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Senate

The Senate met at 10 a.m. and was called to order by the Honorable RICHARD J. DURBIN, a Senator from the State of Illinois.

PRAYER

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

Almighty God, who blesses the Nation whose people pray for their leaders, on this special day of unified prayer, we thank You for hearing and answering the prayers of the American people for the President and Vice President and their families, the members of the Cabinet, the Justices of the Supreme Court, the Joint Chiefs of Staff of the military, the Members of the House of Representatives, and the women and men of this Senate. Here in this historic Chamber, we specifically pray for President pro tempore ROBERT BYRD, for TOM DASCHLE, HARRY REID, TRENT LOTT, and DON NICKLES. In 1 Timothy 2:1, You remind us that we are to make requests, prayers, intercessions, and thanksgiving for those in authority. We claim that at this very moment You are releasing supernatural strength, wisdom, and vision in these leaders. May they never forget that they are being sustained by You because of the prayers of millions of Americans around the clock. May these leaders never feel alone or dependent only on their own strength. We truly believe that prayer is the mightiest force in the world. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable RICHARD J. DURBIN 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 assistant legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, DC, February 7, 2002.

To the Senate:

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable RICHARD J. DURBIN, a Senator from the State of Illinois, to perform the duties of the Chair.

ROBERT C. BYRD,
President pro tempore.

Mr. DURBIN thereupon assumed the chair as Acting President pro tempore.

RESERVATION OF LEADER TIME

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

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Nevada is recognized.

SCHEDULE

Mr. REID. Mr. President, today the Senate is going to continue work on the farm bill.

ORDER OF PROCEDURE

Mr. President, I ask unanimous consent that the vote on the Durbin amendment occur at 10:15 a.m. today and that the time be equally divided between Senator DURBIN and the manager of the bill for the Republicans.

The ACTING PRESIDENT pro tempore. Is there objection?

The Chair hears none, and it is so ordered.

Mr. REID. Following that vote, Senator DORGAN will be recognized to offer the Dorgan-Grassley amendment regarding payment limitation. We already have an agreement in effect that the debate will take 1 hour 45 minutes. Following the vote in relation to the Dorgan amendment, Senator LUGAR will offer his payment mechanism amendment under a 2-hour time agreement. We also expect to get agreement on a finite list of amendments.

I say to all Senators, the Dorgan-Grassley amendment and the Lugar amendment are very important amendments. That is the reason we have the extended debate time on both of them. Disposing of these two amendments will move us a long way toward finishing this legislation.

Last night the majority had 12 amendments and the Republicans had just a few more. Staff has been working on these through the night, and we are going to try to come up with a finite list very quickly.

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 assistant 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.

Durbin/Lugar amendment No. 2821, to restrict commodity and crop insurance payments to land that has a cropping history

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

and to restore food stamp benefits to legal immigrants who have lived in the United States for 5 years or more.

The PRESIDING OFFICER (Mr. REID). The Senator from Indiana.

AMENDMENT NO. 2821

Mr. LUGAR. Mr. President, I am pleased that in a few moments the Senate will vote on the Durbin amendment that restores benefits to legal immigrants in our country. We had a good debate last evening which illuminated the fact that there are as many as 500,000 Americans who are able to meet the criteria of having lived in this country 5 years or having had a work experience for 4 years who—and most importantly their children—due to confusion of the regulations frequently have not had the Food Stamp Program and the proper nutrition that might come from that. But we are going to change that. It is a strong bipartisan force.

The President of the United States has spoken forcefully on these issues and has commended the activity that is encapsulated so well in the amendment of the distinguished Senator from Illinois.

I am pleased to join him in hoping that we will have if not, a unanimous vote, a nearly unanimous vote. It is both a humanitarian cause and a fairness cause and a considerable extension of the nutrition safety net for all Americans.

This seems to me to be a very important objective of this farm bill because we are the Senate Committee of Agriculture, Nutrition, and Forestry and we have taken the nutrition title very seriously.

The Senator from Illinois has found ways that we can enhance that title very substantially. I commend that effort and ask all Senators to vote in favor of this amendment.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Illinois, Mr. DURBIN.

Mr. DURBIN. Mr. President, I, first, thank my colleague from the State of Indiana. This is a great day. We have this great alliance of two adjoining States—Illinois and Indiana—for the good of people all across the United States. I thank the Senator for his very kind words.

Before I address the merits of the bill, the substance, there are two modifications which have been proposed. I would like to offer one from Senator DORGAN, and I ask the Senator from Indiana if he would do the same for Senator GRAMM of Texas, who has offered a modification.

MODIFICATION TO AMENDMENT NO. 2821

Mr. President, I send this modification to the desk of the amendment which has been offered. I ask unanimous consent it be reported.

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

The modification is as follows:

On page 2, strike line 13 and replace with the following:

''(a) DEFINITIONS.—

On page 2, after line 21 insert the following:

''(3) IN GENERAL.—The term 'considered planted' shall include cropland that has been prevented from being planted at least 8 out of the past 10 years due to disaster related conditions as determined by the Secretary.''

Mr. DURBIN. Let me make a correction for the RECORD. Senator CONRAD offered this modification, I believe, not Senator DORGAN. I believe the Senator from Indiana may offer a modification on behalf of the Senator from Texas.

Mr. LUGAR. I thank the distinguished Senator for that invitation.

FURTHER MODIFICATION TO AMENDMENT NO. 2821

Mr. President, I do send to the desk the modification from Senator GRAMM.

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

The modification is as follows:

On page 6 strike lines 4 through 12 and insert the following:

''(M) FOOD STAMP EXCEPTION FOR CERTAIN QUALIFIED ALIENS.—

''(i) With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply, subject to the exclusion in clause (ii), to any individual who has continuously resided in the United States as a qualified alien for a period of 5 years or more beginning on the date on which the qualified alien entered the United States.

''(ii) No alien who enters the country illegally and remains in the United States illegally for a period of one year or longer, or has been in the United States as an illegal alien for a period of one year or longer, regardless of their status upon entering the country or their current status as a qualified alien, shall be eligible under clause (i) for benefits for the specified Federal program described in paragraph (3)(B).

''(iii) Clause (ii) shall not apply to a qualified alien who has continuously resided in the United States for a period of 5 years or more as of the date of enactment of this Act.''

Mr. DURBIN. Mr. President, let me say at the outset that the modification requested by Senator CONRAD is one that merely defines a term within the bill and does it in a fashion that I think is entirely reasonable. It says that if land has not been cropped or planted because it has been in a disaster status, certainly, that will not be covered by the amendment which I have limiting the opportunities for Federal payment. This is entirely reasonable. I am happy to accept it.

On the modification by the Senator from Texas, Mr. GRAMM, I have agreed to this, even though I have serious misgivings about it. But I have the assurance of the Senator from Texas, and all Senators who are now engaged in this debate, that we will continue to look at this extremely closely as we approach the conference committee to make certain we have done something that is fair and reasonable.

But it is in the spirit of moving this forward for the 260,000 legal immigrants who will now be eligible for food stamps in our country that I have agreed to and accept this second-degree amendment.

As the Senator from Indiana has alluded to, what we have done is twofold. What we have said is, if you have cropland in America that has not been planted, or you have not produced on that land at least 1 year out of the last 5, or 3 out of the last 10, in that circumstance, you cannot qualify for Federal assistance.

That is an effort to make certain we don't encourage overproduction for Federal subsidy. The farmer still has the opportunity to plant the land and to harvest the crop and make a profit, if he sees fit. But under this amendment, he would be limited. He would not be able to receive Government subsidy or Government support. We make specific exceptions, which I described yesterday in the debate.

The second part of this amendment takes the savings of $1.4 billion and uses it to provide eligibility for food stamps for legal immigrants. This is something that was changed in 1996. It is a change which has worked a great hardship, particularly on poor children across America. I remind all listening to the debate, we are only talking about legal immigrants being eligible for this relief.

President Bush in his budget message has endorsed this concept. Even former Speaker Gingrich, who was the author of the original legislation prohibiting food stamps, has come around to the position that we should change it. We now have the appropriate moment in time to move forward with what is a very humane and positive thing for children across America, particularly for families of legal immigrants.

We do two things in this legislation. We provide for a limitation on Government spending when it comes to farm programs so that new land is not brought into production to take advantage of Federal programs. We take the savings from that amendment and use it to provide food stamps for children across America.

Last night it was my great fortune to be at an event honoring former Senators George McGovern and Bob Dole for their work in the field of nutrition and their cooperation over many decades. They pointed with great pride to the creation of the Food Stamp Program which has, with the School Lunch Program and a few other commitments by the Federal Government, helped the poorest of the poor in America to receive basic nutrition and sustenance. The purpose of this Durbin amendment, supported by Senators HARKIN, LUGAR, WELLSTONE and many others, is to continue in that tradition.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I stress again that the amendment is identical to President Bush's budget proposal. I think all Senators appreciate that. I want to establish that again.

Secondly, I want to establish that the amendment does not affect in any way a producer's eligibility for conservation programs. It applies only to

commodity programs and crop insurance. I point out that the land which exists in the Conservation Reserve Program would be eligible, and the answer is, yes, CRP land specifically is exempted from the commodity programs and crop insurance.

These questions have been raised because they are material to the savings in the bill that are now to be applied for this important food stamp reform.

Having said that, I commend the amendment again to Senators, and I am hopeful we will have a strong vote in support.

Mr. HARKIN. Mr. President, this amendment is an important expansion of the Committee's nutrition title and I am proud to be a co-sponsor of the Durbin amendment along with Senator LUGAR and others. It builds on our provisions to restore benefits to legal immigrant children without the 5 year waiting period and apply more reasonable food stamp eligibility rules to working, tax paying immigrants. The amendment will correct an aspect of welfare reform that went too far.

Legal immigrants have made countless contributions to our country but many are now in trouble. They are disproportionately represented in the service jobs that have been hardest hit in the current recession. So now is an opportune time to make improvements to immigrant eligibility in the Food Stamp Program.

I also want to focus on children for a minute. We have also heard that from 1994 to 1998, 1 million poor citizen children of immigrant parents, left the program . . . a 74 percent decline for this group. These are children who are entitled to participate in the program but whose parents were confused about eligibility.

Do not be mistaken, this issue affects most States in our country. For example, more than half of all low-income children in California live with a non-citizen adult. Some of these children are citizens and others are immigrants. Between 30 percent and 40 percent of low income children in Arizona, Nevada, Texas, Colorado, Florida, Idaho, and New York live in families with a non-citizen. In my own State of Iowa, approximately 14 percent of low income children live in families with a non-citizen. We have seen time and again that in households where there are Food Stamp eligible children who live with a non-citizen adult, often time the adult does not seek out the assistance for the child.

Taken together, the 1998 bill that restored benefits to some children which I supported, along with this amendment and our immigrant provisions in the underlying bill, will immediately help to prevent many children from going to bed hungry at night. Their parents, will also be able to participate in the program once they have worked in this country for at least 4 years or have resided in the U.S. for at least 5 years.

Now, for anyone who argues that people would move to this country to wait five years to receive a ''generous'' food stamp benefit, I want to remind all of us that the average household received a benefit of $175 per month in 2000. A family of 3 working 30 hours a week in a minimum wage job got just over $250 per month. That same family working 40 hours per week at $7.50 an hour received under $70 per week. In fact, USDA just reported that food stamp recipients spend about 70 percent of their monthly benefits the first week and 90 percent by the end of the second week. People who participate in the Food Stamp Program are not living ''high on the hog'' and they are certainly not coming to this country for that benefit.

Now, others before me have mentioned that 16 States spend their own funds to provide food assistance to legal immigrants made ineligible by welfare reform. Under this proposal, those States would now be able to devote their State dollars to other worthwhile and much needed initiatives.

