.—The term ''Federal financial assistance'' does not include a tax credit, deduction, or exemption.

(2) SOCIAL SERVICE PROGRAM.—

(A) IN GENERAL.—The term ''social service program'' means a program that—

(i) is administered by the Federal Government, or by a State or local government using Federal financial assistance; and

(ii) provides services directed at helping people in need, reducing poverty, improving outcomes of low-income children, revitalizing low-income communities, and empowering low-income families and low-income individuals to become self-sufficient, including—

(I) child care services, protective services for children and adults, services for children and adults in foster care, adoption services, services related to the management and maintenance of the home, day care services for adults, and services to meet the special needs of children, older individuals, and individuals with disabilities (including physical, mental, or emotional disabilities);

(II) transportation services;

(III) job training and related services, and employment services;

(IV) information, referral, and counseling services;

(V) the preparation and delivery of meals, and services related to soup kitchens or food banks;

(VI) health support services;

(VII) literacy and mentoring programs;

(VIII) services for the prevention and treatment of juvenile delinquency and substance abuse, services for the prevention of crime and the provision of assistance to the victims and the families of criminal offenders, and services related to the intervention in, and prevention of, domestic violence; and

(IX) services related to the provision of assistance for housing under Federal law.

(B) EXCLUSIONS.—The term does not include a program having the purpose of delivering educational assistance under the Elementary and Secondary Education Act of 1965 (20 U.S.C. 6301 et seq.) or under the Higher Education Act of 1965 (20 U.S.C. 1001 et seq.).

TITLE IV—EZ PASS RECOGNITION OF SECTION 501(c)(3) STATUS

SEC. 401. EZ PASS RECOGNITION OF SECTION 501(c)(3) STATUS AND WAIVER OF APPLICATION FEE FOR EXEMPT STATUS FOR CERTAIN ORGANIZATIONS PROVIDING SOCIAL SERVICES FOR THE POOR AND NEEDY.

(a) IN GENERAL.—The Secretary of the Treasury or the Secretary's delegate (in this section, referred to as the ''Secretary'') shall adopt procedures to expedite the consideration of applications for exempt status under section 501(c)(3) of the Internal Revenue Code of 1986 by any organization that—

(1) is organized and operated for the primary purpose of providing social services;

(2) is seeking a contract or grant under a Federal, State, or local program that provides funding for social services programs;

(3) establishes that, under the terms and conditions of the contract or grant program, an organization is required to obtain such exempt status before the organization is eligible to apply for a contract or grant;

(4) includes with its exemption application a copy of its completed Federal, State, or local contract or grant application; and

(5) meets such other criteria as the Secretary deems appropriate for expedited consideration.

The Secretary may prescribe other similar circumstances in which such organizations may be entitled to expedited consideration.

(b) WAIVER OF APPLICATION FEE FOR EXEMPT STATUS.—Any organization that meets the conditions described in subsection (a) (without regard to paragraph (3) of that subsection) is entitled to a waiver of any fee for an application for exempt status under section 501(c)(3) of the Internal Revenue Code of 1986 if the organization certifies that the organization has had (or expects to have) average annual gross receipts of not more than $50,000 during the preceding 4 years (or during such organization's first 4 years).

(c) SOCIAL SERVICES DEFINED.—For purposes of this section, the term ''social services'' means services described in subparagraph (A)(ii) of section 301(e)(2) (except as described in subparagraph (B) of that section).

TITLE V—COMPASSION CAPITAL FUND

SEC. 501. SUPPORT FOR NONPROFIT COMMUNITY-BASED ORGANIZATIONS; DEPARTMENT OF HEALTH AND HUMAN SERVICES.

(a) SUPPORT FOR NONGOVERNMENTAL ORGANIZATIONS.—The Secretary of Health and Human Services (referred to in this section as ''the Secretary'') may award grants to and enter into cooperative agreements with nongovernmental organizations, to—

(1) provide technical assistance for community-based organizations, which may include—

(A) grant writing and grant management assistance, which may include assistance provided through workshops and other guidance;

(B) legal assistance with incorporation;

(C) legal assistance to obtain tax-exempt status; and

(D) information on, and referrals to, other nongovernmental organizations that provide expertise in accounting, on legal issues, on tax issues, in program development, and on a variety of other organizational topics;

(2) provide information and assistance for community-based organizations on capacity building;

(3) provide for community-based organizations information on and assistance in identifying and using best practices for delivering assistance to persons, families, and communities in need;

(4) provide information on and assistance in utilizing regional intermediary organizations to increase and strengthen the capabilities of nonprofit community-based organizations;

(5) assist community-based organizations in replicating social service programs of demonstrated effectiveness; and

(6) encourage research on the best practices of social service organizations.

(b) SUPPORT FOR STATES.—The Secretary—

(1) may award grants to and enter into cooperative agreements with States and political subdivisions of States to provide seed money to establish State and local offices of faith-based and community initiatives; and

(2) shall provide technical assistance to States and political subdivisions of States in administering the provisions of this Act.

(c) APPLICATIONS.—To be eligible to receive a grant or enter into a cooperative agreement under this section, a nongovernmental organization, State, or political subdivision shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(d) LIMITATION.—In order to widely disburse limited resources, no community-based organization (other than a direct recipient of a grant or cooperative agreement from the Secretary) may receive more than 1 grant or cooperative agreement under this section for the same purpose.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $85,000,000 for fiscal year 2003, and such sums as may be necessary for each of fiscal years 2004 through 2007.

(f) DEFINITION.—In this section, the term ''community-based organization'' means a nonprofit corporation or association that has—

(1) not more than 6 full-time equivalent employees who are engaged in the provision of social services; or

(2) a current annual budget (current as of the date the entity seeks assistance under this section) for the provision of social services, compiled and adopted in good faith, of less than $450,000.

SEC. 502. SUPPORT FOR NONPROFIT COMMUNITY-BASED ORGANIZATIONS; CORPORATION FOR NATIONAL AND COMMUNITY SERVICE.

(a) SUPPORT FOR NONGOVERNMENTAL ORGANIZATIONS.—The Corporation for National and Community Service (referred to in this section as ''the Corporation'') may award grants to and enter into cooperative agreements with nongovernmental organizations and State Commissions on National and Community Service established under section 178 of the National and Community Service Act of 1990 (42 U.S.C. 12638), to—

(1) provide technical assistance for community-based organizations, which may include—

(A) grant writing and grant management assistance, which may include assistance provided through workshops and other guidance;

(B) legal assistance with incorporation;

(C) legal assistance to obtain tax-exempt status; and

(D) information on, and referrals to, other nongovernmental organizations that provide expertise in accounting, on legal issues, on tax issues, in program development, and on a variety of other organizational topics;

(2) provide information and assistance for community-based organizations on capacity building;

(3) provide for community-based organizations information on and assistance in identifying and using best practices for delivering assistance to persons, families, and communities in need;

(4) provide information on and assistance in utilizing regional intermediary organizations to increase and strengthen the capabilities of community-based organizations;

(5) assist community-based organizations in replicating social service programs of demonstrated effectiveness; and

(6) encourage research on the best practices of social service organizations.

(b) APPLICATIONS.—To be eligible to receive a grant or enter into a cooperative agreement under this section, a nongovernmental organization, State Commission, State, or political subdivision shall submit an application to the Corporation at such time, in such manner, and containing such information as the Corporation may require.

(c) LIMITATION.—In order to widely disburse limited resources, no community-based organization (other than a direct recipient of a grant or cooperative agreement from the Secretary) may receive more than 1 grant or cooperative agreement under this section for the same purpose.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $15,000,000 for fiscal year 2003, and such sums as may be necessary for each of fiscal years 2004 through 2007.

(e) DEFINITION.—In this section, the term ''community-based organization'' means a nonprofit corporation or association that has—

(1) not more than 6 full-time equivalent employees who are engaged in the provision of social services; or

(2) a current annual budget (current as of the date the entity seeks assistance under this section) for the provision of social services, compiled and adopted in good faith, of less than $450,000.

SEC. 503. SUPPORT FOR NONPROFIT COMMUNITY-BASED ORGANIZATIONS; DEPARTMENT OF JUSTICE.

(a) SUPPORT FOR NONGOVERNMENTAL ORGANIZATIONS.—The Attorney General may award grants to and enter into cooperative agreements with nongovernmental organizations, to—

(1) provide technical assistance for community-based organizations, which may include—

(A) grant writing and grant management assistance, which may include assistance provided through workshops and other guidance;

(B) legal assistance with incorporation;

(C) legal assistance to obtain tax-exempt status; and

(D) information on, and referrals to, other nongovernmental organizations that provide expertise in accounting, on legal issues, on tax issues, in program development, and on a variety of other organizational topics;

(2) provide information and assistance for community-based organizations on capacity building;

(3) provide for community-based organizations information on and assistance in identifying and using best practices for delivering assistance to persons, families, and communities in need;

(4) provide information on and assistance in utilizing regional intermediary organizations to increase and strengthen the capabilities of nonprofit community-based organizations;

(5) assist community-based organizations in replicating social service programs of demonstrated effectiveness; and

(6) encourage research on the best practices of social service organizations.

(b) APPLICATIONS.—To be eligible to receive a grant or enter into a cooperative agreement under this section, a nongovernmental organization, State, or political subdivision shall submit an application to the Attorney General at such time, in such manner, and containing such information as the Attorney General may require.

(c) LIMITATION.—In order to widely disburse limited resources, no community-based organization (other than a direct recipient of a grant or cooperative agreement from the Attorney General) may receive more than 1 grant or cooperative agreement under this section for the same purpose.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $35,000,000 for fiscal year 2003, and such sums as may be necessary for each of fiscal years 2004 through 2007.

(e) DEFINITION.—In this section, the term ''community-based organization'' means a nonprofit corporation or association that has—

(1) not more than 6 full-time equivalent employees who are engaged in the provision of social services; or

(2) a current annual budget (current as of the date the entity seeks assistance under this section) for the provision of social services, compiled and adopted in good faith, of less than $450,000.

SEC. 504. SUPPORT FOR NONPROFIT COMMUNITY-BASED ORGANIZATIONS; DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT.

(a) SUPPORT FOR NONGOVERNMENTAL ORGANIZATIONS.—The Secretary of Housing and Urban Development (referred to in this section ''the Secretary'') may award grants to and enter into cooperative agreements with nongovernmental organizations, to—

(1) provide technical assistance for community-based organizations, which may include—

(A) grant writing and grant management assistance, which may include assistance provided through workshops and other guidance;

(B) legal assistance with incorporation;

(C) legal assistance to obtain tax-exempt status; and

(D) information on, and referrals to, other nongovernmental organizations that provide expertise in accounting, on legal issues, on tax issues, in program development, and on a variety of other organizational topics;

(2) provide information and assistance for community-based organizations on capacity building;

(3) provide for community-based organizations information on and assistance in identifying and using best practices for delivering assistance to persons, families, and communities in need;

(4) provide information on and assistance in utilizing regional intermediary organizations to increase and strengthen the capabilities of community-based organizations;

(5) assist community-based organizations in replicating social service programs of demonstrated effectiveness; and

(6) encourage research on the best practices of social service organizations.

(b) APPLICATIONS.—To be eligible to receive a grant or enter into a cooperative agreement under this section, a nongovernmental organization, State, or political subdivision shall submit an application to the Secretary at such time, in such manner, and containing such information as the Secretary may require.

(c) LIMITATION.—In order to widely disburse limited resources, no community-based organization (other than a direct recipient of a grant or cooperative agreement from the Secretary) may receive more than 1 grant or cooperative agreement under this section for the same purpose.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $15,000,000 for fiscal year 2003, and such sums as may be necessary for each of fiscal years 2004 through 2007.

(e) DEFINITION.—In this section, the term ''community-based organization'' means a nonprofit corporation or association that has—

(1) not more than 6 full-time equivalent employees who are engaged in the provision of social services; or

(2) a current annual budget (current as of the date the entity seeks assistance under this section) for the provision of social services, compiled and adopted in good faith, of less than $450,000.

SEC. 505. COORDINATION.

The Secretary of Health and Human Services, the Corporation for National and Community Service, the Attorney General, and the Secretary of Housing and Urban Development shall coordinate their activities under this title to ensure—

(1) nonduplication of activities under this title; and

(2) an equitable distribution of resources under this title.

TITLE VI—SOCIAL SERVICES BLOCK GRANT

SEC. 601. RESTORATION OF AUTHORITY TO TRANSFER UP TO 10 PERCENT OF TANF FUNDS TO THE SOCIAL SERVICES BLOCK GRANT.

(a) IN GENERAL.—Section 404(d)(2) of the Social Security Act (42 U.S.C. 604(d)(2)) is amended to read as follows:

''(2) LIMITATION ON AMOUNT TRANSFERABLE TO TITLE XX PROGRAMS.—A State may use not more than 10 percent of the amount of any grant made to the State under section 403(a) for a fiscal year to carry out State programs pursuant to title XX.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to amounts made available for fiscal year 2003 and each fiscal year thereafter.

SEC. 602. RESTORATION OF FUNDS FOR THE SOCIAL SERVICES BLOCK GRANT.

(a) FINDINGS.—Congress makes the following findings:

(1) On August 22, 1996, the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (Public Law 104–193; 110 Stat. 2105) was signed into law.

(2) In enacting that law, Congress authorized $2,800,000,000 for fiscal year 2003 and each fiscal year thereafter to carry out the Social Services Block Grant program established under title XX of the Social Security Act (42 U.S.C. 1397 et seq.).

(b) RESTORATION OF FUNDS.—Section 2003(c) of the Social Security Act (42 U.S.C. 1397b(c)) is amended—

(1) in paragraph (10), by striking ''and'' at the end;

(2) in paragraph (11), by striking '' and each fiscal year thereafter.'' and inserting a semicolon; and

(3) by adding at the end the following:

''(12) $1,975,000,000 for the fiscal year 2003; and

''(13) $2,800,000,000 for the fiscal year 2004.''.

SEC. 603. REQUIREMENT TO SUBMIT ANNUAL REPORT ON STATE ACTIVITIES.

(a) IN GENERAL.—Section 2006(c) of the Social Security Act (42 U.S.C. 1397e(c)) is amended by adding at the end the following: ''The Secretary shall compile the information submitted by the States and submit that information to Congress on an annual basis.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) applies to information submitted by States under section 2006 of the Social Security Act (42 U.S.C. 1397e) with respect to fiscal year 2002 and each fiscal year thereafter.

TITLE VII—MATERNITY GROUP HOMES

SEC. 701. MATERNITY GROUP HOMES.

(a) PERMISSIBLE USE OF FUNDS.—Section 322 of the Runaway and Homeless Youth Act (42 U.S.C. 5714-2) is amended—

(1) in subsection (a)(1), by inserting ''(including maternity group homes)'' after ''group homes''; and

(2) by adding at the end the following:

''(c) MATERNITY GROUP HOME.—In this part, the term 'maternity group home' means a community-based, adult-supervised group home that provides young mothers and their children with a supportive and supervised living arrangement in which such mothers are required to learn parenting skills, including child development, family budgeting, health and nutrition, and other skills to promote their long-term economic independence and the well-being of their children.''.

(b) CONTRACT FOR EVALUATION.—Part B of the Runaway and Homeless Youth Act (42 U.S.C. 5701 et seq.) is amended by adding at the end the following:

''SEC. 323. CONTRACT FOR EVALUATION.

''(a) IN GENERAL.—The Secretary shall enter into a contract with a public or private entity for an evaluation of the maternity group homes that are supported by grant funds under this Act.

''(b) INFORMATION.—The evaluation described in subsection (a) shall include the collection of information about the relevant characteristics of individuals who benefit from maternity group homes such as those that are supported by grant funds under this Act and what services provided by those maternity group homes are most beneficial to such individuals.

''(c) REPORT.—Not later than 2 years after the date on which the Secretary enters into a contract for an evaluation under subsection (a), and biennially thereafter, the entity conducting the evaluation under this section shall submit to Congress a report on the status, activities, and accomplishments of maternity group homes that are supported by grant funds under this Act.''.

(c) AUTHORIZATION OF APPROPRIATIONS.—Section 388 of the Runaway and Homeless Youth Act (42 U.S.C. 5751) is amended—

(1) in subsection(a)(1)—

(A) by striking ''There'' and inserting the following:

''(A) IN GENERAL.—There'';

(B) in subparagraph (A), as redesignated, by inserting ''and the purpose described in subparagraph (B)'' after ''other than part E''; and

(C) by adding at the end the following:

''(B) MATERNITY GROUP HOMES.—There is authorized to be appropriated, for maternity group homes eligible for assistance under section 322(a)(1)—

''(i) $33,000,000 for fiscal year 2003; and

''(ii) such sums as may be necessary for fiscal year 2004.''; and

(2) in subsection (a)(2)(A), by striking ''paragraph (1)'' and inserting ''paragraph (1)(A)''.

THE CHARITY AID, RECOVERY AND EMPOWERMENT, (''CARE'') ACT OF 2002—SECTION-BY-SECTION SUMMARY

OVERVIEW

The Lieberman-Santorum CARE Act aims to tap into America's renewed spirit of unity, community and responsibility in the wake of September 11th to better respond to pressing social problems and ultimately help more people in need. To do so, it would leverage new support and resources for a broad range of community and faith-based groups—including those that are already working cooperatively with government to provide critical services and improve people's lives, and those who want to become part of that partnership.

This diverse universe of charitable organizations—which proved once again after the terrorist attacks how effective they are in meeting real human needs—is uniquely American and forms the backbone of our civil society. The CARE Act would strengthen that backbone through a broad array of tools and strategies—(1) tax incentives to spur more private charitable giving; (2) innovative programs to promote savings and economic self-sufficiency for low-income families; (3) technical assistance to help smaller social services providers do more good works; (4) narrowly-targeted efforts to remove unfair barriers facing faith-based groups in competing fairly for federal aid; and (5) additional federal funding for essential social service programs.

TITLE I: CHARITABLE GIVING INCENTIVES

This section offers a series of targeted tax incentives to spur additional charitable giving and thereby bring increased resources to organizations helping those in need. Among other things, these provisions would:

Create a charitable tax deduction of up to $400 for individual taxpayers and $800 for couples who do not itemize on their tax returns;

Allow IRA holders to make charitable contributions from their accounts;

Provide an enhanced deduction for donations of food and books to charitable organizations;

Reduce and simplfy the excise tax on foundations from 2 percent to 1 percent to encourage greater social investments;

Raise the contributions cap for subchapter C corporations and expand incentives for S corporations to increase corporate charitable giving; and

Modify the unrelated business income tax for charitable remainder trusts.