Finally, I, too, want to commend the President for including this provision in his 2003 budget proposal and Newt Gingrich who indicated that welfare reform went too far when it removed the ability of legal immigrants to participate in the Food Stamp Program.

Again, I am pleased to join Senators DURBIN, LUGAR, and others in co-sponsoring this amendment that will help provide nutrition for this valuable group of people in our country.

The PRESIDING OFFICER. The Senator from Illinois.

Mr. DURBIN. Mr. President, I ask unanimous consent that Senators LEVIN and CORZINE be added as cosponsors of the amendment.

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

The Senator from Indiana has 2 minutes.

Mr. LUGAR. Mr. President, I yield back that time and 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. DURBIN. 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. DURBIN. Mr. President, I ask, pursuant to the unanimous consent agreement, that we proceed. I ask for the yeas and nays on the pending Durbin amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second. There is a sufficient second.

The question is on agreeing to amendment No. 2821, as modified. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Tennessee (Mr. THOMPSON), the Senator from Arizona (Mr. MCCAIN), and the Senator from New Mexico (Mr. DOMENICI) are necessarily absent.

The ACTING PRESIDENT pro tempore. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 96, nays 1, as follows:

[Rollcall Vote No. 17 Leg.]

YEAS—96

Akaka	Dorgan	Lincoln
Allard	Durbin	Lott
Allen	Edwards	Lugar
Baucus	Ensign	McConnell
Bayh	Enzi	Mikulski
Bennett	Feingold	Miller
Biden	Feinstein	Murkowski
Bingaman	Fitzgerald	Murray
Bond	Frist	Nelson (FL)
Boxer	Graham	Nelson (NE)
Breaux	Gramm	Nickles
Brownback	Grassley	Reed
Bunning	Gregg	Reid
Burns	Hagel	Roberts
Byrd	Harkin	Rockefeller
Campbell	Hatch	Santorum
Cantwell	Helms	Sarbanes
Carnahan	Hollings	Schumer
Carper	Hutchinson	Shelby
Chafee	Hutchison	Smith (NH)
Cleland	Inhofe	Smith (OR)
Clinton	Inouye	Snowe
Cochran	Jeffords	Specter
Collins	Johnson	Stabenow
Conrad	Kennedy	Stevens
Corzine	Kerry	Thomas
Craig	Kohl	Thurmond
Crapo	Kyl	Torricelli
Daschle	Landrieu	Voinovich
Dayton	Leahy	Warner
DeWine	Levin	Wellstone
Dodd	Lieberman	Wyden

NAYS—1

Sessions

NOT VOTING—3

Domenici	McCain	Thompson

The amendment (No. 2821), as modified, was agreed to.

Mr. LUGAR. I move to reconsider the vote.

Mr. HARKIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. HARKIN. Mr. President, for the benefit of the Senators, I have a parliamentary inquiry. Under the unanimous consent agreement we have entered into, what is next?

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from North Dakota, Mr. DORGAN, is recognized to offer an amendment for himself and the Senator from Iowa, Mr. GRASSLEY, regarding payment limitation. There has been an agreement there will be 1 hour 45 minutes of debate prior to the vote in relation thereto.

Mr. HARKIN. The Dorgan-Grassley amendment is next, with 1 hour 45 minutes evenly divided?

The ACTING PRESIDENT pro tempore. That is correct.

Mr. HARKIN. And the vote will occur—at the end of that 1 hour 45 minutes?

The ACTING PRESIDENT pro tempore. It will.

The Senator from North Dakota.

AMENDMENT NO. 2826 TO AMENDMENT NO. 2471

(Purpose: To strengthen payment limitations for commodity payments and benefits and use the resulting savings to improve certain programs.)

Mr. DORGAN. Mr. President, I will be sending an amendment to the desk on behalf of myself, the Senator from Iowa, Mr. GRASSLEY, and joined by cosponsors Mr. HAGEL, Mr. JOHNSON, Mr. Lugar, Mr. FITZGERALD, Mr. NELSON, Mr. ENSIGN, Mr. WELLSTONE, Mr. Durbin, Mr. TORRICELLI, Mr. KOHL, and Mr. BROWNBACK. I send the amendment to the desk and ask for its immediate consideration.

The ACTING PRESIDENT pro tempore. The clerk will report.

The bill clerk read as follows:

The Senator from North Dakota, [Mr. DORGAN], for himself, Mr. GRASSLEY, Mr. HAGEL, Mr. JOHNSON, Mr. LUGAR, Mr. FITZGERALD, Mr. NELSON of Nebraska, Mr. ENSIGN, Mr. WELLSTONE, Mr. DURBIN, Mr. TORRICELLI, Mr. KOHL, and Mr. BROWNBACK, proposes an amendment numbered 2826 to amendment No. 2471.

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

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. HARKIN. I understand there is 1 hour 45 minutes evenly divided.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. HARKIN. I ask unanimous consent that the Senator from Arkansas, Mrs. LINCOLN, be in control of the time in opposition to the amendment.

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

Mr. DORGAN. Mr. President, I am pleased today to offer the amendment. I ask I be allowed as much time as I may consume, following which I expect Senator GRASSLEY, who has worked with me in constructing this amendment, will be recognized.

This amendment is about limitation on payments in the farm program. We always have people coming to the floor of the Senate talking about the requirement to help family farmers in our country. The reason I support a farm bill, the reason I fight so hard to try to get good farm policy, is to help family farmers.

What do I mean by family farmers? I am talking about people out there living under a yard light trying to raise a family and trying to operate a family farm and raise food. They go to town and buy their supplies. I am talking about a network of food producers scattered across this country that represents, in my judgment, food security for our country.

This issue of helping family farmers with a safety net in the form of farm program payments during tough times is something that has become much different over a long period of time. It is not the case that we are fighting over farm program payments for family farmers. There is some of that in the farm bill, but all of us recognize there is in this farm bill substantial payments to some of the biggest operators in the country that have nothing to do with families, nothing to do with family farming.

Let me cite some examples of who gets farm program payments. Fortune 500 companies get payments under the farm program; not much about families there. City dwellers who have millions of dollars, who need the farm program the least and do not have anything to do with the family farm, get farm program payments. Chase Manhattan Bank, farm program payments; colleges and universities—the list goes on forever.

This is about family farming, in my judgment. I am sure those who support this amendment, and there are many in the Chamber, are always asked the question: If you talk about family farmers, what do you mean by family? Define a family farm, they say. I defy you to tell me what it is.

If we took 10 minutes, we could agree on what it is not. Michelangelo once sculpted David. They asked: How did you sculpt David?

He said: Easy; I took a block of marble and chipped away everything that was not David.

We can chip away everything that is not a family farm and have a decent idea of what a family farm is not. Is it a New York bank operating land in one of our States? I don't think so. Is a family farmer a piece of ground owned by somebody who has lived in Los Angeles for 40 years and the only time that person has come back to the family farm area is for Thanksgiving, twice in 40 years; is that a family farmer? I don't think so.

Is that where you want farm program payments to go? Or do you want, in small towns on Saturday night, to have a vibrant Main Street where people come to town to buy supplies and park their vehicles? They are families living on the farm and farming our land and raising our food, producing our food and doing it by creating a network of broad-based economic ownership on America's farms. Is that what we are talking about? I think so.

What is this amendment? This amendment provides a $275,000 payment limit. Some will roll their eyes and say: Are you kidding me? Two hundred seventy-five thousand dollars and you think that is a limit? They will say it ought to be much lower than that. We will have trouble getting this passed today because there are people who want it much higher and some want no limits at all.

We propose $275,000. On direct and countercyclical payments there is a $75,000 limit; marketing loan gains and loan deficiency payments, a $150,000 limit; a husband and wife allowance, $50,000—for a total limitation of $275,000.

Now, this Senate bill has a $500,000 limit, but it does not get rid of triple entities so you can collect more than that. Current law is $460,000, which means you can collect more than that because of triple entity rules and other things. The House bill is $550,000, and again we allow triple entities and so on. So these are not real limits. Ours is a real limit.

We just talk about payments going to a tax ID, and we determine who the taxpayer is here—this is not about taxes but it is determining who the individual is—and we have a limitation.

We have seen a lot of these stories—incidentally, these are the kinds of stories which I think will ruin the climate in which we do farm bills in the future. If we do not do something about this, the American people and taxpayers generally are going to say that is not why we are paying taxes. We really support family farms. We believe family farms are important for America. But we believe we are not paying taxes so you can transfer money to the tune of millions, hundreds of millions, perhaps billions of dollars, to those who need it least and ought not be getting farm payments.

This talks about a farm operation, a 61,000-acre spread, $30.8 million in sales last year, receiving $38 million in Federal crop subsidies in 5 years. Is that what we are here for? Is that what this fight is about, to try to help family farmers? I do not think so. That is not why I am interested in this business.

Here is a letter from a North Dakota farmer, a person I have known for some while. He is a good farmer. His son also started farming.

Dear Senator Dorgan: I know you are aware of the really large operations in rural areas that are getting the big farm payments. I feel strongly against these large payments which are set forth in the current law. I hope you can fix this in the farm bill.

The biggest operations keep getting the bulk of the farm benefits while the small farmers are getting squeezed out of the rural areas. When this happens, the family farm operation can't compete with the larger enterprises because of the financial disadvantages. Cash rents go up because of the huge payments to these big operations, causing smaller farms to quit.

In my judgment, if our goal is not to preserve a network of family producers on America's farms, then we don't need a farm program, we don't need a Department of Agriculture; get rid of it all. The Department of Agriculture started under Abraham Lincoln and had nine employees. Now it has become this behemoth organization. But if our goal is not to try to protect, nurture, and assist family farmers over price valleys because they are too small to be able to survive these precipitous international price drops for their crops, if our goal isn't to do that, get rid of the whole thing.

If that is our goal—and I believe it ought to be; I believe that is why the American people support a farm program—then let's shape this farm program in a way that really does target the help to family producers.

I have told so many stories about family farmers and why I believe passionately about what this issue should mean to our country. In Europe they

have a vibrant rural economy. Go to a small town in Europe on Saturday night and see the main street full of pickup trucks and small cars. Do you know why? Because Europe has said we have been hungry before and we don't want to be hungry again and part of our national security is our food security and part of that is rooted in the notion of trying to preserve a network of family producers on the land in Europe. They have a farm program that does it. We ought not to disparage their farm program, we ought to applaud it, to say the goal of keeping small family producers, family operations, on the farm to produce a food supply is a laudable goal.

Some in this Chamber will say this notion of a family farm is like the little old diner that got left behind when the interstate came through. It is really fun to talk about it, but it is not real and it is not today's economy.

We can have the kind of economy we want. We can have the kind of economy we choose. With farm policy, we can decide that our future is in 61,000-acre operations where we give $38 million in farm price supports from the taxpayer to the biggest agrifactories in the country, or we can decide that those people out there—mothers, fathers, sons, daughters—with 500 acres, 2,000 acres, yes, 8,000 acres, 10,000 acres, trying to make a living, families trying to make a living out there on America's farms are what are really important to this Senate and this Congress. We can do that in public policy, but we can only do that if we pass this payment limitation amendment.

There is a lot to talk about. We will have people stand up and say: This is outrageous; you are trying to penalize people who got big. That is not the case at all. We only have a certain amount of money. My point is, let's layer it in from the bottom up to help those who need help the most. It doesn't penalize anybody. It just says: Here is the kind of economy we want. Here is what we want to invest in for America's future. Here is what we want to do to help family farmers in our country.

Let me conclude by saying I represent a farm State. There are some in my State who will be aggravated by this amendment. They are the ones who would be affected by the limit. This is important and good public policy so we can provide the best possible price supports during tough times to families who are farming America's land. That is the purpose. It is not to penalize anybody. It is just to invest as best we can in those family farmers struggling during price depressions, which have existed now for some years, and to say to them: We care about you; we care about the future; we want you to hang on because we want family farming as a part of America's future.