These provisions are designed to respond to the immediate challenges facing charities in the wake of the September 11th attacks and the weakened economy, which have put a significant drain on resources. These provisions, which are effective through 2003, have not been officially scored by the Joint Tax Committee, but are estimated to cost between $8 billion and $10 billion.

TITLE II: INDIVIDUAL DEVELOPMENT ACCOUNTS

This section encompasses the bipartisan legislation that Senators Lieberman and Santorum have introduced to expand the use of Individual Development Accounts (IDAs) to encourage low-income working families to save and build assets. IDAs are special savings accounts that offer matching contributions from the sponsoring bank or community organization, on the condition that the proceeds go to buying a home, starting or expanding a small business, or to pay for post-secondary education—the assets necessary to provide stability and self-sufficiency.

Initial IDA demonstrations around the country have proven successful in changing the lives of account holders and reducing their dependency on governmental and other social services. The CARE Act aims to build on these successes and increase the availability of IDAs, by significantly reducing the cost for banks and community organizations to offer these innovative accounts. Specifically, it would provide a dollar-for-dollar tax credit to offset the matching contributions up to $500 per account. This incentive, which is estimated to cost $1.7 billion over the next 10 years, could help create as many as 900,000 new accounts over that time.

TITLE III: EQUAL TREATMENT FOR NON-GOVERNMENTAL PROVIDERS

This section addresses a recurring complaint of small faith-based organizations—that certain government agencies have refused to consider grant applicants with religious names or those who use facilities containing religious art or icons—with a narrowly-tailored solution. Specifically, it states that an applicant may not be disqualified from competing for government grants and contracts simply because the applicant imposes religious criteria for membership on its governing board, because the applicant's chartering provisions contain religious language, because the applicant has a religious name, or because the applicant uses facilities containing religious art, icons scriptures or other symbols. These provisions do not relieve any applicant from meeting all other grant criteria or address the issues of preemption or civil rights laws.

This section also addresses another problem many smaller community and faith-based grassroots organizations face in obtaining federal funding. These organizations often do not have the capacity or resources to seek and administer a government grant or contract, even though they may be best positioned to deliver the services. To help them overcome this hurdle, this section authorizes government agencies to give grants or enter into cooperative agreements with larger and more experienced organizations, who then will be authorized to award subcontracts or subgrants to smaller grassroots organizations, with whom they will work to administer the grant.

TITLE IV: 501(C)(3) EZ PASS

This section would make it easier for many charitable groups to obtain a 501(c)(3) designation, and thereby make it easier to qualify for Federal grants and contracts. 501(c)(3) status confirms that an organization is a tax-exempt charity, eligible to receive tax-exempt donations. Although any group that applies for that status can hold itself out as a 501(c)(3) once it sends the IRS its application, a number of government programs won't consider applications from any group that hasn't yet received approval of its application from the IRS—a process that sometimes can take several months.

To help facilitate that process, the bill requires the IRS to expedite the 501(c)(3) application of any group that needs that status to apply for a government grant or contract. And, in a effort to help the smallest of these groups, it requires the IRS to waive the application fee for groups whose annual revenues don't exceed $50,000.

TITLE V: COMPASSION CAPITAL FUND

To help small community and faith-based organizations better partner with the government and serve communities in need, the bill creates a Compassion Capital Fund and authorizes four agencies to distribute its resources. HHS, DOJ, HUD and the Corporation for National and Community Service will collectively have over $150 million to offer technical assistance to community-based organizations for activities such as writing and managing grants, assistance in incorporating and gaining tax-exempt status, information on capacity building and help researching and replicating model social service programs.

TITLE VI: SOCIAL SERVICES BLOCK GRANT

This section would increase Federal funding for the Social Services Block Grant (SSBG), which most charitable organizations agree is a critically important and effective program for meeting the needs of disadvantaged communities and families. SSBG provides flexible funds to states for such vital programs as Meals on Wheels, child and elderly protective services, and support services for the disabled. Over the last five years, however, the program has seen its funding reduced by more than $1 billion.

The bill aims to restore funding for SSBG over the next two years to its authorized level as dictated in the 1996 welfare reform law. It would first increase the funding level to $1.975 billion for fiscal year 2003; the program is currently funded at $1.7 billion. It would then raise the funding level to its full authorized level—$2.8 billion—for fiscal year 2004. This would represent an increase of $275 million for the coming fiscal year, and more than $800 million for the following year.

TITLE VII: MATERNITY GROUP HOMES

This section is designed to advance one of the key goals of welfare reform—helping teenage mothers achieve self-sufficiency—by strengthening federal support for locally-run maternity group home programs. The 1996 welfare reform law requires that minors live at home under adult supervision or in one of these maternity group homes in order to receive benefits. Teenagers who are provided the opportunity to live in these homes are more likely to continue their education or receive job training, less likely to have a second teenage pregnancy, and more likely to find gainful employment that allows them to leave welfare. To help give more teenage mothers this kind of opportunity, the bill creates a separate funding stream for maternity group home programs and authorizes $33 million in additional funding.

By Mr. KERRY (for himself, Mr. KENNEDY, and Mr. GREGG):

S. 1925. A bill to establish the Freedom's Way National Heritage Area in the States of Massachusetts and New Hampshire, and for other purposes; to the Committee on Energy and Natural Resources.

• Mr. KERRY. Mr. President, I rise to introduce legislation to establish the Freedom's Way National Heritage Area in New Hampshire and Massachusetts. The bill is cosponsored by Senator KENNEDY and Senator GREGG.

The bill proposes to establish a national heritage area including 36 communities in Massachusetts and six communities in New Hampshire. The area has important cultural and natural legacies that are important to New England and the entire Nation. I want to highlight just a few of the reasons I believe this designation makes sense.

The Freedom's Way is an ideal candidate because it is rich in historic sites, trails, landscapes and views. The land and the area's resources are pieces of American history and culture. The entire region, and especially places like Lexington and Concord, is important to our country's founding and our political and philosophical principles. Within the 42 communities are truly special places. These include the Minuteman National Historic Park, more than 40 National Register Districts and National Historic Landmarks, the Great Meadows National Wildlife Refuge, Walden Pond State Reservation, Gardener State Park, Harvard Shaker Village and the Shirley Shaker Village.

In addition, there is strong grassroots support for this designation. The people of these communities organized themselves in this effort and have now turned to us for assistance. I hope we can provide it. Supporters include elected officials, people dedicated to preserving a small piece of American and New England history, and local business leaders. It is an honor to help their cause.

Finally, I am very pleased that Senators from both Massachusetts and New Hampshire have embraced this proposal. I thank Senators KENNEDY and GREGG.•

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 206—DESIGNATING THE WEEK OF MARCH 17 THROUGH MARCH 23, 2002 AS ''NATIONAL INHALANTS AND POISON PREVENTION WEEK''

Mr. MURKOWSKI submitted the following resolution; which was referred to the Committee on the Judiciary:

S. RES. 206

Whereas according to the National Institute on Drug Abuse, inhalant use ranks third in popularity behind use of alcohol and tobacco for all youths through the eighth grade;

Whereas the over 1,000 products that are being inhaled to get high are legal, inexpensive, and found in nearly every home and corner market;

Whereas using inhalants even once to get high can lead to kidney failure, brain damage, or even death;

Whereas inhalants are considered a gateway drug, 1 that leads to the use of harder, more deadly drugs; and

Whereas because inhalant use is difficult to detect, the products used are accessible and affordable, and abuse is so common, increased education of young people and their parents regarding the dangers of inhalants is an important step in our Nation's battle against drug abuse: Now, therefore, be it

Resolved, That the Senate—

(1) designates the week of March 17 through March 23, 2002, as ''National Inhalants and Poison Prevention Week'';

(2) encourages parents to learn about the dangers of inhalant abuse and discuss those dangers with their children; and

(3) requests that the President issue a proclamation calling upon the people of the United States to observe the week with appropriate activities.

Mr. MURKOWSKI. Mr. President, today I rise to submit a resolution to designate March 17 to March 23, 2002 as ''National Inhalants and Poison Prevention Week.''

What exactly are inhalants? Inhalants are the intentional breathing of gas or vapors for the purpose of reaching a high. Over 1,400 common products can be abused—such as lighter fluid, pressurized whipped cream, hair spray, and gasoline, the abused product of choice in rural Alaska. These products are inexpensive, easily obtained and legal. An inhalant abuse counselor told me, ''If if smells like a chemical, it can be abused.'' It's a ''silent epidemic'' because few adults really appreciate the severity of the problem. One in five students has tried inhalants by the time they reach the eight grade. The use of inhalants by children has nearly doubled in the last 10 years. Further, inhalants are the third most abused substances among teenagers, behind alcohol and tobacco.

These are facts that should trouble every parent, and every American. Inhalants are deadly. Inhalant vapors react with fatty tissues in the brain, literally dissolving them. One time use of inhalants can cause instant and permanent brain, heart, kidney, liver or other organ damage. The user can also suffer from instant heart failure known as ''Sudden Sniffing Death Syndrome'', this means an abuser can die the first, tenth or hundredth time he or she uses an inhalant. In fact, according to a recent study by the Alaska Native Health Consortium, inhaling has a higher risk of ''instant death'' than any other abused substance.

That's what happened to Theresa, an 18-year-old who lived in rural Western Alaska. Theresa was inhaling gasoline, shortly thereafter her heart stopped. She was found alone and outside in near zero degree temperatures. Theresa, who was the youngest of five children and just a month shy of graduation, was flown to Fairbanks Memorial Hospital where she was pronounced dead on arrival.

To help combat this, the Yukon-Kuskokwim Health Corporation opened Alaska's first inhalant treatment center last year. It is my hope that someday our treatment facility will only have empty beds. But, if this dream is to be realized, we must stop the abuse before the kids have to go into treatment. My experience has been that prevention through education is the key. As such awareness must be promoted among young people, parents and educators. I hope that a national week of awareness will encourage programs throughout the country, alerting parents and children to the dangers of inhalants.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2836. Mr. CONRAD (for himself and Mr. CRAPO) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and

intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes.

SA 2837. Mr. HARKIN (for Mr. GRASSLEY (for himself and Mr. HARKIN)) proposed an amendment to amendment SA 2835 submitted by Mr. CRAIG and intended to be proposed to the amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) supra.

SA 2838. Mr. REID proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra.

SA 2839. Mr. BAUCUS proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra.

SA 2840. Mr. REID (for Mr. JEFFORDS) proposed an amendment to the bill S. 1206, to reauthorize the Appalachian Regional Development Act of 1965, and for other purposes.

SA 2841. Mr. KERRY (for himself and Mr. HOLLINGS) submitted an amendment intended to be proposed by him to the bill S. 1926, to improve passenger automobile fuel economy and safety, reduce greenhouse gas emissions, reduce dependence on foreign oil, and for other purposes; which was referred to the Committee on Commerce, Science, and Transportation.

SA 2842. Mr. REID proposed an amendment to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes.

TEXT OF AMENDMENTS

SA 2836. Mr. CONRAD (for himself and Mr. CRAPO) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

Beginning on page 86, strike line 22 and all that follows through page 87, line 21, and insert the following:

(2) by striking subparagraph (B) and inserting the following:

''(B) BEET SUGAR.—

''(i) IN GENERAL.—Except as otherwise provided in this subparagraph and sections 359c(g), 359e(b), and 359f(b), the Secretary shall make allocations for beet sugar among beet sugar processors for each crop year that allotments are in effect on the basis of the adjusted weighted average quantity of beet sugar produced by the processors for each of the 1998 through 2000 crop years, as determined under this subparagraph.

''(ii) QUANTITY.—The quantity of an allocation made for a beet sugar processor for a crop year under clause (i) shall bear the same ratio to the quantity of allocations made for all beet sugar processors for the crop year as the adjusted weighted average quantity of beet sugar produced by the processor (as determined under clauses (iii) and (iv)) bears to the total of the adjusted weighted average quantities of beet sugar produced by all processors (as so determined).

''(iii) WEIGHTED AVERAGE QUANTITY.—Subject to clause (iv), the weighted quantity of beet sugar produced by a beet sugar processor during each of the 1998 through 2000 crop years shall be (as determined by the Secretary)—

''(I) in the case of the 1998 crop year, 25 percent of the quantity of beet sugar produced by the processor during the crop year;

''(II) in the case of the 1999 crop year, 35 percent of the quantity of beet sugar produced by the processor during the crop year; and

''(III) in the case of the 2000 crop year, 40 percent of the quantity of beet sugar produced by the processor (including any quantity of sugar received from the Commodity Credit Corporation) during the crop year.

''(iv) ADJUSTMENTS.—

''(I) IN GENERAL.—The Secretary shall adjust the weighted average quantity of beet sugar produced by a beet sugar processor during the 1998 through 2000 crop years under clause (iii) if the Secretary determines that, during any such crop year, the processor—

''(aa) opened or closed a sugar beet processing factory;

''(bb) constructed a molasses desugarization facility; or

''(cc) suffered substantial quality losses on sugar beets stored during any such crop year.

''(II) QUANTITY.—The quantity of beet sugar produced by a beet sugar processor under clause (iii) shall be—

''(aa) in the case of a processor that opened a sugar beet processing factory, increased by 1.25 percent of the total of the adjusted weighted average quantities of beet sugar produced by all processors during the 1998 through 2000 crop years (without consideration of any adjustment under this clause) for each sugar beet processing factory that is opened by the processor;

''(bb) in the case of a processor that closed a sugar beet processing factory, decreased by 1.25 percent of the total of the adjusted weighted average quantities of beet sugar produced by all processors during the 1998 through 2000 crop years (without consideration of any adjustment under this clause) for each sugar beet processing factory that is closed by the processor;

''(cc) in the case of a processor that constructed a molasses desugarization facility, increased by 0.25 percent of the total of the adjusted weighted average quantities of beet sugar produced by all processors during the 1998 through 2000 crop years (without consideration of any adjustment under this clause) for each molasses desugarization facility that is constructed by the processor; and

''(dd) in the case of a processor that suffered substantial quality losses on stored sugar beets, increased by 1.25 percent of the total of the adjusted weighted average quantities of beet sugar produced by all processors during the 1998 through 2000 crop years (without consideration of any adjustment under this clause).

''(v) PERMANENT TERMINATION OF OPERATIONS OF A PROCESSOR.—If a processor of beet sugar has been dissolved, liquidated in a bankruptcy proceeding, or otherwise has permanently terminated operations (other than in conjunction with a sale or other disposition of the processor or the assets of the processor), the Secretary shall—

''(I) eliminate the allocation of the processor provided under this section; and

''(II) distribute the allocation to other beet sugar processors on a pro rata basis.

''(vi) SALE OF ALL ASSETS OF A PROCESSOR TO ANOTHER PROCESSOR.—If a processor of beet sugar (or all of the assets of the processor) is sold to another processor of beet sugar, the Secretary shall transfer the allocation of the seller to the buyer unless the allocation has been distributed to other sugar beet processors under clause (v).

''(vii) SALE OF FACTORIES OF A PROCESSOR TO ANOTHER PROCESSOR.—

''(I) IN GENERAL.—Subject to clauses (v) and (vi), if 1 or more factories of a processor of beet sugar (but not all of the assets of the processor) are sold to another processor of beet sugar during a fiscal year, the Secretary shall assign a pro rata portion of the allocation of the seller to the allocation of the buyer to reflect the historical contribution of the production of the sold factory or factories to the total allocation of the seller.

''(II) APPLICATION OF ALLOCATION.—The assignment of the allocation under subclause (I) shall apply—

''(aa) during the remainder of the fiscal year during which the sale described in subclause (I) occurs (referred to in this clause as the 'initial fiscal year'); and

''(bb) each subsequent fiscal year (referred in this clause as a 'subsequent fiscal year'), subject to subclause (III).

''(III) SUBSEQUENT FISCAL YEARS.—

''(aa) IN GENERAL.—The assignment of the allocation under subclause (I) shall apply during each subsequent fiscal year unless the acquired factory or factories continue in operation for less than the initial fiscal year and the first subsequent fiscal year.

''(bb) REASSIGNMENT.—If the acquired factory or factories do not continue in operation for the complete initial fiscal year and the first subsequent fiscal year, the Secretary shall reassign the temporary allocation to other processors of beet sugar on a pro rata basis.

''(IV) USE OF OTHER FACTORIES TO FILL ALLOCATION.—If the transferred allocation to the buyer for the purchased factory or factories cannot be filled by the production by the purchased factory or factories for the initial fiscal year or a subsequent fiscal year, the remainder of the transferred allocation may be filled by beet sugar produced by the buyer from other factories of the buyer.

''(viii) NEW ENTRANTS STARTING PRODUCTION OR REOPENING FACTORIES.—If an individual or entity that does not have an allocation of beet sugar under this part (referred to in this subparagraph as a 'new entrant') starts processing sugar beets after the date of enactment of this clause, or acquires and reopens a factory that produced beet sugar during the period of the 1998 through 2000 crop years that (at the time of acquisition) has no allocation associated with the factory under this part, the Secretary shall—

''(I) assign an allocation for beet sugar to the new entrant that provides a fair and equitable distribution of the allocations for beet sugar; and

''(II) reduce the allocations for beet sugar of all other processors on a pro rata basis to reflect the new allocation.

''(ix) NEW ENTRANTS ACQUIRING ONGOING FACTORIES WITH PRODUCTION HISTORY.—If a new entrant acquires a factory that has production history during the period of the 1998 through 2000 crop years and that is producing beet sugar at the time the allocations are made from a processor that has an allocation of beet sugar, the Secretary shall transfer a portion of the allocation of the seller to the new entrant to reflect the historical contribution of the production of the sold factory to the total allocation of the seller.''.

SA 2837. Mr. HARKIN (for Mr. GRASSLEY (for himself and Mr. HARKIN) proposed an amendment to amendment SA 2835 submitted by Mr. CRAIG and intended to be proposed to the amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) to strengthen the safety net for agricultural producers,

to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

Strike all after ''**SEC.**'' and insert the following:

10___1. PROHIBITION ON PACKERS OWNING, FEEDING, OR CONTROLLING LIVESTOCK.