Mr. President, I yield the floor. I reserve the remainder of our time.

I assume the opponents have an equal amount of time. I believe Senator GRASSLEY will be recognized next, on our side, as soon as an opponent is recognized.

The PRESIDING OFFICER (Ms. STABENOW). Under the order, time is equally divided. The Senator from Arkansas controls the time in opposition to the amendment.

The Senator from Arkansas.

Mrs. LINCOLN. Madam President, I rise today in opposition to the underlying amendment on payment limitations. It seems that lately there has been a lot of talk about this issue in newspapers, in the Halls of Congress, and in rural coffee shops around the country. We have all heard the horror stories about plutocrats getting rich off the Federal dole, some of which my colleague has mentioned.

Most of these stories are generated by groups that claim to represent the interests of the family farmer but, in truth, could not care less about the family farmer. Instead, they wouldn't shed a tear to see American agriculture dead and buried and the land that our fathers have farmed left to lie fallow forever.

It is shameful enough that those who spread these stories claim to do so in the name of the farmer while in fact working to remove him from the very land he farms. But it is downright vile that they do so by hawking misleading information and creating a false impression of the persons on the land. This misleading tone has unfortunately served as an undercurrent for these hallway and rural coffee shop debates.

The people hurt by these misleading deceptions are the same farmers and their families that we in Congress say we are trying to protect. These are the families who produce our food and fiber.

I am proud that Arkansas is home to thousands of these families, and I am committed to serving their needs. While America is not the agrarian society it once was, there are still areas of our country, like much of my State, where agriculture is the economy, where whole communities celebrate harvests with festivals—rice festivals and cotton festivals—where farmers take great pride in producing our country's food supply. That is why these false impressions bother me so much. It is not the plutocrat who is getting hurt by these false impressions. He doesn't exist anymore; he is a myth. But even though he is a myth, everyone has been led to believe in him, so much so that now we are literally debating how big a farm is allowed to be in order to receive our dint of approval.

But how can we in Congress decide what size a farm should be? The problem with setting some arbitrary level for farm size, which this amendment would do, is that ''big'' means different things to different farmers in different parts of our country.

One farming couple, Gary and Pam Bradlow of England, AR, are listed by one Web site as the top recipient of farm payments in their area. Surely, then, the Bradlows must operate a huge farm. Surely they are wealthy plutocrats, jet-setting about the Caribbean on their yacht. In fact, the Bradlows are struggling to keep their heads above water. They farm 2,000 acres—probably a large farm in the minds of many people, but in truth, on this farm they barely achieve the economy of scale they need to survive. This is because they happen to grow rice, which is the most expensive, capital-intensive program crop a farmer can grow.

The other most expensive, capital-intensive crop, of course, is cotton, which happens to be the other main crop of my State of Arkansas. In fact, rice and cotton are significantly more costly to grow than any program crops.

As this chart shows, the average input cost of production per acre for rise is $697.

For cotton it is $538 per acre.

What are these input costs? Things such as seed and fertilizer, or a 200 horsepower tractor that costs almost $100,000, or a $125,000 combine; many of these are things that every farmer has to buy. But some of these input costs are specific to rice and cotton cultivation: Things such as a 9976 six-row cotton picker, which costs $285,000 at a dealership in Blytheville, AR; or the tremendous costs required to manage all the water needed to successfully raise a rice crop, a cost which could run into the hundreds of thousands of dollars for even a relatively small farm.

These unique costs are significant and they push the cost of production for rice and cotton to levels far above that for other program crops.

Let's look at another crop, say, sorghum. The average input cost of production per acre for sorghum is only $161 per acre.

Even for corn, the average input cost per acre is only $356, almost half the average input cost to produce rice.

Let me point out that it is not my purpose in showing these disparities to argue that farmers of these other crops do not also deserve support—far to the contrary. Farmers of these other crops need farm support because they also have to deal with rising costs, sinking prices, and unfair trade for overseas. My purpose in pointing out these disparities in the average input costs of production is to illustrate why payment limitations generally affect the farmers of rice and cotton in my state, and across the South, before they affect farmers of other crops. But make no mistake about it, this amendment would devastate farmers of every program crop, and then some. That is why the major commodity associations representing every program crop strongly oppose this amendment.

I have a copy of a letter here signed by these organizations: The American Cotton Shippers Association, the American Society of Farm Managers and Rural Appraisers, the Alabama Farmers Federation, the American

Farm Bureau, the American Soybean Association, the Agricultural Retail Association, the Wheat Growers, Barley Growers, Corn Growers, the Cotton Council, Grain, Sorghum, Sunflower, Rice Millers, Peanut Farmers, Canola, and U.S. Rice Producers Group.

I ask unanimous consent that this letter be printed in the RECORD.

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

FEBRUARY 6, 2002.

Hon. TIM HUTCHINSON,
U.S. Senate, Dirksen Senate Office Building, Washington, DC.

DEAR SENATOR HUTCHINSON: The organizations listed below represent a significant majority of the production of food and fiber in the United States. We are writing to urge you and your colleagues to oppose amendments to new farm legislation, which would further reduce limitations on farm program benefits below levels included in the Committee's bill (S. 1731). In testimony presented to Congress concerning new farm legislation virtually every commodity and farm organization opposed payment limitations.

One of the primary objectives of new farm legislation is to improve the financial safety net available to farmers and to eliminate the need for annual emergency assistance packages. If limitations on benefits are made more restrictive than those in S. 1731, a significant number of farmers will not benefit from the improved safety net. Simply stated, payment limits bite hardest when commodity prices are lowest. The addition of new crops (i.e. peanuts and soybeans) to the list of those eligible for fixed and counter-cyclical payments will mean even more producers are adversely affected by new limitations.

Proponents of tighter, more restrictive limitations will argue that farm programs cause farmers to enlarge their operations and that a few are receiving most of the benefits. Farmers expand in order to achieve economy of scale and to be competitive in domestic and international markets. Randomly established limitations and increased regulatory burdens do not promote efficiency or competitiveness, but they do increase costs and increase the workload for USDA employees.

One of the most popular results of the last farm bill was that producers could spend less time at their county FSA office and more time managing their farming operations. Farmers felt the government had stopped micro-managing their business plans. With passage of the Grassley or Dorgan amendments, farmers can look forward to many more trips to their county FSA office. In all likelihood they will be required to provide their private tax records to USDA to prove they do not meet an arbitrary means-test income limit that disqualifies them from participating in all federal farm programs.

Please consider the following:

If row-crop producers are forced to reduce plantings due to tighter payment limitations, acreage will likely switch to specialty crops. Increased production could drastically impact specialty crop markets.

A means test, at any level, disadvantages high value crop producers and livestock operators.

Congress enacted legislation requiring program participants to meet actively-engaged-in-farming rules and established the 3-entity rule to further limit benefits.

Marketing loans are designed to encourage producers to aggressively market crops; limitations on the operation of the marketing loan would contradict its primary objective; there was no limit on the marketing loan program in 1985; since then Congress has reduced the limit to $200,000 (for all crops) and then to $75,000 before temporarily increasing the limit to $150,000 in recent years to ensure that the program could achieve its objectives in times of extraordinarily low prices.

A stringent payment limit amendment will overwhelm FSA employees who will be asked to implement new farm law in record time and administer these draconian new limitations.

The actively engaged provisions contained in the Grassley and Dorgan amendments would prevent many widowed farm wives from participating in government price support programs.

Recent statistics released by environmental groups overstate payments by aggregating 5 years of data and failing to account for the sharing of those payments to individuals in families; cooperatives, partnerships and corporations listed as recipients.

The existing limitations in S. 1731 on direct payments, new counter-cyclical payments and marketing loan gains are not insignificant. Further, the regulations requiring recipients to meet actively engaged criteria remain in place and are enforced by the Department of Agriculture.

We strongly urge the Senate to defeat the Grassley and Dorgan amendments as well as any other proposals to limit eligibility for economic assistance during times of low prices when farmers need it most.

Thank you for your consideration of our views.

Mrs. LINCOLN. Madam President, this letter points out one of the worst things about payment limits, that they bite hardest when commodity prices are lowest.

How would farmers be hurt? One way they would be hurt is because this amendment would discontinue availability of generic commodity certificates which offer farmers better access to the marketing loan program.

Marketing loan support is most important when prices are low. Let's say there is a year in which the global market is swamped, in large part because of foreign farmers who are much more heavily subsidized. American farmers have fewer global markets, so now the domestic market becomes oversupplied. The price plummets, just as it has for every program crop over the past several years. Because the price is lower, the value of loan deficiency payments would be higher, and farmers would hit their new payment limitation sooner. This means that a larger portion of their crop is now unavailable for marketing loan support. Because prices are so low, they cannot possibly recoup their cost of production through the market. If they are lucky, they only fall into deeper debt. If they are unlucky, then they are forced to default on their loans and the bank seizes whatever assets they have: their equipment, their land, their house.

Generic certificates would offer these farmers more access to the marketing loan program, but this amendment would eliminate that benefit.

In what other ways would they be hurt? Well, this amendment would take away the 3-entity rule. Why is that important?

To understand this, let's look back to why the 3-entity rule was created in the first place.

The 1985 farm bill created the marketing loan program with no payment limitations. Later, Congress decided in its infinite wisdom that, even though farmers were going out of business and people were leaving farms and rural towns in dramatic numbers, it had made it too easy for farmers to make a handsome living. So it decided to begin placing dollar limits on payments, even though it unfairly disadvantaged farmers who, with higher value crops, reached these limits much faster than farmers of other crops. But it was apparent that to do that would quickly put even more people out of business, so Congress tried to cushion the blow by allowing farmers to apply for payments through up to three entities. This allowed people who farmed with their wives and children to get enough support to keep the family farm viable.

So, from the beginning, the 3-entity rule was put in place to avoid the massive bankruptcies that would otherwise occur if payment limitations were imposed without it. But even though farmers continued to go out of business, and rural communities continued to decline, Congress decided to lower payment limits again. Then, Congress passed Freedom to Farm and all heck broke loose. Prices plummeted, farmers began dropping like flies, and Congress was forced to begin passing emergency relief bills—4 years in a row—to keep rural America from falling stone dead.

Now, in the wake of all this, comes this amendment that wants to lay that one last straw on the camel's back by taking away the 3-entity rule—the one thing that has kept thousands of farmers hanging on. And it comes at a time when farmers are suffering about as bad as they ever have. It comes at a time when virtually every farmer and every farm organization is coming to Congress in droves begging, pleading with us to increase farm support. And, remember, it isn't just farmers of the high-value crops like cotton and rice who are in need.

It's also the corn farmers, soybean farmers, wheat farmers, and farmers of just about every other crop. They are all suffering. And this is very important to remember, because this amendment will hurt these farmers, too—even the farmers of specialty crops; they don't participate in these programs.

Specialty crop farmers will be significantly hurt because tightened payment limitations force farmers to reduce plantings of the program crops. In many parts of the country where they grow specialty crops, places such as California and the Far West, Florida, and many of the Atlantic States, and many of the Mountain states, much of the land that is currently planted in program crops will soon be switched to specialty crops. When that happens you will see the prices of these specialty crops dive even lower than they are now, and then these farmers will be forced out of business.

So it isn't just farmers of rice and cotton. Nevertheless, it is this disparity in cost of production between the high-value crops such as rice and cotton and the lower value crops that provides the clue to understanding why this amendment is so dangerous, and would be so devastating, to the farmers in my State and to farmers across the country. Yet, this point is only one of the many mysteries and myths that cloud this issue.

I would like to try to paint a clearer picture, to bring some clarity to this confusion, and perhaps it would be easiest to do this by pointing out what freedom to farm sought to accomplish.

The main premise behind freedom to farm was that farmers had become addicted to subsidies, and that they needed to be liberated into the glorious free market that we would soon create within the ambit of the World Trade Organization. Farmers were told they needed to make their operations more market-oriented, that they needed to learn to respond to free market signals.