(a) IN GENERAL.—Section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192(f)) (as amended by section 1021(a)), is amended by striking subsection (f) and inserting the following:

''(f) Own or feed livestock directly, through a subsidiary, or through an arrangement that gives the packer operational, managerial, or supervisory control over the livestock, or over the farming operation that produces the livestock, to such an extent that the producer is no longer materially participating in the management of the operation with respect to the production of the livestock, except that this subsection shall not apply to—

''(1) an arrangement entered into within 14 days before slaughter of the livestock by a packer, a person acting through the packer, or a person that directly or indirectly controls, or is controlled by or under common control with, the packer;

''(2) a cooperative or entity owned by a cooperative, if a majority of the ownership interest in the cooperative is held by active cooperative members that—

''(A) own, feed, or control livestock; and

''(B) provide the livestock to the cooperative for slaughter; or

''(3) a packer that is owned or controlled by producers of a type of livestock, if during a calendar year the packer slaughters less than 2 percent of the head of that type of livestock slaughtered in the United States; or''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by subsection (a) take effect on the date of enactment of this Act.

(2) TRANSITION RULES.—In the case of a packer that on the date of enactment of this Act owns, feeds, or controls livestock intended for slaughter in violation of section 202(f) of the Packers and Stockyards Act, 1921 (as amended by subsection (a)), the amendments made by subsection (a) apply to the packer—

(A) in the case of a packer of swine, beginning on the date that is 18 months after the date of enactment of this Act; and

(B) in the case of a packer of any other type of livestock, beginning as soon as practicable, but not later than 180 days, after the date of enactment of this Act, as determined by the Secretary of Agriculture.

SA 2838. Mr. REID proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

Beginning on page 205, strike line 11 and all that follows through page 258, line 19, and insert the following:

''40,000,000''.

(d) DURATION OF CONTRACTS; HARDWOOD TREES.—Section 1231(e)(2) of the Food Security Act of 1985 (16 U.S.C. 3831(e)(2)) is amended—

(1) by striking ''In the'' and inserting the following:

''(A) IN GENERAL.—In the'';

(2) by striking ''The Secretary'' and inserting the following:

''(B) EXISTING HARDWOOD TREE CONTRACTS.—The Secretary''; and

''(3) by adding at the end the following:

''(C) EXTENSION OF HARDWOOD TREE CONTRACTS.—

''(i) IN GENERAL.—In the case of land devoted to hardwood trees under a contract entered into under this subchapter before the date of enactment of this subparagraph, the Secretary may extend the contract for a term of not more than 15 years.

''(ii) RENTAL PAYMENTS.—The amount of a rental payment for a contract extended under clause (i)—

''(I) shall be determined by the Secretary; but

''(II) shall not exceed 50 percent of the rental payment that was applicable to the contract before the contract was extended.''.

(e) PILOT PROGRAM FOR ENROLLMENT OF WETLAND AND BUFFER ACREAGE IN CONSERVATION RESERVE.—Section 1231(h) of the Food Security Act of 1985 (16 U.S.C. 3831(h)) is amended—

(1) in the subsection heading, by striking ''PILOT'';

(2) in paragraph (1), by striking ''During the 2001 and 2002 calendar years, the Secretary shall carry out a pilot program'' and inserting ''During the 2002 through 2006 calendar years, the Secretary shall carry out a program'';

(3) in paragraph (2), by striking ''pilot''; and

(4) in paragraph (3)(D)(i), by striking ''5 contiguous acres.'' and inserting ''10 contiguous acres, of which—

''(I) not more than 5 acres shall be eligible for payment; and

''(II) all acres (including acres that are ineligible for payment) shall be covered by the conservation contract.''.

(f) IRRIGATED LAND.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by adding at the end the following:

''(i) IRRIGATED LAND.—Irrigated land shall be enrolled in the programs described in subsection (b)(6) at irrigated land rates unless the Secretary determines that other compensation is appropriate.''.

(g) ADDITIONAL WATER CONSERVATION ACREAGE UNDER CONSERVATION RESERVE ENHANCEMENT PROGRAM.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) (as amended by subsection (f)) is amended by adding at the end the following:

''(j) ADDITIONAL WATER CONSERVATION ACREAGE UNDER CONSERVATION RESERVE ENHANCEMENT PROGRAM.—

''(1) DEFINITIONS.—In this subsection:

''(A) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(i) an owner or operator of agricultural land;

''(ii) a person or entity that holds water rights in accordance with State law; and

''(iii) any other landowner.

''(B) PROGRAM.—The term 'program' means the conservation reserve enhancement program announced on May 27, 1998 (63 Fed. Reg. 28965).

''(2) PROTECTION OF PRIVATE PROPERTY RIGHTS.—

''(A) WILLING SELLERS AND LESSORS.—An agreement may be executed under this subsection only if each eligible entity that is a party to the agreement is a willing seller or willing lessor.

''(B) PROPERTY RIGHTS.—Nothing in this subsection authorizes the Federal Government or any State government to condemn private property.

''(3) ENROLLMENT.—In addition to the acreage authorized to be enrolled under subsection (d), in carrying out the program, the Secretary shall enroll not more than 500,000 acres in eligible States to promote water conservation.

''(4) ELIGIBLE STATES.—To be eligible to participate in the program, a State—

''(A) shall submit to the Secretary, for review and approval, a proposal that meets the requirements of the program; and

''(B) shall—

''(i) have established a program to protect in-stream flows; and

''(ii) agree to hold water rights leased or purchased under a proposal submitted under subparagraph (A).

''(5) ELIGIBLE ACREAGE.—An eligible entity may enroll in the program land that is adjacent to a watercourse or lake, or land that would contribute to the restoration of a watercourse or lake (as determined by the Secretary), if—

''(A)(i) the land can be restored as a wetland, grassland, or other habitat, as determined by the Secretary; and

''(ii) the restoration would significantly improve riparian functions; or

''(B) water or water rights appurtenant to the land are leased or sold to an appropriate State agency or State-designated water trust, as determined by the Secretary.

''(6) RELATIONSHIP TO OTHER ENROLLED ACREAGE.—For any fiscal year, acreage enrolled under this subsection shall not affect the quantity of—

''(A) acreage enrolled to establish conservation buffers as part of the program announced on March 24, 1998 (63 Fed. Reg. 14109); or

''(B) acreage enrolled in the program before the date of enactment of this subsection.

''(7) DUTIES OF ELIGIBLE ENTITIES.—Under a contract entered into with respect to enrolled land under the program, during the term of the contract, an eligible entity shall agree—

''(A)(i) to restore the hydrology of the enrolled land to the maximum extent practicable, as determined by the Secretary; and

''(ii) to establish on the enrolled land wetland, grassland, vegetative cover, or other habitat, as determined by the Secretary; or

''(B) to transfer to the State, or a designee of the State, water rights appurtenant to the enrolled land.

''(8) RENTAL RATES.—

''(A) IRRIGATED LAND.—With respect to irrigated land enrolled in the program, the rental rate shall be established by the Secretary, acting through the Deputy Administrator for Farm Programs—

''(i) on a watershed basis;

''(ii) using data available as of the date on which the rental rate is established; and

''(iii) at a level sufficient to ensure, to the maximum extent practicable, that the eligible entity is fairly compensated for the irrigated land value of the enrolled land.

''(B) NONIRRIGATED LAND.—With respect to nonirrigated land enrolled in the program, the rental rate shall be calculated by the Secretary, in accordance with the conservation reserve program manual of the Department that is in effect as of the date on which the rental rate is calculated.

''(C) APPLICABILITY.—An eligible entity that enters into a contract to enroll land into the program shall receive, in exchange for the enrollment, payments that are based on—

''(i) the irrigated rental rate described in subparagraph (A), if the owner or operator agrees to enter into an agreement with the State and approved by the Secretary under which the State leases, for in-stream flow purposes, surface water appurtenant to the enrolled land; or

''(ii) the nonirrigated rental rate described in subparagraph (B), if an owner or operator does not enter into an agreement described in clause (i).

''(9) PRIORITY.—In carrying out this subsection, the Secretary shall give priority consideration to any State proposal that—

''(A) provides a State share of 20 percent or more of the cost of the proposal; and

''(B) significantly advances the goals of Federal, State, tribal, and local fish, wildlife, and plant conservation plans, including—

''(i) plans that address—

''(I) multiple endangered species or threatened species (as defined in section 3 of the Endangered Species Act of 1973 (16 U.S.C. 1532)); or

''(II) species that may become threatened or endangered if conservation measures are not carried out;

''(ii) agreements entered into, or conservation plans submitted, under section 6 or 10(a)(2)(A), respectively, of the Endangered Species Act of 1973 (16 U.S.C. 1535, 1539(a)(2)(A)); or

''(iii) plans that provide benefits to the fish, wildlife, or plants located in 1 or more—

''(I) refuges within the National Wildlife Refuge System; or

''(II) State wildlife management areas.

''(10) CONSULTATION.—In carrying out this subsection, the Secretary shall consult with—

''(A) the Secretary of the Interior; and

''(B) affected Indian tribes.

''(11) STATE WATER LAW.—Nothing in this subsection—

''(A) preempts any State water law;

''(B) affects any litigation concerning the entitlement to, or lack of entitlement to, water that is pending as of the date of enactment of this subsection;

''(C) expands, alters, or otherwise affects the existence or scope of any water right of any individual (except to the extent that the individual agrees otherwise under the program); or

''(D) authorizes or entitles the Federal Government to hold or purchase any water right.

''(12) CALIFORNIA WATER LAW.—

''(A) IN GENERAL.—Nothing in this subsection authorizes the Secretary to enter into an agreement, in accordance with this subchapter, with a landowner for water obtained from an irrigation district, water district, or other similar governmental entity in the State of California.

''(B) TREATMENT OF CALIFORNIA DISTRICTS.—An irrigation district, water district, or similar governmental entity in the State of California—

''(i) shall be considered an eligible entity for purposes of this subchapter; and

''(ii) may develop a program under this subchapter.

''(C) DISTRICT PROGRAMS.—All landowners participating in a program under this subchapter that is sponsored by a district or entity described in subparagraph (B) shall be willing participants in the program.

''(13) GROUNDWATER.—A right to groundwater shall not be subject to any provision of this subsection unless the right is granted—

''(A) under applicable State law; and

''(B) through a groundwater water rights process that is fully integrated with the surface water rights process of the applicable affected State.''.

(h) VEGETATIVE COVER; HAYING AND GRAZING; WIND TURBINES.—Section 1232(a) of the Food Security Act of 1985 (16 U.S.C. 3832(a)) is amended—

(1) in paragraph (4)—

(A) in subparagraph (A), by striking ''and'' at the end;

(B) in subparagraph (B), by inserting ''and'' after the semicolon at the end; and

(C) by adding at the end the following:

''(C) in the case of marginal pasture land, an owner or operator shall not be required to plant trees if the land is to be restored—

''(i) as wetland; or

''(ii) with appropriate native riparian vegetation;'';

(2) in paragraph (7)—

(A) by striking ''except that the Secretary—'' and inserting ''except that—'';

(B) in subparagraph (A)—

(i) by striking ''(A) may'' and inserting ''(A) the Secretary may''; and

(ii) by striking ''and'' at the end;

(C) in subparagraph (B)—

(i) by striking ''(B) shall'' and inserting ''(B) the Secretary shall''; and

(ii) by striking the period at the end and inserting a semicolon;

(D) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(E) by adding at the end the following:

''(D) for maintenance purposes, the Secretary may permit harvesting or grazing or other commercial uses of forage, in a manner that is consistent with the purposes of this subchapter and a conservation plan approved by the Secretary, on acres enrolled—

''(i) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; and

''(ii) into the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 Fed. Reg. 28965) or a successor program.'';

(3) in paragraph (9), by striking ''and'' at the end;

(4) by redesignating paragraph (10) as paragraph (11); and

(5) by inserting after paragraph (9) the following:

''(10) with respect to any contract entered into after the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001—

''(A) not to produce a crop for the duration of the contract on any other highly erodible land that the owner or operator owns unless the highly erodible land—

''(i) has a history of being used to produce a crop other than a forage crop, as determined by the Secretary; or

''(ii) is being used as a homestead or building site at the time of purchase; and

''(B) on a violation of a contract described in subparagraph (A), to be subject to the requirements of paragraph (5); and''.

(i) WIND TURBINES.—Section 1232 of the Food Security Act of 1985 (8906 U.S.C. 3832) is amended by adding at the end the following:

''(f) WIND TURBINES.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary may permit an owner or operator of land that is enrolled in the conservation reserve program, but that is not enrolled under continuous signup (as described in section 1231(b)(6)), to install wind turbines on the land.

''(2) NUMBER; LOCATION.—The Secretary shall determine the number and location of wind turbines that may be installed on a tract of land under paragraph (1), taking into account—

''(A) the location, size, and other physical characteristics of the land;

''(B) the extent to which the land contains wildlife and wildlife habitat; and

''(C) the purposes of the conservation reserve program.

''(3) PAYMENT LIMITATION.—Notwithstanding the amount of a rental payment limited by section 1234(c)(2) and specified in a contract entered into under this chapter, the Secretary shall reduce the amount of the rental payment paid to an owner or operator of land on which 1 or more wind turbines are installed under this subsection by an amount determined by the Secretary to be commensurate with the value of the reduction of benefit gained by enrollment of the land in the conservation reserve program.''.

(j) ADDITIONAL ELIGIBLE PRACTICES.—Section 1234 of the Food Security Act of 1985 (16 U.S.C. 3834) is amended by adding at the end the following:

''(i) PAYMENTS.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall provide signing and practice incentive payments under the conservation reserve program to owners and operators that implement a practice under—

''(A) the program to establish conservation buffers described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; or

''(B) the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 Fed. Reg. 28965) or a successor program.

''(2) OTHER PRACTICES.—The Secretary shall administer paragraph (1) in a manner that does not reduce the amount of payments made by the Secretary for other practices under the conservation reserve program.''.

(k) PAYMENTS.—Section 1239C(f) of the Food Security Act of 1985 (16 U.S.C. 3839c(f)) is amended by adding at the end the following:

''(5) EXCEPTION.—Paragraph (1) shall not apply to any land enrolled in—

''(A) the program to establish conservation buffers described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; or

''(B) the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 Fed. Reg. 28965) or a successor program.''.

(l) COUNTY PARTICIPATION.—Section 1243(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3843(b)(1)) is amended by striking ''The Secretary'' and inserting ''Except for land enrolled under continuous signup (as described in section 1231(b)(6)), the Secretary''.

(m) STUDY ON ECONOMIC EFFECTS.—Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the economic effects on rural communities resulting from the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

SEC. 213. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

(a) IN GENERAL.—Chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) is amended to read as follows:

''SEC. 1240. PURPOSES.

''The purposes of the environmental quality incentives program established by this chapter are to promote agricultural production and environmental quality as compatible national goals, and to maximize environmental benefits per dollar expended, by—

''(1) assisting producers in complying with—

''(A) this title;

''(B) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

''(C) the Safe Drinking Water Act (42 U.S.C. 300f et seq.);

''(D) the Clean Air Act (42 U.S.C. 7401 et seq.); and

''(E) other Federal, State, and local environmental laws (including regulations);

''(2) avoiding, to the maximum extent practicable, the need for resource and regulatory programs by assisting producers in protecting soil, water, air, and related natural resources and meeting environmental quality criteria established by Federal, State, and local agencies;

''(3) providing flexible technical and financial assistance to producers to install and maintain conservation systems that enhance soil, water, related natural resources (including grazing land and wetland), and wildlife while sustaining production of food and fiber;

''(4) assisting producers to make beneficial, cost effective changes to cropping systems, grazing management, nutrient management associated with livestock, pest or irrigation management, or other practices on agricultural land;

''(5) facilitating partnerships and joint efforts among producers and governmental and nongovernmental organizations; and

''(6) consolidating and streamlining conservation planning and regulatory compliance processes to reduce administrative burdens on producers and the cost of achieving environmental goals.

''SEC. 1240A. DEFINITIONS.

''In this chapter:

''(1) BEGINNING FARMER OR RANCHER.—The term 'beginning farmer or rancher' has the meaning provided under section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999(a)).

''(2) COMPREHENSIVE NUTRIENT MANAGEMENT.—

''(A) IN GENERAL.—The term 'comprehensive nutrient management' means any combination of structural practices, land management practices, and management activities associated with crop or livestock production described in subparagraph (B) that collectively ensure that the purposes of crop or livestock production and preservation of natural resources (especially the preservation and enhancement of water quality) are compatible.

''(B) ELEMENTS.—For the purpose of subparagraph (A), structural practices, land management practices, and management activities associated with livestock production are—

''(i) manure and wastewater handling and storage;

''(ii) manure processing, composting, or digestion for purposes of capturing emissions, concentrating nutrients for transport, destroying pathogens or otherwise improving the environmental safety and beneficial uses of manure;

''(iii) land treatment practices;

''(iv) nutrient management;

''(v) recordkeeping;

''(vi) feed management; and

''(vii) other waste utilization options.

''(C) PRACTICE.—

''(i) PLANNING.—The development of a comprehensive nutrient management plan shall be a practice that is eligible for incentive payments and technical assistance under this chapter.

''(ii) IMPLEMENTATION.—The implementation of a comprehensive nutrient plan shall be accomplished through structural and land management practices identified in the plan.

''(3) ELIGIBLE LAND.—The term 'eligible land' means agricultural land (including cropland, grassland, rangeland, pasture, private nonindustrial forest land, and other land on which crops or livestock are produced), including agricultural land that the Secretary determines poses a serious threat to soil, water, or related resources by reason of the soil types, terrain, climatic, soil, topographic, flood, or saline characteristics, or other factors or natural hazards.

''(4) INNOVATIVE TECHNOLOGY.—The term 'innovative technology' means a new conservation technology that, as determined by the Secretary—

''(A) maximizes environmental benefits;

''(B) complements agricultural production; and

''(C) may be adopted in a practical manner.

''(5) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means a site-specific nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, air quality management, or other land management practice carried out on eligible land that the Secretary determines is needed to protect from degradation, in the most cost-effective manner, water, soil, or related resources.