We set in motion a plan to wean farmers from government support.

We gave them planting flexibility. We told them we would negotiate away the trade barriers overseas competitors erected to block them. We told them the world would follow our example if only we would lead by example and unilaterally disarm.

Well, we disarmed. We began to lower our farm support, but the world did not follow. The result has been 6 years of disaster. Prices have plummeted in virtually every commodity, even while input costs continue to rise. Farmers are going out of business and rural towns are heading for the abyss.

So we, in Congress, have tried to respond with a new farm bill. Chairman HARKIN has introduced a very good bill that seeks to answer the needs of our farmers. I compliment him on his hard work, his diligence, and his patience in bringing us a bill from the Senate Agriculture Committee that does just that in its diversity and its attention to assisting farmers. It is a bill that renews the Government's commitment to farmers in the rural economy, one that offers a bedrock, strong safety net.

But let us not lie to ourselves. This is not a complete fix, by any stretch. Prices are still in the tank. It will take some time for those prices to rebound, even if the rural economy responds immediately and positively to our new farm policy. Until then, our farmers will continue to struggle under the burden of low prices.

How low have the prices sunk? As this next chart shows, the price of cotton last year sank to its lowest level in more than two decades.

For rice—shown on our next chart—the story is even worse. Last year rice prices sank to a level lower than they were in 1947. Yet cotton and rice farmers still have to wrestle with an ever-rising cost of production.

As this next chart shows—and it is actually my favorite chart—input costs have risen steadily while prices have remained flat or even dropped. This point is never mentioned in those horror stories that we see in newspapers and on the Web sites. Talking about the unbelievable amounts of money these farmers are getting, we never hear one single mention of what these producers are spending.

Farmers need more support and higher prices because their costs are forever rising. Let's think about what this means. What products do we buy in our everyday lives for which the prices are just as low today as they were in 1947?

Imagine trying to support your family in the 21st century—with the cost of housing as it is today, with energy prices shooting through the roof, as they did last year, with cars, clothes, everything you can think of that you have to buy costing as much as they do today—imagine doing all of that on the amount of money your father or grandfather earned in 1947. You could not do it.

That is what rice farmers face. And that is what cotton farmers face. And that is what soybean farmers and corn farmers and wheat farmers and all of the others face, too.

That is why every organization, representing every program crop, and several others on top of all of that, strongly oppose this amendment. They know they will have to continue to face the squeeze between plummeting farm prices and the ever-rising farm costs of production. Yet even as they are squeezed, we tell our farmers they must still go out and wrestle with the heavily distorted global marketplace—a marketplace distorted beyond recognition by foreign subsidies so high they would be unrecognizable to us.

We tell our farmers they must still find ways to be market oriented, to be more responsive to the market signals—in a word: to be more competitive.

What does any business have to do to become more competitive? It must find ways to lower its per unit cost of production. To do this, most businesses find it necessary to increase their economies of scale. That is how the marketplace works. That is what our farmers in Arkansas have had to do.

Mr. Greg Day, a constituent of mine who farms in Grady, AR, used to farm cotton on only 1,700 acres. But because of the declining health of the farm economy, because of the changing world in which he lives, he has had to double his acreage to 3,400 acres in order to spread out his costs, just to maintain the level of revenue he needs to keep his head above water.

And now along comes an amendment that tells him that we want to discourage the very course of action he has had to follow to survive. It says to farmers: Do not do what you have to do to become more competitive.

It is as if Congress is, on the one hand, telling farmers to participate in the real business world where the most competitive survive, but, on the other hand, telling them not to do what will make them more competitive.

Congress has sent contradicting signals to farmers because it is still clouded by these false pictures, these myths of what is the average farmer.

We still impose upon farmers this mythic, old-fashioned notion that, while the rest of us live in the 21st century, farmers ought to make a living as our grandfathers did 75 or 100 years ago. But our grandfathers were never asked to meet the regulations of today's EPA or the Corps of Engineers and wetland regulations. Our grandfathers were never asked to meet the regulations for chemical application, fertilizer application—all of the other really positive ideas that have come out of agriculture in ways that we can be more efficient and more sensitive to the environment. Our grandfathers never operated under those restrictions.

And that myth imagines that we ought to stamp out anybody and anything that looks too big, anything that looks too global, anything that looks too corporate. But, colleagues, there are no big, faceless corporations arriving in our small towns from the big cities and pushing our families off the farms, eating up all the land, and ruining the rural landscape. That is just another myth as well.

Many of those mentioned by my colleague—large banks, millionaires—some of them are landowners through a default on loans. Some of them are large landowners because they are age-old families. Some of them have acquired land because they purchased it.

The farm families who are farming these lands are the same families who were farming it back when our grandfathers were farming. They are just families like yours and mine. There are fewer of them, unfortunately, but not because big corporations from big office towers, with wealthy shareholders, took their place. There are fewer farmers because, for too long, we have let inadequate policy and crushing low prices push them out. And you do not remedy this situation by outlawing the farmers who grow higher value crops and who need bigger farms. If you do that, then all we will have accomplished in this body is to create a policy that puts both the smaller farmer and the bigger farmer out of business.

Smaller farmers are not going out of business because bigger farmers are hogging a disproportionate share of Government support. Smaller farmers are going out of business because the world is changing, because we have a global marketplace, because there is global competition from more heavily subsidized farmers overseas.

You are not going to fix that by simply saying: We don't want bigger farms. You are not going to fix the North Dakota wheat farmer's problems by putting the Arkansas rice farmer out of business. The Iowa grain farmer isn't going to do better because the Louisiana cotton farmer went out of business.

But this amendment will make it so much harder on the Arkansas rice farmer and the Louisiana cotton farmer to make ends meet, just as it will eventually hurt soybean farmers in Missouri and Maryland, and corn farmers in Indiana and Kansas, and wheat farmers in Wyoming, and so on. All of these farmers are in this boat together. That is why all of these commodity organizations are banding together to oppose this amendment.

Simply put, approving this amendment will accomplish nothing more than targeting these cotton and rice farmers and making it harder for them to get the farm support they need to simply survive. Who would farm in my State then? It will not be any of the farmers whose stories I have told you today. And it will not be their children.

I come from a seventh generation farm family. I am a sister, daughter, and granddaughter of a rice farmer.

My grandfather passed on to his grandchildren land that had been in our family for generations. Of the nine grandchildren he had, only two of us still want to try and make a go at farming. Once they drop out, the Lambert family will be out of farming perhaps totally. These newspaper articles that have spread misinformation about me and many others never tell that side of the story. These interest groups, Web sites that claim to speak on behalf of the family farmer, all of these editorial writers who publish arguments as if they know anything about farming, they never tell you about the farmer who cannot afford to get out because all of his debt and his only assets are both tied up in land, but who cannot afford to keep farming either because every year a little bit more of his grandfather's legacy slips away into red ink.

They never tell you about the town that will dry up because Congress, in its infinite wisdom, decided to play God and arbitrarily decide that all the farmers in that town should go out of business because somebody up in Washington did not like how they got bigger, even though they got bigger because that same Congress also told them to act like an ordinary business and get more efficient.

Who is going to keep revenue coming into that rural town that is drying up? Who is going to provide jobs and keep the property tax bases low so there is money to fund the schools? I don't think we can afford to take the risk necessary to find out.

I urge my colleagues to oppose this amendment and reserve the remainder of our time.

The PRESIDING OFFICER. Who yields time? The Senator from North Dakota.

Mr. DORGAN. Madam President, when I read the list of the cosponsors, I was mistaken to read Senator COCHRAN's name. He is not a cosponsor of this amendment. The amendment was originally drafted to be submitted as a second-degree amendment to the Cochran amendment to the commodity title in December. I read from a list that included his name on the bottom. He certainly is not a cosponsor. It was my mistake. My apologies to Senator COCHRAN.

I ask unanimous consent that Senator COCHRAN's name be stricken from the RECORD in that section where I identified cosponsors. He is not and has not been a cosponsor.

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

Mr. DORGAN. I yield as much time as he may consume to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Madam President, how much time do we have?

The PRESIDING OFFICER. Forty minutes.

Mr. GRASSLEY. I take the opportunity at this point to yield to the Senator from Nebraska 5 minutes or as much as he might use of that amount.

The PRESIDING OFFICER. Without objection, the Senator from Nebraska is recognized.

Mr. HAGEL. Madam President, I thank my distinguished colleague, the senior Senator from Iowa.

I rise this morning as a cosponsor of the Dorgan-Grassley amendment. We have heard and will hear this morning about large farms, small farms, medium-sized farms, baby farms, grandpa farms, a lot of farms. The fact is, large farms gain additional subsidies for every new acre they buy and every new bushel of grain they produce. In fact, the taxpayer, the Federal Government, subsidizes this transaction.

Recently, the North Platte, Nebraska Telegraph wrote an excellent editorial pointing out the problems with the current farm payment system. I ask unanimous consent to print the full text of this editorial in the RECORD following my remarks.

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

(See Exhibit 1.)

Mr. HAGEL. The North Platte Nebraska editorial stated in part:

> Fortified with subsidy money, the largest farms continue to plant millions of acres of crops, bidding up the price of land to do so. That creates more surpluses, low grain prices, continued low grain prices and a false land market.
>
> Present farm policy discourages small- and medium-sized farm operations, and it discourages young people from entering the business.

Those of us in farm country recall the difficulties of the 1980s and what the agricultural community in this country went through. Partly that was a result of a false floor as a result of inflation in bidding up land prices. When it crashed, everything crashed. I suspect we are heading for such a time, unless we correct and address exactly what the North Platte Telegraph talked about in their editorial.

Consider that since passage of the 1996 farm bill, we have spent a total of $62.3 billion in direct payments to producers, and that in fiscal year 2000, 63 percent of that $62.3 billion in direct payments to producers went to the largest 10 percent of farmers. I don't know, because I wasn't around 70 years ago when we established a farm policy in this country, but I think I do understand that there was a general intent not for this kind of misplacement of taxpayers' dollars to continue. The point is, this was never the intent of farm policy 70 years ago.

A recent poll conducted by land grant universities showed that 81 percent of farmers want stricter payment limits. In my State of Nebraska, 85 percent agreed with tougher limits. This year, the Nebraska Farm Bureau for the first time voted to support payment limits.

The amendment we are proposing would still allow for very generous farm payments, but it would remove the loopholes that allow a handful of large farmers to receive unlimited payments. This amendment will make certain that Federal commodity payments are structured to help those who need it, those whom these programs were in fact intended to help—the real farmers. It will also help ensure that those who receive Federal agricultural payments are actually involved in agricultural production. That would be novel.

That, again, was the original purpose, the intent of farm support programs. This is the kind of reform I believe strengthens a new farm bill.

My colleague from North Dakota, Senator DORGAN, made an interesting point in referencing the Washington Post editorial.

The PRESIDING OFFICER. The Senator has used his 5 minutes.

Mr. HAGEL. I ask unanimous consent for an additional 3 minutes.

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

Mr. HAGEL. The question might be asked: What does the Washington Post know about farm policy? That is a legitimate question. Probably very little. The point made in that editorial is a very real point in that the continued support of the Congress, representatives of the people of this country, to pay for another $63 billion in additional farm subsidy programs isn't going to continue to be there. Until we bring some reality and common sense to our system, to our program, then politically it becomes more and more difficult each year to sustain that subsidy program.

It is worth noting also that this payment limitation reform would save $1.3 billion, according to CBO. And some of those savings would be reinvested in agriculture—increasing funding for the Beginning Farmers and Ranchers Loan Program—that is very important for new farmers and ranchers—expanding the Crop Insurance Program, which is, in fact, the way to eventually go in securing and sustaining the ability of farmers to produce and survive and prosper. It would boost nutrition programs.

Farm support programs are vital, of course, to our farm families and our agricultural communities. We are not arguing that point. But without real payment limitation reform, we will continue to weaken the same farmers we claim we want to help.

I appreciate the work done by my colleagues from North Dakota and Iowa and others on this issue and support their efforts to bring some accountability and common sense to agricultural policy.

I urge my colleagues to support the Dorgan-Grassley amendment. I am proud to stand with their efforts today.

I yield the floor.

EXHIBIT 1

[From the North Platte Telegraph, Dec. 16, 2001]

TO TOO FEW, TOO MUCH—GOVERNMENT NEEDS TO LIMIT FARM SUBSIDIES

As the U.S. Senate debated the farm bill this week, there was at least one thing on which senators seemed to agree: federal farm payments to the largest farmers are too large.

Even farm-state senators decry the problem.

Nebraska Sens. Ben Nelson and Chuck Hagel, along with colleagues from Iowa and the Dakotas, have worked on amendments to curb the excess.

The problem, simply stated, is that more than two-thirds of federal farm payments go to fewer than 10 percent of farms.

Fortified with subsidy money, the largest farms nationwide continue to plant millions of acres of crops, bidding up the price of land to do so. That creates more surpluses, low grain prices and a false land market.

On hearing the news, the first thought is to urge that subsidies be eliminated. That would take care of the abuse and save taxpayers money.

But farm subsidies are necessary. With abundant farmland and hardworking and talented farmers, the United States constantly produces more food than its people can consume.

The excess goes to buyers in other nations. But when foreign markets for farm products fall to materialize, such as in 1999 when Asian economies collapsed, U.S. farmers need federal assistance. That help is vital here in Nebraska, where the economy is dependent on agriculture.

The challenge of federal subsidies is in their design. The law is complex. Flaws are magnified.

Here's a flaw everyone agrees on: virtually unlimited farm payments make for too few farmers.

Once, farming was a lifestyle choice. Now, it has become a big business. Unlimited federal farm payments make the problem worse.

Present farm policy discourages small and medium-sized farm operations, and it discourages young people from entering the business.

For years, farmers and city folks alike have grumbled about the farm program. That grumbling has been amplified by an environmental group willing to get the facts.

At www.ewg.org, the Environmental Working Group lists virtually every farmer in the nation that received federal dollars during the past five years. It lists every dollar the farmer received—and from what federal program.

The list is a stunning achievement, assembled from public records by diligent people. And the content is stunning.

Click on the information for Nebraska and you can see the money received by more than 35,000 farmers.

From 1996 to 2000, the largest farmer received $2.65 million. The 10th largest got about half that amount, $1.32 million. Many received sizable sums. The 100th largest got $625,000.

Hagel, along with senators from North Dakota, South Dakota and Iowa, has proposed an absolute maximum cap of $275,000 in any one year. If farms are big enough to net $2.5 million in profits during three years, they would get nothing.

Those limits aren't enough.

Only a fraction of the nation's farmers could net $2.5 million in three years. Limiting the maximum payment in any one year to about $275,000 would cut funds for only the largest 100 or so farms last year.

Farmers, speaking through a poll taken a few months ago, said a limit of about $60,000 would be fine.

While that limit would drastically cut into large-scale agribusinesses that have grown up around the farm program during times of record-low grain prices, it is a worthy target.

BIG WINNERS IN FARM SUBSIDY POLICIES

(These figures, taken from the Environmental Working Group Web site, show the top-50 recipients of federal farm subsidies in Nebraska for the last four years.)

Here are the top Nebraska recipients of federal farm aid between the years 1996 and 2000.

Rank, name, location, and total.

1. C J Farms Gen Ptnr, Oxford, $2.6 million.
2. Kaliff Farms, York, $2.5 million.
3. Bartlett Partnership, Bartlett, $1.8 million.
4. Danielski Hvsting, Valentine, $1.7 million.
5. Niobrara Farms, Atkinson, $1.7 million.
6. H r-w Farming, Friend, $1.6 million.
7. Merrill Land Co., Gen Ptnr, Ogallala, $1.4 million.
8. Glenn Elting & Sons, Edgar, $1.3 million.
9. Osantowski Bros., Bellwood, $1.3 million.
10. Reynolds Farms, Broken Bow, $1.3 million.
11. Western Neb Farm Comp, Venango, $1.3 million.
12. Woitaszewski Brothers, Wood River, $1.2 million.
13. J D Hirschfeld & Sons, Benedict, $1.2 million.
14. Kason Farms, North Platte, $1.2 million.
15. Marsh Farms, Hartington, $1.1 million.
16. Safranek, Irrigation, Merna, $1.1 million.
17. Schulz-Finch, Paxton, $1.1 million.
18. Shanle Bros, Albion, $1 million.
19. Kck Farms, Scribner, $1 million.
20. Heine Farms, Fordyce, $1 million.
21. Craig & Terry Ebberson, Coleridge, $1 million.
22. Owl Canyon Farms, Madrid, $1 million.
23. Wohlgemuth Farms, Holdrege, $994,420.
24. Wallinger Farm, Stuart, $989,312.
25. J D M Farms, Shickley, $984,687.
26. Ebberson Farms, Coleridge, $975,465.
27. Pospisll Farms, Friend, $974,449.
28. Kracl Family Ptnr, Oneill, $967,331.
29. Orville Hoffschneider & Sons, Waco, $954,950.
30. Bender Bros, Lindsay, $941,679.
31. Rowen J Kempf & Sons, Shickley $941,600.
32. Board Of Regents U of N Lincoln, $920,646.
33. Kirkholm Farms, South Sioux City, $914,320.
34. Cruise Farms Ptnr, Pleasanton, $911,159.
35. Wallin Brothers Gen Ptnr., Imperial, $898,041.
36. Adams Farm Partnership, Broken Bow, $859,111.
37. Bettger Bros, Fairmont, $879,963.
38. Stanek Brothers, Walthill, $870,553.
39. Taake Bros, Tilden, $869,093.
40. B T R Partnership, Nebraska City, $868,185.
41. Alfs Farms Prtnr, Shickley, $865,645.
42. Moore Farms, Cambridge, $852,346.
43. Terryberry Farms G.p., Imperial, $847,856.
44. Andersen Farms, Inc, Dakota City, $847,280.
45. D & B Farms Partnership, Holdrege, $830,156.
46. Hobbs Farms, Ewing, $815,213.
47. Robin & Barb Irvine, Ravenna, $805,978.
48. Sears Brothers, Ainsworth, $805,202.
49. H E Strand & Sons, Imperial, $804,585.

The PRESIDING OFFICER. Who yields time? The Senator from Arkansas.

Mrs. LINCOLN. I yield 10 minutes to the Senator from Arkansas, Mr. HUTCHINSON.

The PRESIDING OFFICER. The Senator from Arkansas is recognized.

Mr. HUTCHINSON. I thank the Chair. Madam President, I thank the Senator from Arkansas for her excellent statement in opposition to this amendment. I rise in strong opposition.

This past weekend I was in Lawrence County, AR, at a farm auction in Portia where three farmers were selling out. They were selling their equipment. They put it up for auction. As I stood there and heard their stories, these were not—and I emphasize to my colleagues these were not—small farmers, depending on how you define ''small.'' They had a lot of acreage but did not have a lot of income. In fact, the story was they could not make the cash flow, and they were calling it quits.

They told me that within a 6-mile radius of where that farm auction was going on there had been 10 other farmers who had auctioned their farms off, they had gone out of business in the previous month. So when we hear what my colleague calls plutocrats, a few getting these vast amounts of money, it simply does not reflect the reality of rural Arkansas. It does not reflect the reality of what my constituents are facing when we see these Web pages and see how much was received in payments. It does not reflect their net income. It does not tell us what their input cost was. It does not tell us the reality farmers in the delta, the poorest part of this country, are facing today.

Farm programs are not and they have never been considered means testing programs. They were never supposed to be for the benefit of a certain economic class or based upon the size of the farm or upon the size of a person's house or what their bank account balance might be or how much they paid in income taxes or some other measure of financial condition.

That is not the way our farm program was intended to operate. It was to ensure that Americans have a safe, reliable, and affordable food supply and that our farmers, who are some of the most technologically advanced and environmentally sound producers in the world, are able to compete.

It has worked. Is it perfect? No. Are there inequities? Yes. Are there competitions between regions of the country? Yes. But it has provided this country a cheap, affordable, reliable, safe, and environmentally protected food supply. And what the proponents of this amendment are seeking to do is to absolutely pull the rug out from under the producers who have provided this great condition in this country.

In Arkansas, agriculture is 25 percent of the State's economy, but that does not even tell the story because it does not account for the thousands of jobs that are related to agricultural production, such as bankers, car dealers, implement dealers, schools, restaurants, and may I say even churches that are dependent upon the survival of the farm economy. Farming is the lifeblood of my State, as it is with many rural States.

The farm program and the subsidies have been made necessary by a market that is not functioning properly for several reasons: due to high foreign subsidies, high foreign tariffs, and very strict domestic environmental regulations.

Senator CONRAD has reminded us many times that in the European Union producers receive an average of about $360 per acre while U.S. producers receive an average of about $60 per acre, one-sixth what they get in Europe.

U.S. agricultural products are subjected to an average tariff of about 60 percent, whereas agricultural products coming into the U.S. are only subjected to an average tariff of 14 percent. Whether it is subsidies, whether it is the tariffs, or whether it is the environmental regulations—the very stringent environmental regulations, the most stringent in the world with which our producers must comply—they are at this great disadvantage in competition. That is why we have to sustain and preserve these programs.

The United States has two choices: We can support our farmers and retain our position as the world's most productive and environmentally sound producer of agricultural products or we can cede this important market to our European competitors or Third World developing nations and become as reliant on foreign food as we are right now on foreign oil.

In my mind, as a member of the Armed Services Committee, this is not just saving rural Arkansas, this is not just preserving a farm economy; it is a national security issue because if we rip the heart out of our agricultural programs, our farm programs in this country with the kind of payment limitation amendment before us today, we will eventually subject ourselves and make ourselves reliant upon and dependent upon foreign agricultural products, suppliers, and producers.

It appears many of the environmental groups have chosen to support this effort in the hope that if you get the commodity title of the farm bill through this amendment, more money will be available for conservation programs. We need to think about that a little bit.

If we take our productive lands out of production or force our producers into bankruptcy, other countries that are more highly subsidized or Third World developing nations that do not have any type of environmental regulations in place will simply put more land in production, and the end result for our world will be a less environmentally safe place.

It is very shortsighted to adopt this amendment. Basically, taking our producers off the land will cede an important market to our competitors, will lead to more land going into production, will not result in better prices, and, in fact, will lead to greater threats to our environment.

Conservation programs are very good and very practical, but taking our most productive lands out of production and putting our best producers out of business is a misguided and improper policy.

In Arkansas, my farmers, both large and small, my constituents have been very clear that this amendment will spell disaster for farmers in Arkansas. What I saw on Saturday in Portia, AK, will be replicated over and over. The Dorgan-Grassley amendment diverts attention from constructive debate about how to improve farm policy and restore the opportunities for farmers to regain profitability.

This amendment will not help farmers, but it will delay or reduce assistance to them as we will have to at that point oppose a bill that will be counterproductive to agriculture in this country.

This amendment will only result in a divisive debate over which farmers should be eligible for benefits, what constitutes ''need,'' and how large should farms be. They may be issues we need to consider, but this is not going to improve rural communities or address the issues facing our Nation's producers.

I found it interesting that the sponsor of this amendment spoke of the size and the growth of the Department of Agriculture. I say to my colleagues, this amendment will increase USDA's administrative costs, require more Government employees, cause our farmers to spend scarce financial resources on compliance with redtape rather than making them more competitive. This is going to result in the growth of the Agriculture Department and more bureaucracy and redtape for cotton farmers, rice farmers, and peanut farmers.