''(6) LIVESTOCK.—The term 'livestock' means dairy cattle, beef cattle, laying hens, broilers, turkeys, swine, sheep, and such other animals as are determined by the Secretary.

''(7) MANAGED GRAZING.—The term 'managed grazing' means the application of 1 or more practices that involve the frequent rotation of animals on grazing land to—

''(A) enhance plant health;

''(B) limit soil erosion;

''(C) protect ground and surface water quality; or

''(D) benefit wildlife.

''(8) MAXIMIZE ENVIRONMENTAL BENEFITS PER DOLLAR EXPENDED.—

''(A) IN GENERAL.—The term 'maximize environmental benefits per dollar expended' means to maximize environmental benefits to the extent the Secretary determines is practicable and appropriate, taking into account the amount of funding made available to carry out this chapter.

''(B) LIMITATION.—The term 'maximize environmental benefits per dollar expended' does not require the Secretary—

''(i) to require the adoption of the least cost practice or technical assistance; or

''(ii) to require the development of a plan under section 1240E as part of an application for payments or technical assistance.

''(9) PRACTICE.—The term 'practice' means 1 or more structural practices, land management practices, and comprehensive nutrient management planning practices.

''(10) PRODUCER.—

''(A) IN GENERAL.—The term 'producer' means an owner, operator, landlord, tenant, or sharecropper that—

''(i) shares in the risk of producing any crop or livestock; and

''(ii) is entitled to share in the crop or livestock available for marketing from a farm (or would have shared had the crop or livestock been produced).

''(B) HYBRID SEED GROWERS.—In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract.

''(11) PROGRAM.—The term 'program' means the environmental quality incentives program comprised of sections 1240 through 1240J.

''(12) STRUCTURAL PRACTICE.—The term 'structural practice' means—

''(A) the establishment on eligible land of a site-specific animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, tailwater pit, permanent wildlife habitat, constructed wetland, or other structural practice that the Secretary determines is needed to protect, in the most cost-effective manner, water, soil, or related resources from degradation; and

''(B) the capping of abandoned wells on eligible land.

''SEC. 1240B. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—During each of the 2002 through 2006 fiscal years, the Secretary shall provide technical assistance, cost-share payments, and incentive payments to producers that enter into contracts with the Secretary under the program.

''(2) ELIGIBLE PRACTICES.—

''(A) STRUCTURAL PRACTICES.—A producer that implements a structural practice shall be eligible for any combination of technical assistance, cost-share payments, and education.

''(B) LAND MANAGEMENT PRACTICES.—A producer that performs a land management practice shall be eligible for any combination of technical assistance, incentive payments, and education.

''(C) COMPREHENSIVE NUTRIENT MANAGEMENT PLANNING.—A producer that develops a comprehensive nutrient management plan shall be eligible for any combination of technical assistance, incentive payments, and education.

''(3) EDUCATION.—The Secretary may provide conservation education at national, State, and local levels consistent with the purposes of the program to—

''(A) any producer that is eligible for assistance under the program; or

''(B) any producer that is engaged in the production of an agricultural commodity.

''(b) APPLICATION AND TERM.—With respect to practices implemented under the program—

''(1) a contract between a producer and the Secretary may—

''(A) apply to 1 or more structural practices, land management practices, and comprehensive nutrient management planning practices; and

''(B) have a term of not less than 3, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract; and

''(2) a producer may not enter into more than 1 contract for structural practices involving livestock nutrient management during the period of fiscal years 2002 through 2006.

''(c) APPLICATION AND EVALUATION.—

''(1) IN GENERAL.—The Secretary shall establish an application and evaluation process for awarding technical assistance, cost-share payments, and incentive payments to a producer in exchange for the performance of 1 or more practices that maximize environmental benefits per dollar expended.

''(2) COMPARABLE ENVIRONMENTAL VALUE.—

''(A) IN GENERAL.—The Secretary shall establish a process for selecting applications for technical assistance, cost-share payments, and incentive payments in any case in which there are numerous applications for assistance for practices that would provide substantially the same level of environmental benefits.

''(B) CRITERIA.—The process under subparagraph (A) shall be based on—

''(i) a reasonable estimate of the projected cost of the proposals described in the applications; and

''(ii) the priorities established under the program, and other factors, that maximize environmental benefits per dollar expended.

''(3) CONSENT OF OWNER.—If the producer making an offer to implement a structural practice is a tenant of the land involved in agricultural production, for the offer to be acceptable, the producer shall obtain the consent of the owner of the land with respect to the offer.

''(4) BIDDING DOWN.—If the Secretary determines that the environmental values of 2 or

more applications for technical assistance, cost-share payments, or incentive payments are comparable, the Secretary shall not assign a higher priority to the application only because it would present the least cost to the program established under the program.

''(d) COST-SHARE PAYMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the cost-share payments provided to a producer proposing to implement 1 or more practices under the program shall be not more than 75 percent of the cost of the practice, as determined by the Secretary.

''(2) EXCEPTIONS.—

''(A) LIMITED RESOURCE AND BEGINNING FARMERS.—The Secretary may increase the amount provided to a producer under paragraph (1) to not more than 90 percent if the producer is a limited resource or beginning farmer or rancher, as determined by the Secretary.

''(B) COST-SHARE ASSISTANCE FROM OTHER SOURCES.—Except as provided in paragraph (3), any cost-share payments received by a producer from a State or private organization or person for the implementation of 1 or more practices on eligible land of the producer shall be in addition to the payments provided to the producer under paragraph (1).

''(3) OTHER PAYMENTS.—A producer shall not be eligible for cost-share payments for practices on eligible land under the program if the producer receives cost-share payments or other benefits for the same practice on the same land under chapter 1 and the program.

''(e) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform 1 or more practices.

''(f) TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall allocate funding under the program for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided for a fiscal year.

''(2) AMOUNT.—The allocated amount may vary according to—

''(A) the type of expertise required;

''(B) the quantity of time involved; and

''(C) other factors as determined appropriate by the Secretary.

''(3) LIMITATION.—Funding for technical assistance under the program shall not exceed the projected cost to the Secretary of the technical assistance provided for a fiscal year.

''(4) OTHER AUTHORITIES.—The receipt of technical assistance under the program shall not affect the eligibility of the producer to receive technical assistance under other authorities of law available to the Secretary.

''(5) INCENTIVE PAYMENTS FOR TECHNICAL ASSISTANCE.—

''(A) IN GENERAL.—A producer that is eligible to receive technical assistance for a practice involving the development of a comprehensive nutrient management plan may obtain an incentive payment that can be used to obtain technical assistance associated with the development of any component of the comprehensive nutrient management plan.

''(B) PURPOSE.—The purpose of the payment shall be to provide a producer the option of obtaining technical assistance for developing any component of a comprehensive nutrient management plan from a certified provider.

''(C) PAYMENT.—The incentive payment shall be—

''(i) in addition to cost-share or incentive payments that a producer would otherwise receive for structural practices and land management practices;

''(ii) used only to procure technical assistance from a certified provider that is necessary to develop any component of a comprehensive nutrient management plan; and

''(iii) in an amount determined appropriate by the Secretary, taking into account—

''(I) the extent and complexity of the technical assistance provided;

''(II) the costs that the Secretary would have incurred in providing the technical assistance; and

''(III) the costs incurred by the private provider in providing the technical assistance.

''(D) ELIGIBLE PRACTICES.—The Secretary may determine, on a case by case basis, whether the development of a comprehensive nutrient management plan is eligible for an incentive payment under this paragraph.

''(E) CERTIFICATION BY SECRETARY.—

''(i) IN GENERAL.—Only persons that have been certified by the Secretary under section 1244(f)(3) shall be eligible to provide technical assistance under this subsection.

''(ii) QUALITY ASSURANCE.—The Secretary shall ensure that certified providers are capable of providing technical assistance regarding comprehensive nutrient management in a manner that meets the specifications and guidelines of the Secretary and that meets the needs of producers under the program.

''(F) ADVANCE PAYMENT.—On the determination of the Secretary that the proposed comprehensive nutrient management of a producer is eligible for an incentive payment, the producer may receive a partial advance of the incentive payment in order to procure the services of a certified provider.

''(G) FINAL PAYMENT.—The final installment of the incentive payment shall be payable to a producer on presentation to the Secretary of documentation that is satisfactory to the Secretary and that demonstrates—

''(i) completion of the technical assistance; and

''(ii) the actual cost of the technical assistance.

''(g) MODIFICATION OR TERMINATION OF CONTRACTS.—

''(1) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with a producer under this chapter if—

''(A) the producer agrees to the modification or termination; and

''(B) the Secretary determines that the modification or termination is in the public interest.

''(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under this chapter if the Secretary determines that the producer violated the contract.

''SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

''(a) IN GENERAL.—In evaluating applications for technical assistance, cost-share payments, and incentive payments, the Secretary shall accord a higher priority to assistance and payments that—

''(1) maximize environmental benefits per dollar expended; and

''(2)(A) address national conservation priorities, including—

''(i) meeting Federal, State, and local environmental purposes focused on protecting air and water quality;

''(ii) comprehensive nutrient management;

''(iii) water quality, particularly in impaired watersheds;

''(iv) soil erosion;

''(v) air quality; or

''(vi) pesticide and herbicide management or reduction;

''(B) are provided in conservation priority areas established under section 1230(c);

''(C) are provided in special projects under section 1243(f)(4) with respect to which State or local governments have provided, or will provide, financial or technical assistance to producers for the same conservation or environmental purposes; or

''(D) an innovative technology in connection with a structural practice or land management practice.

''SEC. 1240D. DUTIES OF PRODUCERS.

''To receive technical assistance, cost-share payments, or incentive payments under the program, a producer shall agree—

''(1) to implement an environmental quality incentives program plan that describes conservation and environmental purposes to be achieved through 1 or more practices that are approved by the Secretary;

''(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of the program;

''(3) on the violation of a term or condition of the contract at any time the producer has control of the land—

''(A) if the Secretary determines that the violation warrants termination of the contract—

''(i) to forfeit all rights to receive payments under the contract; and

''(ii) to refund to the Secretary all or a portion of the payments received by the owner or operator under the contract, including any interest on the payments, as determined by the Secretary; or

''(B) if the Secretary determines that the violation does not warrant termination of the contract, to refund to the Secretary, or accept adjustments to, the payments provided to the owner or operator, as the Secretary determines to be appropriate;

''(4) on the transfer of the right and interest of the producer in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-share payments and incentive payments received under the program, as determined by the Secretary;

''(5) to supply information as required by the Secretary to determine compliance with the program plan and requirements of the program; and

''(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the program plan.

''SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

''(a) IN GENERAL.—To be eligible to receive technical assistance, cost-share payments, or incentive payments under the program, a producer of a livestock or agricultural operation shall submit to the Secretary for approval a plan of operations that specifies practices covered under the program, and is based on such terms and conditions, as the Secretary considers necessary to carry out the program, including a description of the practices to be implemented and the purposes to be met by the implementation of the plan.

''(b) AVOIDANCE OF DUPLICATION.—The Secretary shall, to the maximum extent practicable, eliminate duplication of planning activities under the program and comparable conservation programs.

''SEC. 1240F. DUTIES OF THE SECRETARY.

''To the extent appropriate, the Secretary shall assist a producer in achieving the conservation and environmental goals of a program plan by—

''(1) providing technical assistance in developing and implementing the plan;

''(2) providing technical assistance, cost-share payments, or incentive payments for developing and implementing 1 or more practices, as appropriate;

''(3) providing the producer with information, education, and training to aid in implementation of the plan; and

''(4) encouraging the producer to obtain technical assistance, cost-share payments, or grants from other Federal, State, local, or private sources.

''SEC. 1240G. LIMITATION ON PAYMENTS.

''(a) IN GENERAL.—An individual or entity may not receive, directly or indirectly, payments under the program that exceed—

''(1) $50,000 for any fiscal year; or

''(2) $150,000 for any multiyear contract.

''(b) VERIFICATION.—The Secretary shall identify individuals and entities that are eligible for a payment under the program using social security numbers and taxpayer identification numbers, respectively.

''SEC. 1240H. CONSERVATION INNOVATION GRANTS.

''(a) IN GENERAL.—From funds made available to carry out the program, for each of the 2003 through 2006 fiscal years, the Secretary shall use not more than $100,000,000 for each fiscal year to pay the cost of competitive grants that are intended to stimulate innovative approaches to leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production, through the program.

''(b) USE.—The Secretary may award grants under this section to governmental and nongovernmental organizations and persons, on a competitive basis, to carry out projects that—

''(1) involve producers that are eligible for payments or technical assistance under the program;

''(2) implement innovative projects, such as—

''(A) market systems for pollution reduction;

''(B) promoting agricultural best management practices, including the storing of carbon in the soil;

''(C) protection of source water for human consumption; and

''(D) reducing nutrient loss through the reduction of nutrient inputs by an amount that is at least 15 percent less than the established agronomic application rate, as determined by the Secretary; and

''(3) leverage funds made available to carry out the program with matching funds provided by State and local governments and private organizations to promote environmental enhancement and protection in conjunction with agricultural production.

''(c) COST SHARE.—The amount of a grant made under this section to carry out a project shall not exceed 50 percent of the cost of the project.

''(d) UNUSED FUNDING.—Any funds made available for a fiscal year under this section that are not obligated by April 1 of the fiscal year may be used to carry out other activities under this chapter during the fiscal year in which the funding becomes available.

''SEC. 1240I. SOUTHERN HIGH PLAINS AQUIFER GROUNDWATER CONSERVATION.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE ACTIVITY.—

''(A) IN GENERAL.—The term 'eligible activity' means an activity carried out to conserve groundwater.

''(B) INCLUSIONS.—The term 'eligible activity' includes an activity to—

''(i) improve an irrigation system;

''(ii) reduce the use of water for irrigation (including changing from high-water intensity crops to low-water intensity crops); or

''(iii) convert from farming that uses irrigation to dryland farming.

''(2) SOUTHERN HIGH PLAINS AQUIFER.—The term 'Southern High Plains Aquifer' means the portion of the groundwater reserve under Kansas, New Mexico, Oklahoma, and Texas depicted as Figure 1 in the United States Geological Survey Professional Paper 1400–B, entitled 'Geohydrology of the High Plains Aquifer in Parts of Colorado, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, and Wyoming'.

''(b) CONSERVATION MEASURES.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall provide cost-share payments, incentive payments, and groundwater education assistance to producers that draw water from the Southern High Plains Aquifer to carry out eligible activities.

''(2) LIMITATIONS.—The Secretary shall provide a payment to a producer under this section only if the Secretary determines that the payment will result in a net savings in groundwater resources on the land of the producer.

''(3) COOPERATION.—In accordance with this subtitle, in providing groundwater education under this subsection, the Secretary shall cooperate with—

''(A) States;

''(B) land-grant colleges and universities;

''(C) educational institutions; and

''(D) private organizations.

''(c) FUNDING.—

''(1) IN GENERAL.—Of the funds made available under section 1241(b)(1) to carry out the program, the Secretary shall use to carry out this section—

''(A) $15,000,000 for fiscal year 2003;

''(B) $25,000,000 for each of fiscal years 2004 and 2005;

''(C) $35,000,000 for fiscal year 2006; and

''(D) $0 for fiscal year 2007.

''(2) OTHER FUNDS.—Subject to paragraph (3), the funds made available under this subsection shall be in addition to any other funds provided under the program.

''(3) UNUSED FUNDING.—Any funds made available for a fiscal year under paragraph (1) that are not obligated by April 1 of the fiscal year shall be used to carry out other activities in other States under the program.

''SEC. 1240J. PILOT PROGRAMS.

''(a) DRINKING WATER SUPPLIERS PILOT PROGRAM.—

''(1) IN GENERAL.—For each fiscal year, the Secretary may carry out, in watersheds selected by the Secretary, in cooperation with local water utilities, a pilot program to improve water quality.

''(2) IMPLEMENTATION.—The Secretary may select the watersheds referred to in paragraph (1), and make available funds (including funds for the provision of incentive payments) to be allocated to producers in partnership with drinking water utilities in the watersheds, if the drinking water utilities agree to measure water quality at such intervals and in such a manner as may be determined by the Secretary.

''(b) NUTRIENT REDUCTION PILOT PROGRAM.—

''(1) IN GENERAL.—For each of fiscal years 2003 through 2006, the Secretary shall use funds made available to carry out the program, in the amounts specified in paragraph (3), in the Chesapeake Bay watershed to provide incentives for agricultural producers in each State to reduce negative effects on watersheds, including through the significant reduction in nutrient applications, as determined by the Secretary.

''(2) PAYMENTS.—Incentive payments made to a producer under paragraph (1) shall reflect the extent to which the producer reduces nutrient applications.

''(3) FUNDING.—

''(A) IN GENERAL.—Of the amounts made available under section 1241(b) to carry out the program, the Secretary shall use to carry out this subsection—

''(i) $10,000,000 for fiscal year 2003;

''(ii) $15,000,000 for fiscal year 2004;

''(iii) $20,000,000 for fiscal year 2005;

''(iv) $25,000,000 for fiscal year 2006; and

''(v) $0 for fiscal year 2007.

''(B) UNEXPENDED FUNDS.—Any funds made available for a fiscal year under subparagraph (A) that are not obligated by April 1 of the fiscal year shall be used to carry out other activities outside the Chesapeake Bay watershed under this chapter.

''(c) CONSISTENCY WITH WATERSHED PLAN.—In allocating funds for the pilot programs under subsections (a) and (b) and any other pilot programs carried out under the program, the Secretary shall take into consideration the extent to which an application for the funds is consistent with—

''(1) any applicable locally developed watershed plan; and

''(2) the factors established by section 1240C.

''(d) CONTRACTS.—

''(1) IN GENERAL.—In carrying out this section, in addition to other requirements under the program, the Secretary shall enter into contracts in accordance with this section with producers the activities of which affect water quality (including the quality of public drinking water supplies) to implement and maintain—

''(A) nutrient management;

''(B) pest management;

''(C) soil erosion practices; and

''(D) other conservation activities that protect water quality and human health.

''(2) REQUIREMENTS.—A contract described in paragraph (1) shall—

''(A) describe the specific nutrient management, pest management, soil erosion, or other practices to be implemented, maintained, or improved;

''(B) contain a schedule of implementation for those practices;

''(C) to the maximum extent practicable, address water quality priorities of the watershed in which the operation is located; and

''(D) contain such other terms as the Secretary determines to be appropriate.''.