The adoption of the Grassley amendment will mean the Senate's farm bill will offer far less assistance than current law, which, in itself, has proven to be woefully ineffective in times of low prices.

This is not a free vote for Senators who expect the House is going to fix it. House and Senate conferees will be under extreme pressure to finish the conference quickly, compromise in such a way that we will not see the elimination of this amendment in conference, and it will be disastrous for Southern agriculture.

The means test this amendment includes would require every farmer to take his or her tax return to an FSA office to prove eligibility. Adding another level of redtape and bureaucracy will only compound the problem, limit the support, and make the implementation of a new farm bill almost impossible. Who is that going to benefit? Certainly not the farmers.

This amendment will overwhelm FSA employees who will be asked to implement new farm laws in record time and administer these new limitations.

There are different regions of the country with different needs, but this arbitrary limitation is nothing less than war on Southern farmers. It is aimed at Southern farmers.

I end my remarks by saying we must not turn our backs on rural America. This amendment will gut our Nation's most productive farmers and force rural America into a financial crisis that our Nation has not experienced in decades.

I am glad I was in Lawrence County this weekend. I was glad I was there to see firsthand the suffering, to see farmers who are calling it quits, to see the ads in the newspapers saying four more farmers quitting today; to see hundreds of farmers lined up to see if they could buy a bargain, because they cannot afford new implements, to see if they could buy from those who are going out of business.

I do not know what they may face in Iowa, Nebraska, North Dakota, or South Dakota, but I know what they are facing in Arkansas. I know what they are facing in the South, and it is not as it has been portrayed by the Washington Post.

I ask my colleagues to take a second look before they support a misguided, though well-meaning, amendment. I ask my colleagues to vote against the Dorgan-Grassley payment limitation amendment.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I yield 6 minutes to the Senator from South Dakota. Senator LUGAR would be the next person I would go to, and then Senator NICKLES wanted some time. I want to make sure he knows I reserved him some time, too. We are going back and forth, I know, but that is the order I want my side to know that I am yielding time.

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

The Senator from South Dakota.

Mr. JOHNSON. Madam President, I thank my friend from Iowa for yielding me this time. I rise to offer support for this bipartisan amendment Senator DORGAN and Senator GRASSLEY have sponsored.

This is truly an astonishing debate. People all around America must be

shaking their heads as they listen to this debate about whether a business that is being subsidized to the tune of $275,000 by the taxpayers should regard that as inadequate, and that we should be told we are pulling the rug out from under a business because they are only getting a $275,000 taxpayer-paid subsidy, that they need a $550,000 subsidy in order to cashflow.

Has it really come to this? Is this what American agricultural policy is all about, half-million-dollar subsidies and anything less is regarded as somehow inadequate? This is amazing. I think it is time for us to recognize the current structure of the farm program payments has in fact failed rural communities and family-sized farmers and ranchers.

The advocates of the amendment, including myself, would suggest that anyone who wishes to farm the entire county is free to do so. This is a free country. Farm however much they wish, but there should be some reasonable limitation as to how much the taxpayers ought to be expected to assist with their cashflow, and $275,000 strikes me as a generous level of support. That is what this amendment is all about.

We are talking about modifications to the 1996 farm bill, which I believe especially hurts beginning farmers because it increases the cost of getting started in farming. As long as huge farms can count on larger and larger Government checks every time they add another farm, they will bid those Government payments into higher cash rents and higher land purchase prices. By reducing the number of middle-sized and beginning farmers, the current payment structure has deprived rural communities and institutions of the population base they need in order to thrive.

I believe the single most effective thing Congress can do to strengthen the fabric of rural communities and family farms across the Nation is to stop subsidizing megafarms that drive their neighbors out of business by bidding land away from everybody else.

This amendment aims to place some commonsense payment limitations on the various price supports contained in the farm bill proposal.

The question of implementation was raised. There are farm program payment limits now that need to be implemented. We do not change that. We simply put the limitation levels at a far more reasonable level.

The distribution of benefits from farm programs has been a hot topic in recent months, as we find that almost half the farm program payments are going to families who make over $135,000 per year. We need to modify that. We need to recognize what we are doing is not working.

I, too, am concerned that the millions and millions of dollars going to individual megafarm operators and absentee landowners will eventually ruin public support for the farm program.

Today, with our amendment, we have an opportunity to close certain loopholes that exist in the farm bill that allow enormously large operators to receive millions of dollars in taxpayer subsidies.

It is our duty, I believe, to tighten the rules on who qualifies for farm programs and to make sure those people who do receive benefits are, in fact, actively farming.

First, it would limit an individual's or entity's total amount of direct payments and countercyclical payments to $75,000 in any fiscal year.

The current farm bill permits individuals to receive $80,000. The House farm bill allows individuals to reap $125,000; and the Senate bill, as it is before us, allows a $100,000 payment.

Second, our amendment limits an individual's or entity's total amount of payments under a marketing assistance loan, or LDPs, to $150,000 per crop per year.

Third, our amendment puts some real teeth into the application of the triple entity rule, which virtually doubles the statutory payment limitation for certain entities.

Our amendment tracks the new limitations on farm program payments through sole proprietorships or individuals, entities, partnerships, or other arrangements directly to the individuals.

With the implementation of a direct attribution of benefits, we eliminate the application of the triple entity rule to participate in multiple entities for the purpose of gaining more and still more subsidies from the farm program.

To address situations where a husband and wife are indeed both active on the farm, we allow for a $50,000 add-on over the combined total of limits for individuals, resulting in this $275,000 limit. Simply put, our amendment cuts by 50 percent the huge subsidies permitted under the House farm bill proposal, and under the 1996 farm bill the total payment limit is $460,000. Under the Senate proposal, it is $500,000; and under the House bill, it is $550,000. We come up with $275,000.

Savings from the payment limits go to an array of needed areas: to help beginning farmers, to help with rural development, to help with nutrition and commodities programs, and to assist with crop insurance—almost $1.3 billion over the lifetime of this effort.

If we want to have a farm program that has credibility with the Nation at large, and if we want to direct farm benefit programs to the people who most need them, we need to pass this amendment. I believe that is one of the key reforms that is required for a farm program to have the kind of public support it deserves to have in this Nation.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. LINCOLN. Madam President, I yield 5 minutes to the distinguished Senator from Alabama.

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

The Senator from Alabama.

Mr. SESSIONS. Madam President, I appreciate the opportunity to talk on this issue. Our phones have been ringing off the hook from farmers in Alabama. I think in the last day or so, we have had 60 calls. People are very concerned about this amendment, and it has become clear it has a real potential to damage agriculture, particularly in the southern region.

The fact is that cotton, one of Alabama's top cash crops—the top cash crop—is expensive to grow, $350 an acre. The cost of a new cotton picker is $300,000-plus. That is a significant investment. As the years have gone by, cotton farmers have realized they cannot make a living on 200 acres, and they cannot pay the cost of their equipment and all the investment in producing cotton on smaller acreage farms.

What has happened is they have leased farms from elderly people who do not have the ability any longer to farm, but renting their land produces some income for them in their retirement age. Widows who do not choose to farm the land make a little income from renting. Then there is the whole infrastructure around it.

My personal history has been in the farm community. That is where I grew up. The first 12 years of my life, my father had a county store. He had a grist mill in that store and actually ground corn for farmers in the neighborhood. He sold them horse collars and nails and everything else, including all their groceries, as they did their farming in the community.

Later, he bought a farm equipment company, sold International Harvester equipment—hay balers, bush cutters, cotton pickers, and all the tractors and line of equipment that go with that, pickup trucks and so forth.

There are a lot of people involved in agriculture. For us to say we are going to limit the size of farms in an odd way by not allowing them to receive the same benefit that a smaller farm does is a mistake if we think that is going to somehow create more small farms.

What will happen? We are going to lose a lot of the infrastructure that goes with agriculture in our rural areas. It will impact the farm equipment dealer. It will impact the grocery store. It will impact the hardware store, the feed seller, the seed seller, the fertilizer seller, the pesticide dealer, the herbicide dealer—all of that infrastructure will be reduced.

I am concerned that through a back-door effort that some have various reasons to support—some because they think it does not impact their region and some because they believe it will reduce production in America and therefore somehow help in other ways—all of these are back-door efforts that ought not to be accomplished in this method.

If we want to debate, let's debate. I don't believe this is the way to accomplish it. I think this amendment will

have a tremendous adverse impact, particularly on the farmers who are calling me. I have talked to them personally. I have been traveling the State and talking with farmers personally. They are very concerned about this amendment. It could hurt substantially.

I join with the remarks of Senator HUTCHINSON and Senator LINCOLN and appreciate their eloquent thoughts. I wanted to share that additional insight. I also appreciate the insight of Senator COCHRAN, who will be speaking on this amendment as well.

We are at a point where we can do some real damage to agriculture in Alabama and the South. I urge the Senate not to do that. I urge Senators to vote no on this amendment.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. I yield 7 minutes to the distinguished Republican leader of this legislation, Senator LUGAR.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Madam President, this is a modest amendment. I stress ''modest.'' In the event that Senators still wish to discuss the issue, I will have another amendment following this which has a much more striking possibility for reform.

Nevertheless, this is important. I am surprised at the vehemence and difficulty in the debate I have heard thus far. I say this after trying to determine, at least in my State, what the implication will be from the amendment. I went, as many have, to the Environmental Working Group Web site and reviewed a printout of the last 5 years, 1996 to 2000, and who in Indiana might even be slightly affected by this. The Web site points out there were 98,835 recipients of farm subsidies in Indiana during that period of time. There are 6, out of 98,000, who would be affected by this amendment.

Our State is not inconsequential in agriculture. As a matter of fact, with the number of farmers we have, it does not rank, as it turns out, in the top six States that receive farm subsidies, but we receive quite a bit. To find there are only 6 entities that could slightly be affected by this seems to me to make my point because 98,000-plus others would not be affected.

This is not unique to the State of Indiana. Simply using my own home base to make the point again and again that two-thirds of the subsidies still go to 10 percent of farmers, there is still a high concentration in my State of where the subsidies go, and that is generally reflective, plus or minus in some places 55 percent, up to 75 percent in States across the Union, going to the top 10 percent.

I examined the Web site for the State of Arkansas, having heard the eloquence of my distinguished colleague from Arkansas. There the skewing of the payments is slightly greater: 73 percent of the money goes to just 10 percent of the farms. The database indicates 4,822 recipients average $430,000 each in a 5-year period of time. That took up 73 percent of the money. Arkansas, as a matter of fact, received slightly more money than Indiana during the 5-year period of time—something close to $2.8 billion as opposed to $2.7 billion, with only half as many farmers.

Leaving aside that anomaly of the farm bill, I then went to the same database to try to find out how many farmers would be affected. In Indiana, as I pointed out, only 6 would be above the $275,000 times 5, which would be the relevant standard for the 5 years that are given here, 1996 to 2002. The printout in Arkansas indicates there are 583 farms that would have been affected in the 1996–2000 period. That is quite a few more than six. Therefore, I understand the eloquence of the distinguished Senators from Arkansas who have received calls from each of the 583 recipients who have jammed the switchboard.

Let me point out that even if one accepts the fact that this is quite a quantum leap, there are 48,000 farmers in Arkansas. These farmers represent slightly more than 1 percent of the farmers of that State.

Again and again we will have to face the fact we have a system which is so skewed toward the extraordinarily wealthy, toward the huge farms. I am not one to go into demagoguing because a farm is big, but I think taxpayers have an interest in whether that bigness is rewarded by extraordinary millions of dollars of farm subsidies while, at the same time, all of us plead for the family farmer for retention of that tradition, this honest person trying to till the soil, when in fact we are talking about entities that are sophisticated. Thank goodness that is so. I pray each one of our farms will become more so in world competition. However, it is another thing to move from hopes that we become more sophisticated and competitive to the thought that we ought to subsidize, in a very skewed way, the wealthiest of all farm entities. I think that is fundamentally wrong. I hope it is stopped.