(b) FUNDING.—Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by striking subsection (b) and inserting the following:

''(b) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—Subject to section 241 of the Agriculture, Conservation, and Rural Enhancement Act of 2001, of the funds of the Commodity Credit Corporation, the Secretary shall make available to provide technical assistance, cost-share payments, incentive payments, bonus payments, grants, and education under the environmental quality incentives program under chapter 4 of subtitle D, to remain available until expended—

''(1) $500,000,000 for fiscal year 2002;

''(2) $1,300,000,000 for fiscal year 2003;

''(3) $1,450,000,000 for each of fiscal years 2004 and 2005;

''(4) $1,500,000,000 for fiscal year 2006; and

''(5) $850,000,000 for fiscal year 2007.''.

(c) REIMBURSEMENTS.—Section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i) is amended in the last sentence by inserting ''but excluding transfers and allotments for conservation technical assistance'' after ''activities''.

SEC. 214. WETLANDS RESERVE PROGRAM.

(a) TECHNICAL ASSISTANCE.—Section 1237(a) of the Food Security Act of 1985 (16 U.S.C. 3837(a)) is amended by inserting ''(including the provision of technical assistance)'' before the period at the end.

(b) MAXIMUM ENROLLMENT.—Section 1237(b) of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is amended by striking paragraph (1) and inserting the following:

''(1) MAXIMUM ENROLLMENT.—

''(A) IN GENERAL.—The total number of acres enrolled in the wetlands reserve program shall not exceed 2,225,000 acres, of which, to the maximum extent practicable

subject to subparagraph (B), the Secretary shall enroll 250,000 acres in each calendar year.

''(B) WETLANDS RESERVE ENHANCEMENT ACREAGE.—Of the acreage enrolled under subparagraph (A) for a calendar year, not more than 25,000 acres may be enrolled in the wetlands reserve enhancement program described in subsection (h).''.

(c) REAUTHORIZATION.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended by striking ''2002'' and inserting ''2006''.

(d) WETLANDS RESERVE ENHANCEMENT PROGRAM.—Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended by adding at the end the following:

''(h) WETLANDS RESERVE ENHANCEMENT PROGRAM.—

''(1) IN GENERAL.—Notwithstanding the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.), the Secretary may enter into cooperative agreements with State or local governments, and with private organizations, to develop, on land that is enrolled, or is eligible to be enrolled, in the wetland reserve established under this subchapter, wetland restoration activities in watershed areas.

''(2) PURPOSE.—The purpose of the agreements shall be to address critical environmental issues.

''(3) RELATIONSHIP TO OTHER AUTHORITIES.—Nothing in this subsection limits the authority of the Secretary to enter into a cooperative agreement with a party under which agreement the Secretary and the party—

''(A) share a mutual interest in the program under this subchapter; and

''(B) contribute resources to accomplish the purposes of that program.''.

(e) MONITORING AND MAINTENANCE.—Section 1237C(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3837c(a)(2)) is amended by striking ''assistance'' and inserting ''assistance (including monitoring and maintenance)''.

SEC. 2 ___. WATER BENEFITS PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) is amended by adding at the end the following:

''CHAPTER 6—WATER CONSERVATION

''SEC. 1240R. WATER BENEFITS PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(A) an owner or operator of agricultural land;

''(B) a person or entity that holds water rights in accordance with State law; and

''(C) any other landowner.

''(2) PROGRAM.—The term 'program' means the water benefits program established under subsection (b).

''(b) ESTABLISHMENT.—The Secretary shall establish a program to promote water conservation, to be known as the 'water benefits program', under which the Secretary shall make payments to eligible States to pay the Federal share of the cost of—

''(1) in accordance with subsection (f), irrigation efficiency infrastructure or measures that provide in-stream flows for fish and wildlife and other environmental purposes (including wetland restoration);

''(2) converting from production of a water-intensive crop to a crop that requires less water; or

''(3) the lease, purchase, dry-year optioning, or dedication of water or water rights to provide, directly or indirectly, in-stream flows for fish and wildlife and other environmental purposes (including wetland restoration).

''(c) PROTECTION OF PRIVATE PROPERTY RIGHTS.—

''(1) WILLING SELLERS AND LESSORS.—An agreement may be executed under this subsection only if each eligible entity that is a party to the agreement is a willing seller or willing lessor.

''(2) PROPERTY RIGHTS.—Nothing in this section authorizes the Federal Government or any State government to condemn private property.

''(d) ELIGIBLE STATES.—To be eligible to receive a payment under the program, a State shall—

''(1) establish a State program under which the State holds and enforces water rights leased, purchased, dry-year optioned, or dedicated to provide in-stream flows for fish and wildlife;

''(2) designate a State agency to administer the State program;

''(3)(A) submit to the Secretary a State plan to protect in-stream flows; and

''(B) obtain approval of the State program and plan by the Secretary;

''(4) subject each lease, purchase, dry-year optioning, and dedication of water and water rights to any review and approval required under State law, such as review and approval by a water board, water court, or water engineer of the State; and

''(5) ensure that each lease, purchase, dry-year optioning, and dedication of water and water rights is consistent with State water law.

''(e) ROLE OF SECRETARY.—In carrying out this section, the Secretary shall—

''(1) certify State programs established under subsection (d)(1) for an initial term, and any subsequent renewal of terms, of not more than 3 years, subject to renewal;

''(2) establish guidelines for participating States to pay the Federal share of assisting the conversion from production of water-intensive crops to crops that require less water;

''(3) establish guidelines for participating States to pay the non-Federal share of the cost of on-farm and off-farm irrigation efficiency infrastructure and measures described in subsection (f)(2);

''(4) establish guidelines for participating States for the lease, purchase, dry-year optioning, and dedication of water and water rights under State programs;

''(5) establish a program within the Agricultural Research Service, in collaboration with the United States Geological Survey, to monitor State efforts under the program, including the construction and maintenance of stream gauging stations;

''(6) revoke certification of a State program under paragraph (1) if State administration of the State program does not meet the terms of the certification; and

''(7) consult with the Secretary of the Interior and affected Indian tribes, particularly with respect to the establishment and implementation of the program.

''(f) IRRIGATION EFFICIENCY INFRASTRUCTURE AND MEASURES.—

''(1) IN GENERAL.—The Secretary may pay—

''(A) the Federal share of the cost of converting from production of a water-intensive crop to a crop that requires less water, as described in subsection (e)(2); and

''(B) the Federal share determined under subsection (g) of the cost of on-farm and off-farm irrigation efficiency infrastructure and measures described in paragraph (2) if not less than 75 percent of the water conserved as a result of the infrastructure and measures is permanently allocated, directly or indirectly, to in-stream flows.

''(2) ELIGIBLE IRRIGATION EFFICIENCY INFRASTRUCTURE AND MEASURES.—Eligible irrigation efficiency infrastructure and measures referred to in paragraph (1) are—

''(A) lining of ditches, insulation of piping, and installation of ditch portals or gates;

''(B) tail water return systems;

''(C) low-energy precision applications;

''(D) low-flow irrigation systems, including drip and trickle systems and micro-sprinkler systems;

''(E) spray jets or nozzles that improve water distribution efficiency;

''(F) surge valves;

''(G) conversion from gravity or flood irrigation to low-flow sprinkler or drip irrigation systems;

''(H) intake screens, fish passages, and conversion of diversions to pumps;

''(I) alternate furrow wetting, irrigation scheduling, and similar measures; and

''(J) such other irrigation efficiency infrastructure and measures as the Secretary determines to be appropriate to carry out the program.

''(g) COST SHARING.—

''(1) NON-FEDERAL SHARE.—The non-Federal share of the cost of converting from production of a water-intensive crop to a crop that requires less water, or of an irrigation efficiency infrastructure or measure assisted under subsection (f)—

''(A) shall be not less than 25 percent; and

''(B) shall be paid by—

''(i) a State;

''(ii) an owner or operator of a farm or ranch (including an Indian tribe); or

''(iii) a nonprofit organization.

''(2) INCREASED NON-FEDERAL SHARE.—If an owner or operator of a farm or ranch pays 50 percent or more of the cost of converting from production of a water-intensive crop to a crop that requires less water, or of an irrigation efficiency infrastructure or measure, the owner or operator shall retain the right to use 50 percent of the water conserved by the conversion, infrastructure, or measure.

''(3) LEASING OF CONSERVED WATER.—A State shall—

''(A) give an eligible entity with respect to land enrolled in the program the option of leasing, or providing a dry-year option on, conserved water for 30 years; and

''(B) increase the non-Federal share under paragraph (1) accordingly, as determined by the Secretary.

''(4) WATER LEASE AND PURCHASE.—The cost of water or water rights that are directly leased, purchased, subject to a dry-year option, or dedicated under this section shall not be subject to the cost-sharing requirement of this subsection.

''(h) STATE ALLOCATIONS.—In making allocations to States, the Secretary shall consider the extent to which the State plan required by subsection (d)(3)(A) significantly advances the goals of Federal, State, tribal, and local fish, wildlife, and plant conservation plans, including—

''(1) plans that address—

''(A) multiple endangered species or threatened species (as defined in section 3 of the Endangered Species Act of 1973 (16 U.S.C. 1532)); or

''(B) species that may become threatened or endangered if conservation measures are not carried out;

''(2) agreements entered into, or conservation plans submitted, under section 6 or 10(a)(2)(A), respectively, of the Endangered Species Act of 1973 (16 U.S.C. 1535, 1539(a)(2)(A)); and

''(3) plans that provide benefits to the fish, wildlife, or plants located in 1 or more—

''(A) refuges within the National Wildlife Refuge System; or

''(B) State wildlife management areas.

''(i) STATE WATER LAW.—Nothing in this section—

''(1) preempts any State water law;

''(2) affects any litigation concerning the entitlement to, or lack of entitlement to, water that is pending as of the date of enactment of this section;

''(3) expands, alters, or otherwise affects the existence or scope of any water right of

any individual (except to the extent that the individual agrees otherwise under the program); or

''(4) authorizes or entitles the Federal Government to hold or purchase any water right.

''(j) CALIFORNIA WATER LAW.—

''(1) IN GENERAL.—Nothing in this section authorizes the Secretary to enter into an agreement, in accordance with this subchapter, with a landowner for water obtained from an irrigation district, water district, or other similar governmental entity in the State of California.

''(2) TREATMENT OF CALIFORNIA DISTRICTS.—An irrigation district, water district, or similar governmental entity in the State of California—

''(A) shall be considered an eligible entity for purposes of this subsection; and

''(B) may develop a program under this subsection.

''(3) DISTRICT PROGRAMS.—All landowners participating in a program under this subchapter that is sponsored by a district or entity described in paragraph (2) shall be willing participants in the program.

''(k) GROUNDWATER.—A right to groundwater shall not be subject to any provision of this section unless the right is granted—

''(1) under applicable State law; and

''(2) through a groundwater water rights process that is fully integrated with the surface water rights process of the applicable affected State.

''(l) FUNDING.—

''(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section—

''(A) $25,000,000 for fiscal year 2002;

''(B) $52,000,000 for fiscal year 2003; and

''(C) $100,000,000 for each of fiscal years 2004 through 2006.

''(2) LIMITATION ON EXPENDITURES.—For any fiscal year, a State that participates in the program shall expend not more than 75 percent of the funds made available to the State under the program to pay—

''(A) the cost of converting from production of a water-intensive crop to a crop that requires less water; or

''(B) the cost of irrigation efficiency infrastructure and measures under subsection (f)(1).

''(3) MONITORING PROGRAM.—For each fiscal year, of the funds made available under paragraph (1), the Secretary shall use not more than $5,000,000 to carry out the monitoring program under subsection (e)(5).

''(4) ADMINISTRATION.—

''(A) FEDERAL.—For each fiscal year, of the funds made available under paragraph (1), the Secretary shall use not more than $500,000 for administration of the program.

''(B) STATE.—For each fiscal year, of the funds made available under paragraph (1), not more than 3 percent shall be made available to States for administration of the program.''.

SA 2839. Mr. BAUCUS proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

On page 128, line 8, strike the final period and insert a period and the following:

Subtitle ____—Emergency Agriculture Assistance

SEC. ___01. INCOME LOSS ASSISTANCE.

(a) IN GENERAL.—The Secretary of Agriculture (referred to in this subtitle as the ''Secretary'') shall use $1,800,000,000 of funds of the Commodity Credit Corporation to make emergency financial assistance available to producers on a farm that have incurred qualifying income losses in calendar year 2001, including losses due to army worms.

(b) ADMINISTRATION.—The Secretary shall make assistance available under this section in the same manner as provided under section 815 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–55), including using the same loss thresholds for the quantity and economic losses as were used in administering that section.

(c) USE OF FUNDS FOR CASH PAYMENTS.—The Secretary may use funds made available under this section to make, in a manner consistent with this section, cash payments not for crop disasters, but for income loss to carry out the purposes of this section.

SEC. ___02. LIVESTOCK ASSISTANCE PROGRAM.

(a) IN GENERAL.—The Secretary shall use $500,000,000 of the funds of the Commodity Credit Corporation to make and administer payments for livestock losses to producers for 2001 losses in a county that has received an emergency designation by the President or the Secretary after January 1, 2001, of which $12,000,000 shall be made available for the American Indian livestock program under section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 106–387; 114 Stat. 1549A–51).

(b) ADMINISTRATION.—The Secretary shall make assistance available under this section in the same manner as provided under section 806 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2001 (Public Law 105–277; 114 Stat. 1549A–51).

SEC. ___03. MARKET LOSS ASSISTANCE FOR APPLE PRODUCERS.

(a) IN GENERAL.—The Secretary of Agriculture shall use $100,000,000 of funds of the Commodity Credit Corporation for fiscal year 2002 to make payments to apple producers, as soon as practicable after the date of enactment of this Act, for the loss of markets during the 2000 crop year.

(b) PAYMENT QUANTITY.—A payment to the producers on a farm for the 2000 crop year under this section shall be made on the lesser of—

(1) the quantity of apples produced by the producers on the farm during the 2000 crop year; or

(2) 5,000,000 pounds of apples.

(c) LIMITATIONS.—The Secretary shall not establish a payment limitation, or income eligibility limitation, with respect to payments made under this section.

SEC. ___04. COMMODITY CREDIT CORPORATION.

The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subtitle.

SEC. ___05. ADMINISTRATIVE EXPENSES.

(a) IN GENERAL.—In addition to funds otherwise available, not later than 30 days after the date of enactment of this Act, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to pay the salaries and expenses of the Department of Agriculture in carrying out this subtitle $50,000,000, to remain available until expended.

(b) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under subsection (a), without further appropriation.

SEC. ___06. REGULATIONS.

(a) IN GENERAL.—The Secretary may promulgate such regulations as are necessary to implement this subtitle.

(b) PROCEDURE.—The promulgation of the regulations and administration of this subtitle shall be made without regard to—

(1) the notice and comment provisions of section 553 of title 5, United States Code;

(2) the Statement of Policy of the Secretary of Agriculture effective July 24, 1971 (36 Fed. Reg. 13804), relating to notices of proposed rulemaking and public participation in rulemaking; and

(3) chapter 35 of title 44, United States Code (commonly known as the ''Paperwork Reduction Act'').

(c) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out this section, the Secretary shall use the authority provided under section 808 of title 5, United States Code.

SEC. ___07. EMERGENCY REQUIREMENT.

The entire amount necessary to carry out this subtitle is designated by Congress as an emergency requirement pursuant to section 252(e) of the Balanced Budget and Emergency Deficit Control Act of 1985 (2 U.S.C. 901(e)).

SA 2840. Mr. REID (for Mr. JEFFORDS) proposed an amendment to the bill S. 1206, to reauthorize the Appalachian Regional Development Act of 1965, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Appalachian Regional Development Act Amendments of 2002''.

SEC. 2. PURPOSES.

(a) THIS ACT.—The purposes of this Act are—

(1) to reauthorize the Appalachian Regional Development Act of 1965 (40 U.S.C. App.); and

(2) to ensure that the people and businesses of the Appalachian region have the knowledge, skills, and access to telecommunication and technology services necessary to compete in the knowledge-based economy of the United States.

(b) APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965.—Section 2 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in subsection (b), by inserting after the third sentence the following: ''Consistent with the goal described in the preceding sentence, the Appalachian region should be able to take advantage of eco-industrial development, which promotes both employment and economic growth and the preservation of natural resources.''; and

(2) in subsection (c)(2)(B)(ii), by inserting '', including eco-industrial development technologies'' before the semicolon.

SEC. 3. FUNCTIONS OF THE COMMISSION.

Section 102(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in paragraph (5), by inserting '', and support,'' after ''formation of'';

(2) in paragraph (7), by striking ''and'' at the end;

(3) in paragraph (8), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

''(9) encourage the use of eco-industrial development technologies and approaches; and

''(10) seek to coordinate the economic development activities of, and the use of economic development resources by, Federal agencies in the region.''.

SEC. 4. INTERAGENCY COORDINATING COUNCIL ON APPALACHIA.

Section 104 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by striking ''The President'' and inserting ''(a) IN GENERAL.—The President''; and

(2) by adding at the end the following:

''(b) INTERAGENCY COORDINATING COUNCIL ON APPALACHIA.—

''(1) ESTABLISHMENT.—In carrying out subsection (a), the President shall establish an interagency council to be known as the 'Interagency Coordinating Council on Appalachia'.

''(2) MEMBERSHIP.—The Council shall be composed of—

''(A) the Federal Cochairman, who shall serve as Chairperson of the Council; and

''(B) representatives of Federal agencies that carry out economic development programs in the region.''.

SEC. 5. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.

Title II of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting after section 202 the following:

''SEC. 203. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.

''(a) IN GENERAL.—The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to persons or entities in the region for projects—

''(1) to increase affordable access to advanced telecommunications, entrepreneurship, and management technologies or applications in the region;

''(2) to provide education and training in the use of telecommunications and technology;

''(3) to develop programs to increase the readiness of industry groups and businesses in the region to engage in electronic commerce; or

''(4) to support entrepreneurial opportunities for businesses in the information technology sector.

''(b) SOURCE OF FUNDING.—

''(1) IN GENERAL.—Assistance under this section may be provided—

''(A) exclusively from amounts made available to carry out this section; or

''(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

''(2) FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

''(c) COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.''.

SEC. 6. ENTREPRENEURSHIP INITIATIVE.

Title II of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting after section 203 (as added by section 5) the following:

''SEC. 204. ENTREPRENEURSHIP INITIATIVE.

''(a) DEFINITION OF BUSINESS INCUBATOR SERVICE.—In this section, the term 'business incubator service' means a professional or technical service necessary for the initiation and initial sustainment of the operations of a newly established business, including a service such as—

''(1) a legal service, including aid in preparing a corporate charter, partnership agreement, or basic contract;

''(2) a service in support of the protection of intellectual property through a patent, a trademark, or any other means;

''(3) a service in support of the acquisition and use of advanced technology, including the use of Internet services and Web-based services; and

''(4) consultation on strategic planning, marketing, or advertising.

''(b) PROJECTS TO BE ASSISTED.—The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to persons or entities in the region for projects—

''(1) to support the advancement of, and provide, entrepreneurial training and education for youths, students, and businesspersons;

''(2) to improve access to debt and equity capital by such means as facilitating the establishment of development venture capital funds;

''(3) to aid communities in identifying, developing, and implementing development strategies for various sectors of the economy; and

''(4)(A) to develop a working network of business incubators; and

''(B) to support entities that provide business incubator services.

''(c) SOURCE OF FUNDING.—

''(1) IN GENERAL.—Assistance under this section may be provided—

''(A) exclusively from amounts made available to carry out this section; or

''(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

''(2) FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

''(d) COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.''.

SEC. 7. REGIONAL SKILLS PARTNERSHIPS.

Title II of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting after section 204 (as added by section 6) the following:

''SEC. 205. REGIONAL SKILLS PARTNERSHIPS.

''(a) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means a consortium that—

''(1) is established to serve 1 or more industries in a specified geographic area; and

''(2) consists of representatives of—

''(A) businesses (or a nonprofit organization that represents businesses);

''(B) labor organizations;

''(C) State and local governments; or

''(D) educational institutions.

''(b) PROJECTS TO BE ASSISTED.—The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to eligible entities in the region for projects to improve the job skills of workers for a specified industry, including projects for—

''(1) the assessment of training and job skill needs for the industry;

''(2) the development of curricula and training methods, including, in appropriate cases, electronic learning or technology-based training;

''(3)(A) the identification of training providers; and

''(B) the development of partnerships between the industry and educational institutions, including community colleges;

''(4) the development of apprenticeship programs;

''(5) the development of training programs for workers, including dislocated workers; and

''(6) the development of training plans for businesses.

''(c) ADMINISTRATIVE COSTS.—An eligible entity may use not more than 10 percent of the funds made available to the eligible entity under subsection (b) to pay administrative costs associated with the projects described in subsection (b).

''(d) SOURCE OF FUNDING.—

''(1) IN GENERAL.—Assistance under this section may be provided—

''(A) exclusively from amounts made available to carry out this section; or

''(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

''(2) FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

''(e) COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.''.

SEC. 8. PROGRAM DEVELOPMENT CRITERIA.

(a) ELIMINATION OF GROWTH CENTER CRITERIA.—Section 224(a)(1) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''in an area determined by the State have a significant potential for growth or''.

(b) ASSISTANCE TO DISTRESSED COUNTIES AND AREAS.—Section 224 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by adding at the end the following:

''(d) ASSISTANCE TO DISTRESSED COUNTIES AND AREAS.—For fiscal year 2003 and each fiscal year thereafter, not less than 50 percent of the amount of grant expenditures approved by the Commission shall support activities or projects that benefit severely and persistently distressed counties and areas.''.

SEC. 9. GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS.

Section 302(a)(1)(A)(i) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting ''(or, at the discretion of the Commission, 75 percent of such expenses in the case of a local development district that has a charter or authority that includes the economic development of a county or part of a county for which a distressed county designation is in effect under section 226)'' after ''such expenses''.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

Section 401 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended to read as follows:

''SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—In addition to amounts authorized by section 201 and other amounts made available for the Appalachian development highway system program, there are authorized to be appropriated to the Commission to carry out this Act—

''(1) $88,000,000 for each of fiscal years 2002 through 2004;

''(2) $90,000,000 for fiscal year 2005; and

''(3) $92,000,000 for fiscal year 2006.

''(b) TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.—Of the amounts made available under subsection (a), the following amounts may be made available to carry out section 203:

''(1) $10,000,000 for fiscal year 2002.

''(2) $8,000,000 for fiscal year 2003.

''(3) $5,000,000 for each of fiscal years 2004 through 2006.

''(c) AVAILABILITY.—Sums made available under subsection (a) shall remain available until expended.''.

SEC. 11. ADDITION OF COUNTIES TO APPALACHIAN REGION.

Section 403 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the third undesignated paragraph (relating to Kentucky)—

(A) by inserting ''Edmonson,'' after ''Cumberland,'';

(B) by inserting ''Hart,'' after ''Harlan,''; and

(C) by striking ''Montogomery,'' and inserting ''Montgomery,''; and

(2) in the fifth undesignated paragraph (relating to Mississippi)—

(A) by inserting ''Montgomery,'' after ''Monroe,''; and

(B) by inserting ''Panola,'' after ''Oktibbeha,''.

SEC. 12. TERMINATION.

Section 405 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''2001'' and inserting ''2006''.

SEC. 13. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 101(b) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the third sentence by striking ''implementing investment program'' and inserting ''strategy statement''.

(b) Section 106(7) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''expiring no later than September 30, 2001''.

(c) Sections 202, 214, and 302(a)(1)(C) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) are amended by striking ''grant-in-aid programs'' each place it appears and inserting ''grant programs''.

(d) Section 202(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the second sentence by striking ''title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282),'' and inserting ''title VI of the Public Health Service Act (42 U.S.C. 291 et seq.), the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15001 et seq.),''.

(e) Section 207(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''section 221 of the National Housing Act, section 8 of the United States Housing Act of 1937, section 515 of the Housing Act of 1949,'' and inserting ''section 221 of the National Housing Act (12 U.S.C. 1715*l*), section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), section 515 of the Housing Act of 1949 (42 U.S.C. 1485),''.

(f) Section 214 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the section heading, by striking ''GRANT-IN-AID'' and inserting ''GRANT'';

(2) in subsection (a)—

(A) by striking ''grant-in-aid Act'' each place it appears and inserting ''Act'';

(B) in the first sentence, by striking ''grant-in-aid Acts'' and inserting ''Acts'';

(C) by striking ''grant-in-aid program'' each place it appears and inserting ''grant program''; and

(D) by striking the third sentence;

(3) by striking subsection (c) and inserting the following:

''(c) DEFINITION OF FEDERAL GRANT PROGRAM.—

''(1) IN GENERAL.—In this section, the term 'Federal grant program' means any Federal grant program authorized by this Act or any other Act that provides assistance for—

''(A) the acquisition or development of land;

''(B) the construction or equipment of facilities; or

''(C) any other community or economic development or economic adjustment activity.

''(2) INCLUSIONS.—In this section, the term 'Federal grant program' includes a Federal grant program such as a Federal grant program authorized by—

''(A) the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.);

''(B) the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460*l*–4 et seq.);

''(C) the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.);

''(D) the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.);

''(E) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

''(F) title VI of the Public Health Service Act (42 U.S.C. 291 et seq.);

''(G) sections 201 and 209 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141, 3149);

''(H) title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.); or

''(I) part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 et seq.).

''(3) EXCLUSIONS.—In this section, the term 'Federal grant program' does not include—

''(A) the program for construction of the Appalachian development highway system authorized by section 201;

''(B) any program relating to highway or road construction authorized by title 23, United States Code; or

''(C) any other program under this Act or any other Act to the extent that a form of financial assistance other than a grant is authorized.''; and

(4) by striking subsection (d).

(g) Section 224(a)(2) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''relative per capita income'' and inserting ''per capita market income''.

(h) Section 225 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.)—

(1) in subsection (a)(3), by striking ''development program'' and inserting ''development strategies''; and

(2) in subsection (c)(2), by striking ''development programs'' and inserting ''development strategies''.

(i) Section 303 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the section heading, by striking ''INVESTMENT PROGRAMS'' and inserting ''STRATEGY STATEMENTS'';

(2) in the first sentence, by striking ''implementing investments programs'' and inserting ''strategy statements''; and

(3) by striking ''implementing investment program'' each place it appears and inserting ''strategy statement''.

(j) Section 403 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the next-to-last undesignated paragraph by striking ''Committee on Public Works and Transportation'' and inserting ''Committee on Transportation and Infrastructure''.

SA 2841. Mr. KERRY (for himself and Mr. HOLLINGS) submitted an amendment intended to be proposed by him to the bill S. 1926, to improve passenger automobile fuel economy and safety, reduce greenhouse gas emissions, reduce dependence on foreign oil, and for other purposes; which was referred to the Committee on Commerce, Science, and Transportation; as follows:

At the end of the bill add the following:

SEC. 13. TAX CREDIT FOR DOMESTICALLY PRODUCED HYPEREFFICIENT VEHICLES.

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 (relating to foreign tax credit, etc.) is amended by adding at the end the following:

SEC. 30B. MANUFACTURER'S CREDIT FOR DOMESTICALLY-PRODUCED FUEL EFFICIENT VEHICLES.

''(a) ALLOWANCE OF CREDIT.—In the case of a eligible manufacturer, there shall be allowed as a credit against the tax imposed by this chapter for the taxable year an amount equal to $5,000 multiplied by the number of domestically produced fuel-efficient passenger automobiles manufactured and sold for use in the United States by the taxpayer during the taxable year.

''(b) APPLICATION WITH OTHER CREDITS.—The credit allowed under subsection (a) for any taxable year shall not exceed the excess (if any) of—

''(1) the regular tax for the taxable year reduced by the sum of the credits allowable under subpart A and sections 27, 29, and 30, over

''(2) the tentative minimum tax for the taxable year.

''(c) SPECIAL RULES.—

''(1) REDUCTION IN BASIS.—For purposes of this subtitle, the basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit so allowed.

''(2) NO DOUBLE BENEFIT.—The amount of any deduction or credit allowable under this chapter shall be reduced by the amount of credit allowed under subsection (a) for such vehicle for the taxable year.

''(3) PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED.—No credit shall be allowed under subsection (a) with respect to any property referred to in section 50(b) or with respect to the portion of the cost of any property taken into account under section 179.

''(4) ELECTION TO NOT TAKE CREDIT.—No credit shall be allowed under subsection (a) for any vehicle if the taxpayer elects to not have this section apply to such vehicle.

''(5) CARRYFORWARD ALLOWED.—

''(A) IN GENERAL.—If the credit amount allowable under subsection (a) for a taxable year exceeds the amount of the liability for tax under this chapter for such taxable year (referred to as the 'unused credit year' in this paragraph), such excess shall be allowed as a credit carryforward for each of the 20 taxable years following the unused credit year.

''(B) RULES.—Rules similar to the rules of section 39 shall apply with respect to the credit carryforward under subparagraph (A).

''(6) INTERACTION WITH AIR QUALITY AND MOTOR VEHICLE SAFETY STANDARDS.—Unless otherwise provided in this section, a passenger automobile shall not be considered eligible for a credit under this section unless such automobile is in compliance with—

''(A) the applicable provisions of the Clean Air Act for the applicable make and model year of the vehicle (or applicable air quality provisions of State law in the case of a State which has adopted such provision under a waiver under section 209(b) of the Clean Air Act); and

''(B) the motor vehicle safety provisions of sections 30101 through 30169 of title 49, United States Code.

''(d) DEFINITIONS.—In this section:

''(1) ELIGIBLE MANUFACTURER.—The term 'eligible manufacturer' means a manufacturer of passenger automobiles for which the average fuel economy standard (as determined under section 32902 of title 49, United States Code) for any model year that ends with or within the taxable year equals or exceeds 37 miles per gallon.

''(2) FUEL-EFFICIENT PASSENGER AUTOMOBILE.—The term 'fuel-efficient passenger automobile' means a passenger automobile (as defined in section 32901(a)(16) of title 49, United States Code) that obtains an average fuel economy of more than 50 miles per gallon in normal operation (as determined by the Secretary of Transportation after consultation with the Administrator of the Environmental Protection Agency).

''(3) DOMESTICALLY PRODUCED.—The term 'domestically produced' means a vehicle at least 75 percent of the costs to the manufacturer of producing the vehicle is attributable to value added in the United States, as determined by the Administrator of the Environmental Protection Agency on the basis of information submitted by the manufacturer.

''(e) REGULATIONS.—

''(1) IN GENERAL.—The Secretary shall promulgate such regulations as necessary to carry out the provisions of this section.

''(2) ADMINISTRATOR OF ENVIRONMENTAL PROTECTION AGENCY.—The Administrator of the Environmental Protection Agency, in coordination with the Secretary of Transportation and the Secretary of the Treasury, shall prescribe such regulations as necessary to determine whether a motor vehicle meets the requirements to be eligible for a credit under this section.

''(f) TERMINATION.—This section shall not apply to any property placed in service after December 31, 2020.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 1016(a) is amended by striking ''and'' at the end of paragraph (26), by striking the period at the end of paragraph (27) and inserting '', and'', and by adding at the end the following:

''(28) to the extent provided in section 30B(c)(1).''.

(2) Section 53(d)(1)(B)(iii) is amended by inserting '', or not allowed under section 30B solely by reason of the application of section 30B(b)(2)'' before the period.

(3) Section 53(c)(2) is amended by inserting ''30B(b),'' after ''30(b)(3)''.

(4) Section 6501(m) is amended by inserting ''30B(c)(3),'' after ''30(d)(4),''.

(5) The table of sections for subpart B of part IV of subchapter A of chapter 1 is amended by inserting after the item relating to section 30A the following:

''Sec. 30B. Manufacturer's credit for domestically-produced fuel efficient vehicles.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after December 31, 2002, in taxable years ending after such date.

SA 2842. Mr. REID proposed an amendment to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

Beginning on page 246, strike line 4 and all that follows through page 258, line 19, and insert the following:

SEC. 215. WATER CONSERVATION.

(a) IN GENERAL.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) (as amended by section 212(c)) is amended by striking ''41,100,000'' and inserting ''40,000,000''.

(b) ADDITIONAL WATER CONSERVATION ACREAGE UNDER CONSERVATION RESERVE ENHANCEMENT PROGRAM.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) (as amended by section 212(f)) is amended by adding at the end the following:

''(j) ADDITIONAL WATER CONSERVATION ACREAGE UNDER CONSERVATION RESERVE ENHANCEMENT PROGRAM.—

''(1) DEFINITIONS.—In this subsection:

''(A) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(i) an owner or operator of agricultural land;

''(ii) a person or entity that holds water rights in accordance with State law; and

''(iii) any other landowner.

''(B) PROGRAM.—The term 'program' means the conservation reserve enhancement program announced on May 27, 1998 (63 Fed. Reg. 28965).

''(2) PROTECTION OF PRIVATE PROPERTY RIGHTS.—

''(A) WILLING SELLERS AND LESSORS.—An agreement may be executed under this subsection only if each eligible entity that is a party to the agreement is a willing seller or willing lessor.

''(B) PROPERTY RIGHTS.—Nothing in this subsection authorizes the Federal Government or any State government to condemn private property.

''(3) ENROLLMENT.—In addition to the acreage authorized to be enrolled under subsection (d), in carrying out the program, the Secretary shall enroll not more than 500,000 acres in eligible States to promote water conservation.

''(4) ELIGIBLE STATES.—To be eligible to participate in the program, a State—

''(A) shall submit to the Secretary, for review and approval, a proposal that meets the requirements of the program; and

''(B) shall—

''(i) have established a program to protect in-stream flows; and

''(ii) agree to hold water rights leased or purchased under a proposal submitted under subparagraph (A).

''(5) ELIGIBLE ACREAGE.—An eligible entity may enroll in the program land that is adjacent to a watercourse or lake, or land that would contribute to the restoration of a watercourse or lake (as determined by the Secretary), if—

''(A)(i) the land can be restored as a wetland, grassland, or other habitat, as determined by the Secretary; and

''(ii) the restoration would significantly improve riparian functions; or

''(B) water or water rights appurtenant to the land are leased or sold to an appropriate State agency or State-designated water trust, as determined by the Secretary.

''(6) RELATIONSHIP TO OTHER ENROLLED ACREAGE.—For any fiscal year, acreage enrolled under this subsection shall not affect the quantity of—

''(A) acreage enrolled to establish conservation buffers as part of the program announced on March 24, 1998 (63 Fed. Reg. 14109); or

''(B) acreage enrolled in the program before the date of enactment of this subsection.

''(7) DUTIES OF ELIGIBLE ENTITIES.—Under a contract entered into with respect to enrolled land under the program, during the term of the contract, an eligible entity shall agree—

''(A)(i) to restore the hydrology of the enrolled land to the maximum extent practicable, as determined by the Secretary; and

''(ii) to establish on the enrolled land wetland, grassland, vegetative cover, or other habitat, as determined by the Secretary; or

''(B) to transfer to the State, or a designee of the State, water rights appurtenant to the enrolled land.

''(8) RENTAL RATES.—

''(A) IRRIGATED LAND.—With respect to irrigated land enrolled in the program, the rental rate shall be established by the Secretary, acting through the Deputy Administrator for Farm Programs—

''(i) on a watershed basis;

''(ii) using data available as of the date on which the rental rate is established; and

''(iii) at a level sufficient to ensure, to the maximum extent practicable, that the eligible entity is fairly compensated for the irrigated land value of the enrolled land.

''(B) NONIRRIGATED LAND.—With respect to nonirrigated land enrolled in the program, the rental rate shall be calculated by the Secretary, in accordance with the conservation reserve program manual of the Department that is in effect as of the date on which the rental rate is calculated.

''(C) APPLICABILITY.—An eligible entity that enters into a contract to enroll land into the program shall receive, in exchange for the enrollment, payments that are based on—

''(i) the irrigated rental rate described in subparagraph (A), if the owner or operator agrees to enter into an agreement with the State and approved by the Secretary under which the State leases, for in-stream flow purposes, surface water appurtenant to the enrolled land; or

''(ii) the nonirrigated rental rate described in subparagraph (B), if an owner or operator does not enter into an agreement described in clause (i).