This amendment is only going to clip it at the top. Six farms in Indiana, for example. We are not unique. Taking a look at data in South Dakota, fewer than two dozen farms would find problems. That State receives about the same amount of money in subsidies as does Indiana, and a great many fewer farmers likewise. Even then, in the skewing of South Dakota, the top 10 percent get 55 percent of the payments, somewhat more leveled off, but well over half at just 10 percent. Again and again this is replicated.

There are some distinct benefits of this amendment that have not been illuminated as we have been discussing the wealthy and how they make it in this case. As a matter of fact, the money that would be saved, even from this small clipping, would increase the initiatives for future agriculture and food systems in our agriculture bill from $120 million of research a year to $225 million beginning in fiscal year 2003 and continuing through 2006. In terms of overall agriculture—all the farmers of this country, the competitiveness of our system—clearly that is a better expenditure than putting money on farmers who already have extraordinary success and who are accumulating more as we proceed.

I thank the Chair.

Mr. FITZGERALD. Madam President, I rise today in support of the Dorgan-Grassley amendment regarding payment limitations.

Last year, as many as twenty Fortune 500 companies received farm subsidies, while hard-working family farmers struggled to survive near record low commodity prices. The U.S. Department of Agriculture reports the largest 18 percent of farms receive 74 percent of federal farm program payments, and the Associated Press recently reported that over 150 people were paid more than one million dollars in farm subsidies in 2000. In 1999, 47 percent of farm payments went to large commercial farms, which had an average household income of $135,000.

I believe that these payments disparities need to be addressed. In August of last year, President Bush even recognized this problem. ''There's a lot of medium-sized farmers that need help, and one of the things that we are going to make sure of as we restructure the farm program next year is that the money goes to the people it is meant to help,'' he concluded.

Recently, I joined my colleagues Senators GRASSLEY and DORGAN as an original co-sponsor of the pending amendment to cap annual federal farm payments at $225,000 per individual and $275,000 per married couple.

This amendment would help ensure that only active farmers receive farm payments. Common sense should dictate that you should be required to be an active participant in ''farming'' to receive ''farm'' payments. This requirement should help ensure that corporations and multimillionaire tycoons no longer feed at the federal trough. If you don't till the soil or drive a combine at harvest, you shouldn't be taking advantage of a program intended for farmers who need the assistance.

While the current farm bill establishes caps on government payments to producers, unfortunately, these payment ''limits'' have been circumvented via a loophole known as general commodity certificates. In fact, according to the Congressional Research Service, ''while purported to discourage commodity forfeitures, certificates effectively serve to circumvent the payment limitation.''

Unlimited farm payments jeopardize the long-term viability of the U.S. farm economy by diminishing our competitiveness and artificially inflating land prices and rental rates. Thus, farm payments often go to landowners and not the farm operators who need them most. In fact, these higher land

costs add to producers' cost of production and decrease their competitiveness in world markets. If large commercial farmers know that they can only receive a fixed amount of federal farm payments, they will be less likely to bid up farmland rental rates and be less likely to outbid their neighbors or young beginning farmers at farmland auctions.

Large farm subsidy payments to super-wealthy individuals and companies has led to close public scrutiny of our farm programs and threatens to undermine public support for these programs. I believe this amendment to the farm bill is a positive step not only toward ensuring those families who most need federal assistance receive it, but also to reaffirming public confidence that farm programs are vital to our nation's agricultural community.

We owe it to our nation's farmers to ensure that farm payments are going to those most in need. We owe it to taxpayers to protect their investment in our agricultural economy. The amendment proposed today is a positive step towards ensuring more fairness in our valuable farm subsidy program.

Mr. DURBIN. Madam President, I rise today as a supporter and a cosponsor of the amendment introduced by Senators DORGAN and GRASSLEY.

The Dorgan/Grassley amendment would limit the amount of direct and counter cyclical payments to $75,000 annually, limit marketing loans and loan deficiency payments to $150,000 annually; and provide a husband and wife allowance of $50,000 annually. Also, I might add, individuals who earn more than $2.5 million in adjusted gross income (net) would not be eligible for payments.

In short, the proposal would reduce the ceiling on annual crop payments to individual farmers from $460,000, under current law to $275,000. Furthermore, the amendment is expected to save approximately $1.2 billion over 10 years.

The savings of this amendment would go to important things like: funding for nutrition by raising the standard deduction for food stamp eligibility; farm profitability with emphasis on small and moderate sized farms; risk management for producers of specialty crops that currently have no coverage; and research for programs that provide competitive grants for biotech, genomics, food safety, new uses, natural resources.

In short, the Dorgan/Grassley amendment would level the playing field with regard to the distribution of farm subsidies, and prevent many of the nation's largest farms from getting a lion-share of the federal subsidies.

Thank you, I urge all of my colleagues to support the Dorgan/Grassley amendment.

Mr. KOHL. Madam President, I am pleased to rise this afternoon with Senator DORGAN and Senator GRASSLEY in support of this important amendment to the farm bill regarding payment limitations.

Agriculture is the backbone of America's rural economy, and for Wisconsin it is the backbone of the State's economy. Nearly 18,000 small- and medium-sized dairy farms make up Wisconsin's rural landscape. Their survival in a volatile market is one of my top priorities. I am pleased that the Senate version of the farm bill recognizes the importance of dairy and creates a safety net for producers during periods of depressed prices. One important component of this new dairy program is that payments are capped to a producer's first 8 million pounds of production—that is the average production from a herd of about 400 cows. While I would have liked to see a lower cap—Wisconsin's average herd size is closer to 70 cows—this provision will help to target payments to those who really need the assistance.

The same cannot be said of payments made to producers of traditional row crops under the 1996 Freedom to Farm bill. It was supposed to limit producers of row crops to a maximum of $460,000 in government payments per year. However, loopholes in the law have allowed large producers to receive much more than that. A comprehensive review of past farm payments show that 10 percent of the producers—those with the largest farms—received almost 70 percent of the total assistance. How can we support millions in government assistance to a very few rich farmers in a very few States?

The House-passed version of the farm bill exacerbates this situation. It raises the payment limitation to $550,000 per year without closing the loopholes—loopholes that allow rural reverse Robin Hoods to continue sucking government payments away from family farms and onto million-dollar plantations. The bill that we are debating today in the Senate provides for a limit of $500,000 per year, again preserving the loopholes that allow a few producers to receive much more. The Dorgan-Grassley amendment not only closes the loopholes but also limits total benefits to $275,000 per year per producer.

Current law and both the House and Senate version of the farm bill also allow for payments to go to absentee landlords not living on their farms or involved in their day-to-day operation. The Dorgan-Grassley amendment fixes that injustice by requiring recipients of federal payments to provide 1,000 hours per year in work related to the operation of that farm. Further, individuals with more than $2.5 million in adjusted gross income will not be eligible for assistance. I cannot believe that anyone would oppose this provision. Who advocates making farm payments to farmers who don't farm, or even live on a farm? Who is in favor of providing income security for individuals' with some of the highest incomes in the Nation?

With an uncertain economic future, a possible return to deficit spending, a war on terrorism and an immediate need to strengthen our homeland defense, we have even more of an obligation to spend our farm dollars wisely. Now is the time to make sure farm payments go only to farmers who need the money to farm—not to millionaires who need to make mortgage payments on their city penthouses. The Dorgan-Grassley amendment restores integrity to our farm programs, reduces pressure on land rents and prices, dampens overproduction and raises farm income for our small- and medium-sized family farmers.

I am proud to support this amendment in the name of taxpayers and struggling family farmers in Wisconsin and across our nation, and I urge my colleagues to do the same.

Mr. FEINSTEIN. Madam President, I rise in support of the amendment offered by Senator DORGAN and Senator GRASSLEY that would limit farm support payments.

The best way to think about this amendment is to understand its three components. The amendment would:

(1) Establish a payment limitation ensuring that government support will provide only a true safety net for the needy farmer;

(2) Require individuals receiving farm support payments to be farmers; and

(3) Exclude millionaires from receiving any farm payment.

First, this amendment will reduce already existing payment limitations. A limit on the total annual payments a person can receive was first enacted in the 1970 farm bill and has remained in place since. Under current law, payments are limited to $460,000 per farm. The Senate Farm Bill would slightly increase this payment limitation to $500,000.

Farm groups object to any further reduction in the payment limitation—as the Dorgan-Grassley amendment proposes—because of the high input costs that large farms with high value crops have. For individual farmers, the Dorgan-Grassley amendment would limit payments to $225,000. For married couples, the limit would be $275,000. I believe this is a reasonable amount.

Right now, about 10 percent of the farms get 60 percent of the government payments. Last year, the Federal government paid California farmers $780 million in subsidies, with primarily large cotton and rice-producing farms receiving 51 percent of the money. But only 9 percent of California's farmers get crop payments.

Second, the Dorgan-Grassley amendment requires the person receiving the payment to be a farmer. A tenant must supply at least 50 percent of the labor or 1,000 hours, whichever is less, for a farm in order to collect a payment.

This means family members receiving payments have to be actively farming, not living in New York City and listed as a ''farmer'' for the sole purpose of doubling the current payment limitation.

These farm payments are real dollars paid for by taxpayers. And there have

been a flood of newspaper articles recently to shed light on exactly who is receiving them.

Third, under this amendment, an owner or producer will not be eligible for a payment or loan if the owner's income for the previous 3 taxable years exceeds $2.5 million. Nothing in current law prevents millionaires from receiving federal payments. Farm groups object to this because they object to any ''net income'' test.

This amendment would save $1,295 billion over 10 years, which will alternatively fund the following:

$810 million for various nutrition programs, including: $250 million to raise the standard deduction for food stamp eligibility to households with children. $515 million to increase the shelter expense deduction. And $34 million to help with participant expenses in education and training programs.

$330 million for the Initiative for Future Food and Agriculture Systems, which the University of California benefits from. This initiative provides competitive grants for biotechnology, genomics, food safety, natural resources, and farm profitability.

$101 million for research and development for a specialty crop insurance initiative. $5 million for Beginning Farmer & Rancher Ownership Loan Account Funds. And $46 million for Non-program farm Loan Deficiency Payment eligibility and to Restore Beneficial Interest with regards to LDPs for the 2001 crop.

I will vote for payment limits to restrict millionaires from receiving federal farm payments when they obviously do not need them. I believe we should ensure farm payments provide a safety net for the truly needy.

Mr. KERRY. Madam President, I rise today in support of Senator DORGAN's amendment to the farm bill, S. 1731. This amendment closes a loophole that in the past allowed people who were not farmers to collect subsidy payments. I support farm policy that requires a farmer to supply at least 50 percent of the labor or 1000 hours of work, whichever is less, in order to collect a farm subsidy. In addition this amendment includes a net income test so that farmers who have adjusted gross income of over $2.5 million three years in a row are not eligible for federal payments.

Senator DORGAN's amendment ensures that farm aid will target the people who need it the most, the small family farmers that actually work the land and are the lifeblood or our rural communities. It is a pleasure to support this amendment.

The PRESIDING OFFICER. Who yields time? The Senator from Arkansas.

Mrs. LINCOLN. How much time remains on our side?

The PRESIDING OFFICER (Mrs. CLINTON). The Senator has 13 minutes.

Mrs. LINCOLN. I yield 5 minutes to the distinguished Senator from Georgia.

The PRESIDING OFFICER. The Senator from Georgia.

Mr. MILLER. Madam Chairman, I have tremendous respect for my colleagues from Iowa, North Dakota, and Indiana. But I must rise in strong opposition to this amendment because it would not only cripple the agricultural community across this Nation, it would wipe out agriculture as we know it in the South. Passage of this amendment would result in many traditional family farms going out of business in many States.