''(9) PRIORITY.—In carrying out this subsection, the Secretary shall give priority consideration to any State proposal that—

''(A) provides a State share of 20 percent or more of the cost of the proposal; and

''(B) significantly advances the goals of Federal, State, tribal, and local fish, wildlife, and plant conservation plans, including—

''(i) plans that address—

''(I) multiple endangered species or threatened species (as defined in section 3 of the Endangered Species Act of 1973 (16 U.S.C. 1532)); or

''(II) species that may become threatened or endangered if conservation measures are not carried out;

''(ii) agreements entered into, or conservation plans submitted, under section 6 or 10(a)(2)(A), respectively, of the Endangered Species Act of 1973 (16 U.S.C. 1535, 1539(a)(2)(A)); or

''(iii) plans that provide benefits to the fish, wildlife, or plants located in 1 or more—

''(I) refuges within the National Wildlife Refuge System; or

''(II) State wildlife management areas.

''(10) CONSULTATION.—In carrying out this subsection, the Secretary shall consult with—

''(A) the Secretary of the Interior; and

''(B) affected Indian tribes.

''(11) STATE WATER LAW.—Nothing in this subsection—

''(A) preempts any State water law;

''(B) affects any litigation concerning the entitlement to, or lack of entitlement to, water that is pending as of the date of enactment of this subsection;

''(C) expands, alters, or otherwise affects the existence or scope of any water right of any individual (except to the extent that the individual agrees otherwise under the program); or

''(D) authorizes or entitles the Federal Government to hold or purchase any water right.

''(12) CALIFORNIA WATER LAW.—

''(A) IN GENERAL.—Nothing in this subsection authorizes the Secretary to enter into an agreement, in accordance with this subchapter, with a landowner for water obtained from an irrigation district, water district, or other similar governmental entity in the State of California.

''(B) TREATMENT OF CALIFORNIA DISTRICTS.—An irrigation district, water district, or similar governmental entity in the State of California—

''(i) shall be considered an eligible entity for purposes of this subchapter; and

''(ii) may develop a program under this subchapter.

''(C) DISTRICT PROGRAMS.—All landowners participating in a program under this subchapter that is sponsored by a district or entity described in subparagraph (B) shall be willing participants in the program.

''(13) GROUNDWATER.—A right to groundwater shall not be subject to any provision of this subsection unless the right is granted—

''(A) under applicable State law; and

''(B) through a groundwater water rights process that is fully integrated with the surface water rights process of the applicable affected State.''.

(c) WATER BENEFITS PROGRAM.—Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) is amended by adding at the end the following:

''CHAPTER 6—WATER CONSERVATION

''SEC. 1240R. WATER BENEFITS PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(A) an owner or operator of agricultural land;

''(B) a person or entity that holds water rights in accordance with State law; and

''(C) any other landowner.

''(2) PROGRAM.—The term 'program' means the water benefits program established under subsection (b).

''(b) ESTABLISHMENT.—The Secretary shall establish a program to promote water conservation, to be known as the 'water benefits program', under which the Secretary shall make payments to eligible States to pay the Federal share of the cost of—

''(1) in accordance with subsection (f), irrigation efficiency infrastructure or measures that provide in-stream flows for fish and wildlife and other environmental purposes (including wetland restoration);

''(2) converting from production of a water-intensive crop to a crop that requires less water; or

''(3) the lease, purchase, dry-year optioning, or dedication of water or water rights to provide, directly or indirectly, in-stream flows for fish and wildlife and other environmental purposes (including wetland restoration).

''(c) PROTECTION OF PRIVATE PROPERTY RIGHTS.—

''(1) WILLING SELLERS AND LESSORS.—An agreement may be executed under this subsection only if each eligible entity that is a party to the agreement is a willing seller or willing lessor.

''(2) PROPERTY RIGHTS.—Nothing in this section authorizes the Federal Government or any State government to condemn private property.

''(d) ELIGIBLE STATES.—To be eligible to receive a payment under the program, a State shall—

''(1) establish a State program under which the State holds and enforces water rights leased, purchased, dry-year optioned, or dedicated to provide in-stream flows for fish and wildlife;

''(2) designate a State agency to administer the State program;

''(3)(A) submit to the Secretary a State plan to protect in-stream flows; and

''(B) obtain approval of the State program and plan by the Secretary;

''(4) subject each lease, purchase, dry-year optioning, and dedication of water and water rights to any review and approval required under State law, such as review and approval by a water board, water court, or water engineer of the State; and

''(5) ensure that each lease, purchase, dry-year optioning, and dedication of water and water rights is consistent with State water law.

''(e) ROLE OF SECRETARY.—In carrying out this section, the Secretary shall—

''(1) certify State programs established under subsection (d)(1) for an initial term, and any subsequent renewal of terms, of not more than 3 years, subject to renewal;

''(2) establish guidelines for participating States to pay the Federal share of assisting the conversion from production of water-intensive crops to crops that require less water;

''(3) establish guidelines for participating States to pay the non-Federal share of the cost of on-farm and off-farm irrigation efficiency infrastructure and measures described in subsection (f)(2);

''(4) establish guidelines for participating States for the lease, purchase, dry-year optioning, and dedication of water and water rights under State programs;

''(5) establish a program within the Agricultural Research Service, in collaboration with the United States Geological Survey, to monitor State efforts under the program, including the construction and maintenance of stream gauging stations;

''(6) revoke certification of a State program under paragraph (1) if State administration of the State program does not meet the terms of the certification; and

''(7) consult with the Secretary of the Interior and affected Indian tribes, particularly with respect to the establishment and implementation of the program.

''(f) IRRIGATION EFFICIENCY INFRASTRUCTURE AND MEASURES.—

''(1) IN GENERAL.—The Secretary may pay—

''(A) the Federal share of the cost of converting from production of a water-intensive crop to a crop that requires less water, as described in subsection (e)(2); and

''(B) the Federal share determined under subsection (g) of the cost of on-farm and off-farm irrigation efficiency infrastructure and measures described in paragraph (2) if not less than 75 percent of the water conserved as a result of the infrastructure and measures is permanently allocated, directly or indirectly, to in-stream flows.

''(2) ELIGIBLE IRRIGATION EFFICIENCY INFRASTRUCTURE AND MEASURES.—Eligible irrigation efficiency infrastructure and measures referred to in paragraph (1) are—

''(A) lining of ditches, insulation of piping, and installation of ditch portals or gates;

''(B) tail water return systems;

''(C) low-energy precision applications;

''(D) low-flow irrigation systems, including drip and trickle systems and micro-sprinkler systems;

''(E) spray jets or nozzles that improve water distribution efficiency;

''(F) surge valves;

''(G) conversion from gravity or flood irrigation to low-flow sprinkler or drip irrigation systems;

''(H) intake screens, fish passages, and conversion of diversions to pumps;

''(I) alternate furrow wetting, irrigation scheduling, and similar measures; and

''(J) such other irrigation efficiency infrastructure and measures as the Secretary determines to be appropriate to carry out the program.

''(g) COST SHARING.—

''(1) NON-FEDERAL SHARE.—The non-Federal share of the cost of converting from production of a water-intensive crop to a crop that requires less water, or of an irrigation efficiency infrastructure or measure assisted under subsection (f)—

''(A) shall be not less than 25 percent; and

''(B) shall be paid by—

''(i) a State;

''(ii) an owner or operator of a farm or ranch (including an Indian tribe); or

''(iii) a nonprofit organization.

''(2) INCREASED NON-FEDERAL SHARE.—If an owner or operator of a farm or ranch pays 50 percent or more of the cost of converting from production of a water-intensive crop to a crop that requires less water, or of an irrigation efficiency infrastructure or measure, the owner or operator shall retain the right to use 50 percent of the water conserved by the conversion, infrastructure, or measure.

''(3) LEASING OF CONSERVED WATER.—A State shall—

''(A) give an eligible entity with respect to land enrolled in the program the option of leasing, or providing a dry-year option on, conserved water for 30 years; and

''(B) increase the non-Federal share under paragraph (1) accordingly, as determined by the Secretary.

''(4) WATER LEASE AND PURCHASE.—The cost of water or water rights that are directly leased, purchased, subject to a dry-year option, or dedicated under this section shall not be subject to the cost-sharing requirement of this subsection.

''(h) STATE ALLOCATIONS.—In making allocations to States, the Secretary shall consider the extent to which the State plan required by subsection (d)(3)(A) significantly advances the goals of Federal, State, tribal, and local fish, wildlife, and plant conservation plans, including—

''(1) plans that address—

''(A) multiple endangered species or threatened species (as defined in section 3 of the Endangered Species Act of 1973 (16 U.S.C. 1532)); or

''(B) species that may become threatened or endangered if conservation measures are not carried out;

''(2) agreements entered into, or conservation plans submitted, under section 6 or 10(a)(2)(A), respectively, of the Endangered Species Act of 1973 (16 U.S.C. 1535, 1539(a)(2)(A)); and

''(3) plans that provide benefits to the fish, wildlife, or plants located in 1 or more—

''(A) refuges within the National Wildlife Refuge System; or

''(B) State wildlife management areas.

''(i) STATE WATER LAW.—Nothing in this section—

''(1) preempts any State water law;

''(2) affects any litigation concerning the entitlement to, or lack of entitlement to, water that is pending as of the date of enactment of this section;

''(3) expands, alters, or otherwise affects the existence or scope of any water right of any individual (except to the extent that the individual agrees otherwise under the program); or

''(4) authorizes or entitles the Federal Government to hold or purchase any water right.

''(j) CALIFORNIA WATER LAW.—

''(1) IN GENERAL.—Nothing in this section authorizes the Secretary to enter into an agreement, in accordance with this subchapter, with a landowner for water obtained from an irrigation district, water district, or other similar governmental entity in the State of California.

''(2) TREATMENT OF CALIFORNIA DISTRICTS.—An irrigation district, water district, or

similar governmental entity in the State of California—

''(A) shall be considered an eligible entity for purposes of this subsection; and

''(B) may develop a program under this subsection.

''(3) DISTRICT PROGRAMS.—All landowners participating in a program under this subchapter that is sponsored by a district or entity described in paragraph (2) shall be willing participants in the program.

''(k) GROUNDWATER.—A right to groundwater shall not be subject to any provision of this section unless the right is granted—

''(1) under applicable State law; and

''(2) through a groundwater water rights process that is fully integrated with the surface water rights process of the applicable affected State.

''(l) FUNDING.—

''(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this section—

''(A) $25,000,000 for fiscal year 2002;

''(B) $52,000,000 for fiscal year 2003; and

''(C) $100,000,000 for each of fiscal years 2004 through 2006.

''(2) LIMITATION ON EXPENDITURES.—For any fiscal year, a State that participates in the program shall expend not more than 75 percent of the funds made available to the State under the program to pay—

''(A) the cost of converting from production of a water-intensive crop to a crop that requires less water; or

''(B) the cost of irrigation efficiency infrastructure and measures under subsection (f)(1).

''(3) MONITORING PROGRAM.—For each fiscal year, of the funds made available under paragraph (1), the Secretary shall use not more than $5,000,000 to carry out the monitoring program under subsection (e)(5).

''(4) ADMINISTRATION.—

''(A) FEDERAL.—For each fiscal year, of the funds made available under paragraph (1), the Secretary shall use not more than $500,000 for administration of the program.

''(B) STATE.—For each fiscal year, of the funds made available under paragraph (1), not more than 3 percent shall be made available to States for administration of the program.''.

NOTICES OF HEARINGS/MEETINGS

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that a hearing has been scheduled before the Subcommittee on National Parks of the Committee on Energy and Natural Resources.

The hearing will take place on Thursday, March 7, 2002, at 2:30 p.m., in room 366 of the Dirksen Senate Office Building in Washington, DC.

The purpose of the hearing is to receive testimony on the following bills:

S. 213 and H.R. 37, to amend the National Trails System Act to update the feasibility and suitability studies of four national historic trails and provide for possible additions to such trails;

S. 1069 and H.R. 834, to amend the National Trails System Act to clarify Federal authority relating to land acquisition from willing sellers for the majority of the trails in the System, and for other purposes; and

H.R. 1384, to amend the National Trails System Act to designate the route in Arizona and New Mexico which the Navajo and Mescalero Apache Indian Tribes were forced to walk in 1863 and 1864, for study for potential addition to the National Trails System.

Because of the limited time available for the hearing, witnesses may testify by invitation only. However, those wishing to submit written testimony for the hearing record should send two copies of their testimony to the Committee on Energy and Natural Resources, U.S. Senate, 312 Dirksen Senate Office Building, Washington, DC 20510.

For further information, please contact David Brooks of the committee staff at (202–224–9863).

PRIVILEGE OF THE FLOOR

Mr. WELLSTONE. Madam President, I ask unanimous consent that Cheryl Wasserman, who is a fellow in my office, be granted the privilege of the floor during the Senate's consideration of the farm bill.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

APPALACHIAN REGIONAL DEVELOPMENT ACT AMENDMENTS OF 2002

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 303, S. 1206.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1206) to reauthorize the Appalachian Regional Development Act of 1965, and for other purposes.

There being no objection, the Senate proceeded to consider the bill to reauthorize the Appalachian Regional Development Act of 1965, and for other purposes, which had been reported from the Committee on Environment and Public Works, with an amendment to strike all after the enacting clause and insert the part printed in italic.

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Appalachian Regional Development Act Amendments of 2001''.

SEC. 2. PURPOSES.

(a) THIS ACT.—The purposes of this Act are—

(1) to reauthorize the Appalachian Regional Development Act of 1965 (40 U.S.C. App.); and

(2) to ensure that the people and businesses of the Appalachian region have the knowledge, skills, and access to telecommunication and technology services necessary to compete in the knowledge-based economy of the United States.

(b) APPALACHIAN REGIONAL DEVELOPMENT ACT OF 1965.—Section 2 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in subsection (b), by inserting after the third sentence the following: ''Consistent with the goal described in the preceding sentence, the Appalachian region should be able to take advantage of eco-industrial development, which promotes both employment and economic growth and the preservation of natural resources.''; and

(2) in subsection (c)(2)(B)(ii), by inserting '', including eco-industrial development technologies'' before the semicolon.

SEC. 3. FUNCTIONS OF THE COMMISSION.

Section 102(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in paragraph (5), by inserting '', and support,'' after ''formation of'';

(2) in paragraph (7), by striking ''and'' at the end;

(3) in paragraph (8), by striking the period at the end and inserting a semicolon; and

(4) by adding at the end the following:

''(9) encourage the use of eco-industrial development technologies and approaches; and

''(10) seek to coordinate the economic development activities of, and the use of economic development resources by, Federal agencies in the region.''.

SEC. 4. INTERAGENCY COORDINATING COUNCIL ON APPALACHIA.

Section 104 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) by striking ''The President'' and inserting ''(a) IN GENERAL.—The President''; and

(2) by adding at the end the following:

''(b) INTERAGENCY COORDINATING COUNCIL ON APPALACHIA.—

''(1) ESTABLISHMENT.—In carrying out subsection (a), the President shall establish an interagency council to be known as the 'Interagency Coordinating Council on Appalachia'.

''(2) MEMBERSHIP.—The Council shall be composed of—

''(A) the Federal Cochairman, who shall serve as Chairperson of the Council; and

''(B) representatives of Federal agencies that carry out economic development programs in the region.''.

SEC. 5. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.

Title II of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting after section 202 the following:

''SEC. 203. TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.

''(a) IN GENERAL.—The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to persons or entities in the region for projects—

''(1) to increase affordable access to advanced telecommunications, entrepreneurship, and management technologies or applications in the region;

''(2) to provide education and training in the use of telecommunications and technology;

''(3) to develop programs to increase the readiness of industry groups and businesses in the region to engage in electronic commerce; or

''(4) to support entrepreneurial opportunities for businesses in the information technology sector.

''(b) SOURCE OF FUNDING.—

''(1) IN GENERAL.—Assistance under this section may be provided—

''(A) exclusively from amounts made available to carry out this section; or

''(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

''(2) FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

''(c) COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect

under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.

''(d) BROADBAND STUDY.—

''(1) IN GENERAL.—The Commission shall make a grant, enter into an agreement, or otherwise provide funds for the conduct of a study on—

''(A) the availability of broadband telecommunications services and access to the Internet through such services in rural and other remote areas;

''(B) the impacts of the availability of those services on those areas; and

''(C) the means that are available for enhancing or facilitating the availability of those services in those areas.

''(2) COMPLETION OF STUDY.—The study under paragraph (1) shall be completed not later than 18 months after the date of enactment of the Appalachian Regional Development Act Amendments of 2001.''.

SEC. 6. ENTREPRENEURSHIP INITIATIVE.

Title II of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting after section 203 (as added by section 5) the following:

''SEC. 204. ENTREPRENEURSHIP INITIATIVE.

''(a) DEFINITION OF BUSINESS INCUBATOR SERVICE.—In this section, the term 'business incubator service' means a professional or technical service necessary for the initiation and initial sustainment of the operations of a newly established business, including a service such as—

''(1) a legal service, including aid in preparing a corporate charter, partnership agreement, or basic contract;

''(2) a service in support of the protection of intellectual property through a patent, a trademark, or any other means;

''(3) a service in support of the acquisition and use of advanced technology, including the use of Internet services and Web-based services; and

''(4) consultation on strategic planning, marketing, or advertising.

''(b) PROJECTS TO BE ASSISTED.—The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to persons or entities in the region for projects—

''(1) to support the advancement of, and provide, high-quality entrepreneurial training and education for youths, students, and businesspersons;

''(2) to improve access to debt and equity capital, including the establishment of development venture capital funds;

''(3) to aid communities in identifying, developing, and implementing development strategies for various sectors of the economy; and

''(4)(A) to develop a working network of business incubators; and

''(B) to support entities that provide business incubator services.

''(c) SOURCE OF FUNDING.—

''(1) IN GENERAL.—Assistance under this section may be provided—

''(A) exclusively from amounts made available to carry out this section; or

''(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

''(2) FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

''(d) COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.''.

SEC. 7. REGIONAL SKILLS PARTNERSHIPS.

Title II of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting after section 204 (as added by section 6) the following:

''SEC. 205. REGIONAL SKILLS PARTNERSHIPS.

''(a) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means a consortium that—

''(1) is established to serve 1 or more industries in a specified geographic area; and

''(2) consists of representatives of—

''(A) businesses (or a nonprofit organization that represents businesses);

''(B) labor organizations;

''(C) State and local governments; or

''(D) educational institutions.

''(b) PROJECTS TO BE ASSISTED.—The Commission may provide technical assistance, make grants, enter into contracts, or otherwise provide funds to eligible entities in the region for projects to improve the job skills of workers in a specified industry, including projects for—

''(1) the assessment of training and job skill needs for the industry;

''(2) the development of curricula and training methods, including, in appropriate cases, electronic learning or technology-based training;

''(3) the purchase, lease, or receipt of donations of training equipment;

''(4)(A) the identification of training providers; and

''(B) the development of partnerships between the industry and educational institutions, including community colleges;

''(5) the development of apprenticeship programs;

''(6) the development of training programs for workers, including dislocated workers; and

''(7) the development of training plans for businesses.

''(c) ADMINISTRATIVE COSTS.—An eligible entity may use not more than 10 percent of the funds made available to the eligible entity under subsection (b) to pay administrative costs associated with the projects described in subsection (b).

''(d) SOURCE OF FUNDING.—

''(1) IN GENERAL.—Assistance under this section may be provided—

''(A) exclusively from amounts made available to carry out this section; or

''(B) from amounts made available to carry out this section in combination with amounts made available under any other Federal program or from any other source.

''(2) FEDERAL SHARE REQUIREMENTS SPECIFIED IN OTHER LAWS.—Notwithstanding any provision of law limiting the Federal share under any other Federal program, amounts made available to carry out this section may be used to increase that Federal share, as the Commission determines to be appropriate.

''(e) COST SHARING FOR GRANTS.—Not more than 50 percent (or 80 percent in the case of a project to be carried out in a county for which a distressed county designation is in effect under section 226) of the costs of any activity eligible for a grant under this section may be provided from funds appropriated to carry out this section.''.

SEC. 8. PROGRAM DEVELOPMENT CRITERIA.

(a) ELIMINATION OF GROWTH CENTER CRITERIA.—Section 224(a)(1) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''in an area determined by the State have a significant potential for growth or''.

(b) ASSISTANCE TO DISTRESSED COUNTIES AND AREAS.—Section 224 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by adding at the end the following:

''(d) ASSISTANCE TO DISTRESSED COUNTIES AND AREAS.—For each fiscal year, not less than 50 percent of the amount of grant expenditures approved by the Commission shall support activities or projects that benefit severely and persistently distressed counties and areas.''.

SEC. 9. GRANTS FOR ADMINISTRATIVE EXPENSES OF LOCAL DEVELOPMENT DISTRICTS.

Section 302(a)(1)(A)(i) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by inserting ''(or, at the discretion of the Commission, 75 percent of such expenses in the case of a local development district that has a charter or authority that includes the economic development of a county or part of a county for which a distressed county designation is in effect under section 226)'' after ''such expenses''.

SEC. 10. AUTHORIZATION OF APPROPRIATIONS.

Section 401 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended to read as follows:

''SEC. 401. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—In addition to amounts authorized by section 201 and other amounts made available for the Appalachian development highway system program, there are authorized to be appropriated to the Commission to carry out this Act—

''(1) $88,000,000 for each of fiscal years 2002 through 2004;

''(2) $90,000,000 for fiscal year 2005; and

''(3) $92,000,000 for fiscal year 2006.

''(b) TELECOMMUNICATIONS AND TECHNOLOGY INITIATIVE.—Of the amounts made available under subsection (a), the following amounts may be made available to carry out section 203:

''(1) $10,000,000 for fiscal year 2002.

''(2) $8,000,000 for fiscal year 2003.

''(3) $5,000,000 for each of fiscal years 2004 through 2006.

''(c) AVAILABILITY.—Sums made available under subsection (a) shall remain available until expended.''.

SEC. 11. STUDIES.

(a) STUDY OF REGIONAL CHARACTERISTICS OF UPPER NEW YORK STATE.—Section 403 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the second sentence of the last undesignated paragraph by striking ''June 30, 1970'' and inserting ''September 30, 2002''.

(b) STUDY OF IMPACTS OF TERRORIST ATTACKS ON ECONOMY OF NEW YORK.—

(1) IN GENERAL.—The Appalachian Regional Commission shall provide for a study to be conducted by an academic institution located within the Appalachian region of New York State—

(A) to examine the immediate and potential short-term and long-term economic impacts of the events of September 11, 2001, on New York City and on other areas of New York State; and

(B) to identify mechanisms and resources that could be used to prevent, reduce, and ameliorate those impacts.

(2) COMPLETION OF STUDY.—The study under paragraph (1) shall be completed not later than 1 year after the date of enactment of this Act.

(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Appalachian Regional Commission to carry out this subsection $300,000 for fiscal year 2002, to remain available until expended.

SEC. 12. TERMINATION.

Section 405 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''2001'' and inserting ''2006''.

SEC. 13. TECHNICAL AND CONFORMING AMENDMENTS.

(a) Section 101(b) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the third sentence by striking ''implementing investment program'' and inserting ''strategy statement''.

(b) Section 106(7) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''expiring no later than September 30, 2001''.

(c) Sections 202, 214, and 302(a)(1)(C) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) are amended by striking ''grant-in-aid programs'' each place it appears and inserting ''grant programs''.

(d) Section 202(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the second sentence by striking ''title VI of the Public Health Service Act (42 U.S.C. 291–291o), the Mental Retardation Facilities and Community Mental Health Centers Construction Act of 1963 (77 Stat. 282),'' and inserting ''title VI of the Public Health Service Act (42 U.S.C. 291 et seq.), the Developmental Disabilities Assistance and Bill of Rights Act of 2000 (42 U.S.C. 15001 et seq.),''.

(e) Section 207(a) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''section 221 of the National Housing Act, section 8 of the United States Housing Act of 1937, section 515 of the Housing Act of 1949,'' and inserting ''section 221 of the National Housing Act (12 U.S.C. 1715l), section 8 of the United States Housing Act of 1937 (42 U.S.C. 1437f), section 515 of the Housing Act of 1949 (42 U.S.C. 1485),''.

(f) Section 214 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the section heading, by striking ''GRANT-IN-AID'' and inserting ''GRANT'';

(2) in subsection (a)—

(A) by striking ''grant-in-aid Act'' each place it appears and inserting ''Act'';

(B) in the first sentence, by striking ''grant-in-aid Acts'' and inserting ''Acts'';

(C) by striking ''grant-in-aid program'' each place it appears and inserting ''grant program''; and

(D) by striking the third sentence;

(3) by striking subsection (c) and inserting the following:

''(c) DEFINITION OF FEDERAL GRANT PROGRAM.—

''(1) IN GENERAL.—In this section, the term 'Federal grant program' means any Federal grant program authorized by this Act or any other Act that provides assistance for—

''(A) the acquisition or development of land;

''(B) the construction or equipment of facilities; or

''(C) any other community or economic development or economic adjustment activity.

''(2) INCLUSIONS.—In this section, the term 'Federal grant program' includes a Federal grant program such as a Federal grant program authorized by—

''(A) the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.);

''(B) the Land and Water Conservation Fund Act of 1965 (16 U.S.C. 460l–4 et seq.);

''(C) the Watershed Protection and Flood Prevention Act (16 U.S.C. 1001 et seq.);

''(D) the Carl D. Perkins Vocational and Technical Education Act of 1998 (20 U.S.C. 2301 et seq.);

''(E) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

''(F) title VI of the Public Health Service Act (42 U.S.C. 291 et seq.);

''(G) sections 201 and 209 of the Public Works and Economic Development Act of 1965 (42 U.S.C. 3141, 3149);

''(H) title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.); or

''(I) part IV of title III of the Communications Act of 1934 (47 U.S.C. 390 et seq.).

''(3) EXCLUSIONS.—In this section, the term 'Federal grant program' does not include—

''(A) the program for construction of the Appalachian development highway system authorized by section 201;

''(B) any program relating to highway or road construction authorized by title 23, United States Code; or

''(C) any other program under this Act or any other Act to the extent that a form of financial assistance other than a grant is authorized.''; and

(4) by striking subsection (d).

(g) Section 224(a)(2) of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended by striking ''relative per capita income'' and inserting ''per capita market income''.

(h) Section 225 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.)—

(1) in subsection (a)(3), by striking ''development program'' and inserting ''development strategies''; and

(2) in subsection (c)(2), by striking ''development programs'' and inserting ''development strategies''.

(i) Section 303 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended—

(1) in the section heading, by striking ''INVESTMENT PROGRAMS'' and inserting ''STRATEGY STATEMENTS'';

(2) in the first sentence, by striking ''implementing investments programs'' and inserting ''strategy statements''; and

(3) by striking ''implementing investment program'' each place it appears and inserting ''strategy statement''.

(j) Section 403 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App.) is amended in the next-to-last undesignated paragraph by striking ''Committee on Public Works and Transportation'' and inserting ''Committee on Transportation and Infrastructure''.

AMENDMENT NO. 2840

Mr. REID. Mr. President, I understand Senator JEFFORDS has a substitute amendment at the desk. I, therefore, ask unanimous consent that the amendment be agreed to, the committee substitute amendment be agreed to, the bill be read the third time and passed, the motion to reconsider be laid on the table with no intervening action or debate, and that any statements relating to these matters be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment (No. 2840) was agreed to.

(The amendment is printed in today's RECORD under ''Amendments Submitted.'')

The committee amendment in the nature of a substitute, as amended, was agreed to.

The bill (S. 1206), as amended, was passed.

EXECUTIVE SESSION

EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to Executive Session consider Executive Calendar Nos. 677 through 694; that the nominations be confirmed, the motions to reconsider be laid on the table, that any statements thereupon be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

The nominations were considered and confirmed as follows:

DEPARTMENT OF JUSTICE

Thomas P. Colantuono, of New Hampshire, to be United States Attorney for the District of New Hampshire for the term of four years.

James K. Vines, of Tennessee, to be United States Attorney for the Middle District of Tennessee for the term of four years.

James Duane Dawson, of West Virginia, to be United States Marshal for the Southern District of West Virginia for the term of four years.

William Carey Jenkins, of Louisiana, to be United States Marshal for the Middle District of Louisiana for the term of four years.

Ronald Richard McCubbin, Jr., of Kentucky, to be United States Marshal for the Western District of Kentucky for the term of four years.

David Reid Murtaugh, of Indiana, to be United States Marshal for the Northern District of Indiana for the term of four years.

Nehemiah Flowers, of Mississippi, to be United States Marshal for the Southern District of Mississippi for the term of four years.

Arthur Jeffrey Heddon, of Tennessee, to be United States Marshal for the Eastern District of Tennessee, for the term of four years.

David Glenn Jolley, of Tennessee, to be United States Marshal for the Western District of Tennessee for the term of four years.

Michael Wade Roach, of Oklahoma, to be United States Marshal for the Western District of Oklahoma for the term of four years.

Eric Eugene Robertson, of Washington, to be United States Marshal for the Western District of Washington for the term of four years.

Brian Michael Ennis, of Nebraska, to be United States Marshal for the District of Nebraska for the term of four years.

Chester Martin Keely, of Alabama, to be United States Marshal for the Northern District of Alabama for the term of four years.

John William Loyd, of Oklahoma, to be United States Marshal for the Eastern District of Oklahoma for the term of four years.

David Donald Viles, of Maine, to be United States Marshal for the District of Maine for the term of four years.

Johnny Lewis Hughes, of Maryland, to be United States Marshal for the District of Maryland for the term of four years.

Randy Merlin Johnson, of Alaska, to be United States Marshal for the District of Alaska for the term of four years.

Larry Wade Wagster, of Mississippi, to be United States Marshal for the Northern District of Mississippi for the term of four years.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

UNANIMOUS CONSENT AGREEMENT—EXECUTIVE CALENDAR NOS. 670 AND 676

Mr. REID. Mr. President, as in executive session, I ask unanimous consent that on Monday, February 11, the Senate proceed to executive session to consider the following nominations: Calendar No. 670, Michael Melloy, to be United States Circuit Judge; and Calendar No. 676, Jay Zainey, to be United States District Judge; that there be 15 minutes for debate on both nominations, equally divided between the chairman and ranking member of the Judiciary Committee or their designees; that at 6 p.m. the Senate vote on Calendar No. 670, and that upon the disposition of that nomination, the Senate vote immediately on Calendar

No. 676; that the motions to reconsider be laid upon the table, the President be immediately notified of the Senate's action, any statements thereon be printed in the RECORD, and the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. REID. Mr. President, as in executive session, I ask unanimous consent that it be in order to order the yeas and nays on both these nominations with one show of seconds.

The PRESIDING OFFICER. Without objection, it is in order for the Senator to seek the yeas and nays on both nominations at this time with one show of seconds.

Mr. REID. Mr. President, I now ask for the yeas and nays on the nominations.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

Mr. REID. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. REID. Mr. President, I ask unanimous consent the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDERS FOR MONDAY, FEBRUARY 11, 2002

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 2 p.m., Monday, February 11; that following the prayer and the pledge, the Journal of proceedings be approved to date, the morning hour be deemed expired, the time for the two leaders be reserved for their use later in the day, and there be a period for morning business until 3 p.m., with Senators permitted to speak for up to 10 minutes each, with the time equally divided between the two leaders or their designees; and further, that at 3 p.m. the Senate resume consideration of S. 1731, the farm bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. REID. Mr. President, there are amendments that are still pending. We have a finite list of amendments. I hope there will be Senators on both sides to offer amendments in relation to this bill. All the amendments offered today will be put in the normal list of amendments that have been offered, and we will try to work something out. It may be there will be some that will be accepted by Senators HARKIN and LUGAR.

There are a number of other amendments that need to be offered. I would think if we expect to complete this bill that we need to have some of these offered Monday. It will not be possible to have everybody offer their amendments Tuesday and have votes on Tuesday and still get to the energy bill on Wednesday.

So I say to both the majority and minority Senators, we need to really move forward on this. I hope that staffs and others will indicate that they should have their Senators here at 3 o'clock on Monday to start offering amendments.

The next rollcall vote will begin at 6 p.m. on Monday on two Executive Calendar nominations. Rollcall votes will also occur Tuesday, February 12, as early as 10 a.m. in relation to amendments on the farm bill or on additional Executive Calendar nominations.

ADJOURNMENT UNTIL MONDAY, FEBRUARY 11, 2002, AT 2 P.M.

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in adjournment under the previous order.

There being no objection, the Senate, at 3:15 p.m., adjourned until Monday, February 11, 2002, at 2 p.m.

CONFIRMATIONS

Executive nominations confirmed by the Senate February 8, 2002:

DEPARTMENT OF JUSTICE

THOMAS P. COLANTUONO, OF NEW HAMPSHIRE, TO BE THE UNITED STATES ATTORNEY FOR THE DISTRICT OF NEW HAMPSHIRE FOR THE TERM OF FOUR YEARS.

JAMES K. VINES, OF TENNESSEE, TO BE UNITED STATES ATTORNEY FOR THE MIDDLE DISTRICT OF TENNESSEE FOR THE TERM OF FOUR YEARS.

JAMES DUANE DAWSON, OF WEST VIRGINIA, TO BE UNITED STATES MARSHAL FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA FOR THE TERM OF FOUR YEARS.

WILLIAM CAREY JENKINS, OF LOUISIANA, TO BE UNITED STATES MARSHAL FOR THE MIDDLE DISTRICT OF LOUISIANA FOR THE TERM OF FOUR YEARS.

RONALD RICHARD MCCUBBIN, JR., OF KENTUCKY, TO BE UNITED STATES MARSHAL FOR THE WESTERN DISTRICT OF KENTUCKY FOR THE TERM OF FOUR YEARS.

DAVID REID MURTAUGH, OF INDIANA, TO BE UNITED STATES MARSHAL FOR THE NORTHERN DISTRICT OF INDIANA FOR THE TERM OF FOUR YEARS.

NEHEMIAH FLOWERS, OF MISSISSIPPI, TO BE UNITED STATES MARSHAL FOR THE SOUTHERN DISTRICT OF MISSISSIPPI FOR THE TERM OF FOUR YEARS.

ARTHUR JEFFREY HEDDEN, OF TENNESSEE, TO BE UNITED STATES MARSHAL FOR THE EASTERN DISTRICT OF TENNESSEE, FOR THE TERM OF FOUR YEARS.

DAVID GLENN JOLLEY, OF TENNESSEE, TO BE UNITED STATES MARSHAL FOR THE WESTERN DISTRICT OF TENNESSEE FOR THE TERM OF FOUR YEARS.

MICHAEL WADE ROACH, OF OKLAHOMA, TO BE UNITED STATES MARSHAL FOR THE WESTERN DISTRICT OF OKLAHOMA FOR THE TERM OF FOUR YEARS.

ERIC EUGENE ROBERTSON, OF WASHINGTON, TO BE UNITED STATES MARSHAL FOR THE WESTERN DISTRICT OF WASHINGTON FOR THE TERM OF FOUR YEARS.

BRIAN MICHAEL ENNIS, OF NEBRASKA, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF NEBRASKA FOR THE TERM OF FOUR YEARS.

CHESTER MARTIN KEELY, OF ALABAMA, TO BE UNITED STATES MARSHAL FOR THE NORTHERN DISTRICT OF ALABAMA FOR THE TERM OF FOUR YEARS.

JOHN WILLIAM LOYD, OF OKLAHOMA, TO BE UNITED STATES MARSHAL FOR THE EASTERN DISTRICT OF OKLAHOMA FOR THE TERM OF FOUR YEARS.

DAVID DONALD VILES, OF MAINE, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF MAINE FOR THE TERM OF FOUR YEARS.

JOHNNY LEWIS HUGHES, OF MARYLAND, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF MARYLAND FOR THE TERM OF FOUR YEARS.

RANDY MERLIN JOHNSON, OF ALASKA, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF ALASKA FOR THE TERM OF FOUR YEARS.

LARRY WADE WAGSTER, OF MISSISSIPPI, TO BE UNITED STATES MARSHAL FOR THE NORTHERN DISTRICT OF MISSISSIPPI FOR THE TERM OF FOUR YEARS.