Do you know what this amendment says to the South? It says: Hold still, little catfish, all I'm going to do is just gut you. Hold still. It says to the South: Step right up. Here's a new and improved farm bill. But because you had to expand and because you had to diversify to stay in business, you are not going to be eligible.

This is trying to change the rules in the eighth inning. A change in the rules this late in the game would create tremendous strains on producers to meet the new compliance standards. The Farm Service Agency is already going to be overwhelmed by many of the new programs included in this bill. This amendment would result in increased costs, both to the Government and to farmers.

Supporters of this amendment say that these payments go to the few and the big. I could not disagree more. This amendment punishes the farmer and his family who depend solely on the farm for their livelihood. In my part of the country, a farmer must have a substantial operation just to make ends meet. Don't let these big numbers fool you; these farmers each year take risks equal to or greater than those of their brethren with smaller operations. In fact, I would argue that they are in greater need of support because they are forced to be big in order to be competitive.

Some argue that these payments go to a small number of big farms. Those who say that need to look at the USDA statistics manual. It shows that by far the same big farms produce 80 percent of our agricultural products. We should be supporting those who are fueling this economic engine, not hobby farmers who paint a Norman Rockwell picture of rural America that has passed us by.

We pay a lot of lip service to wanting this country to compete internationally. It is wrong to punish those who pursue economies of scale in order to do what we preach in our speeches.

I hate to say it, but this amendment is not just about changing farm policy; it is about changing social policy. Unfortunately, there are some organizations that want to intimidate or embarrass family farmers by disclosing personal financial information. Then there are some environmental groups that, I am also sorry to say, release statements that are both overstated and misleading.

In the name of common sense, why should anyone want to punish family farmers who have made investments, large investments, in order to become competitive in an international marketplace? Why are we trying to hurt farmers who only wish to provide a decent living for their families, even though they are facing soaring costs of production? They do not deserve that kind of treatment. They are already facing the lowest commodity prices in decades. Why, why, would anyone want to limit assistance during this time, a time when our farmers really need it the most?

This is a diverse and distinguished Senate with Members who have all kinds of experience. But I doubt there is a single Member of this Senate who has ever bought a cotton picker. Do you know what a cotton picker costs today? The average price for a new cotton picker off the John Deere lot in Albany, GA, is about a quarter of a million dollars, and if you are an average farmer in south Georgia, you are going to need two of them—and that is just the beginning of the equipment needs. There are tractors and grain carts and trucks—all are needed to get a crop out.

By the way, do you know where those cotton pickers are made? In a great State—Iowa. I wonder if those employees of that manufacturing plant support this amendment.

The cost of producing crops today is several hundred dollars per acre. Reduced payment limits and increased benefit targeting fly in the face of skyrocketing production costs and record low commodity prices.

The PRESIDING OFFICER. The Senator has consumed 5 minutes.

Mr. MILLER. I ask unanimous consent to have 2 more minutes.

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

Mr. MILLER. I will close by saying this. We have a pretty simple question here, and it really goes to the heart of this amendment, and it goes to the heart of each individual Senator. Are we going to reduce Government support when farmers need it the most? Today, in this land of plenty, our farmers who produce that plenty are looking into a double-barreled shotgun. I plead with this Senate not to pull the trigger. If you vote for this amendment, you will.

In fact, this amendment would give less support to southern farmers than the current farm bill does. It would limit individual rights to pursue an adequate way of life in many regions of the country, and it would result in widespread failure for thousands of American family farmers. Let's face it, this amendment is a poison pill.

I urge my colleagues to oppose this amendment.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. GRASSLEY. Madam President, I yield myself 8 minutes.

Madam President, today in New Hartford, IA, at a local cooperative, the price of our corn would be $1.79.

The price of our soybeans would be $3.96. So, obviously, with these historically low prices, we have to have a farm bill, a farm safety net. I want my colleagues to know I take into consideration the plight of the family farmer when I support legislation such as this.

Since there was the accusation that this might be social engineering, I think I ought to start with my explanation of a family farm. It could be a 30-acre truck farm in New Jersey. It could be several thousands of acres of ranchland in Wyoming, where it takes 20 acres to feed a cow-calf unit. A family farm, to me, is a farm, not judged by size, not judged by income—a family farm is determined by, first, whether or not the family controls the capital; second, the family does most or all the labor—and I would include in that those people getting dirt under their fingernails most of the time—and, third, that they are going to make all the management decisions.

That is as opposed to the nonfamily farm. It could be a corporate farm, but I don't want to denigrate the word ''corporate.'' Anyway, a corporate farm, a nonfamily farm, is where somebody provides the capital, they hire the management, and somebody else does the labor.

So we are talking about, in our family, where I don't get to help much but I try to help, my son does most of the work. He has an 18-year-old son in high school who helps. And once in awhile in the spring and in the fall, there is a neighbor, a young neighbor man who works in town, who will come out and maybe work into the night 1 or 2 hours a night, for that person to earn a little more money but also to help bring the crop in quickly, because you have to.

That is the kind of family farm I talk about when I talk about the family farm. I don't denigrate anybody else's definition of a family farm. I just want you to know what I am talking about.

When I talk about targeting farm programs to medium and small family farmers, I am not talking about something that is new. I am doing it in what is my understanding of the historical approach of farm programs for 70 years. The first 40 years of that 70 years we didn't have dollar limitations, but we really had lost—when 30 percent of the people were farming, we had a lot of small family farms. There was not any need to put a dollar limit on it. But in 1976 we put a $50,000 limit on it. In 1996, there was a $40,000 limit. Then there were people who figured out, How can I get around the $50,000? How can I get around the $40,000?

You can't write a bill, with the English language the way it is, that is perfect, that covers every instance. So we come back now and come back in a way that I think is historically targeting the farm program towards the medium and smaller farmers.

I don't disagree with everything Senator LINCOLN said, because she said there are some groups out there trying to hit family farmers pretty hard while they claim to defend the family farm. But I want Senator LINCOLN to understand where I am coming from and what I define as the family farm. I don't want to be doing something by subterfuge as do people who really want to hurt the family farm. I simply believe that $225,000 is enough.

But, more importantly, I have to ask the question: If we don't do this, where will it stop? The 1996 farm bill, even with the $450,000 limit, had other ways in which you could get up to $460,000. The managers' amendment in the bill that is before us sets this at $500,000. The House version is even worse. A Republican version, let me say, is even worse—$550,000. That doesn't even include the back-door things that can be used, such as through generic certificates that can go way above these already high limits to bring in the millions and millions that have been talked about here for some units.

I think we have to be very concerned in agriculture when we say we want a safety net for farmers. A sound safety net for farmers is good for everything that Senator HUTCHINSON said about social and economic stability. It is all about national security as well. But we are spending lots of taxpayer money.

We have to maintain urban support for our farm safety net. Maybe you can say if we pass this bill that we might not have to worry about it again for 10 years. But if you go on for 10 years with the bad publicity about what farm programs have been receiving because 10 percent of the farmers are getting 60 percent of all the benefit, where are Senator LINCOLN and I going to be, if we are fortunate to be in the Senate, when the next farm bill comes up if we lose public support because of the outrageous payments that are being received?

We have to start asking ourselves: When is enough enough? How long will the American public put up with programs that send out billions of dollars to the biggest farm entities? All this does is damage our ability to help people we originally intended to help—the small- and medium-sized producers.

Look back at the intent of our first farm bills. We have never intended to subsidize every single acre and every single bushel. Our intent was to bolster the agricultural economy and keep people on the farm. Lowering limits to these reasonable levels that Senator DORGAN and I have done will not chase one small- or medium-sized producer off the farm. But the large entities will have to look to the market for their additional income above the $275,000, if you include a spouse.

If you do not believe me, let us turn this question over to farmers and ask them their judgment. You have heard my colleague, Senator LINCOLN, talk about letters of opposition from certain farm commodity groups. But what do farmers actually think?

I had an opportunity during the break in January to hold 10 or 11 town meetings in my State just on the agriculture bill. I went through this amendment as intellectually honestly as I could, explaining to my constituents really what I wanted to do. I had 1 farmer out of those 10 meetings who said he disagreed with what I was trying to do. Do you know what happened after that meeting? People evidently didn't want to say it publicly. They came up to me afterwards and said they heard this other farmer say that he disagreed and that you shouldn't have these limits. He is an example of the very reason you have to have the limits that are in the Dorgan-Grassley amendment.

Probably more to your liking, if I don't talk about just Iowa, or my 10 town meetings, last year 27 of the Nation's land grant colleges from all the Nation's regions came together to poll farmers and ranchers on their opinions on the farm bill on the issue before us today. On this amendment, there was enormous consensus.

Nationwide, 81 percent of the farmers and ranchers agreed that farm income support payments should be limited to smaller farmers. Even when the results from farmers with less than $100,000 income were excluded, 61 percent of the Nation's farmers agreed that farm income support payments should be targeted to small farmers; that is, support across regional lines.

I will maintain the rest of my minute and yield the floor.

The PRESIDING OFFICER. Who yields time?

Mrs. LINCOLN. Madam President, how much time remains?

The PRESIDING OFFICER. Six minutes 21 seconds.

Mrs. LINCOLN. Madam President, I yield 1 minute to the Senator from Louisiana.

The PRESIDING OFFICER. The Senator from Louisiana.

Ms. LANDRIEU. Madam President, I speak in opposition to the Dorgan-Grassley amendment. I have the greatest respect for my colleagues from Iowa and North Dakota. I know they have put forward this amendment in good faith. I oppose this amendment because there is a great balance in this bill which was very difficult to put together. It represents all of our farming interests from different geographic areas of this Nation.

With this amendment, our farmers in the South—particularly Louisiana farmers who have cotton, and soybeans, but particularly our cotton farmers—would be hard hit by this amendment because cotton is an expensive crop to grow. These price caps will be very detrimental to family farmers in Louisiana.

In addition, this amendment, while it attempts to put on price caps, would not necessarily help farmers in other parts of the country. It would simply hurt the farmers in the South and in Louisiana.

Cotton and rice are very expensive crops to grow. We need to have these crops covered when the price turns down.

Finally, while price supports drift over to the larger farmers, it is also the larger farmers who produce most of the crops under the program. I realize some of these numbers are very large, but so is the underlying acreage under production, and so are the ownership interests of these farms.

I support Senator LINCOLN and oppose the amendment on the floor.

I thank the Chair.

The PRESIDING OFFICER. Who yields time?

The Senator from North Dakota.

Mr. DORGAN. Madam President, how much time is remaining on our side?

The PRESIDING OFFICER. A minute 35 seconds.

Mr. DORGAN. Madam President, I respect those who disagree with this amendment. They make compelling arguments from their standpoint.

But I would just ask this: If payment limits are not appropriate at any point, then will we end up at some point with no family farmers farming in America but only the largest agrifactories from California to Maine and still be making payments? For what purpose?

My interest in trying to help family farmers survive during tough times is to say to them: You matter because you live out in the country. You are living under a yard light, trying to raise a family and raise crops, taking all the risks, and we want you to be part of our economic future. We want to have broad-based economic ownership on American family farms. That promotes food security in our country. It promotes the kind of cultural and economic society we want. It is not a case of just picking and choosing because we don't have enough money. Let us have the best price support possible, and when we run out of money, we run out of money. That is the purpose of having a payment limit amendment.

The PRESIDING OFFICER. The Senator has run out of time.

Mr. DORGAN. Madam President, is the Senator from Oklahoma ready to be recognized?

Mr. GRASSLEY. The Senator from Arkansas is going to yield time.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. Madam President, I would like to add to what the Senator said.

Obviously, the problem with the bill is that it completely devalues the land for the farmers we represent. The banks are not allowing them to borrow money on the land any longer.

Out of the 130 loans that were presented to one of our local bankers, only 3 of them have been approved. They are waiting to see what happens with this farm bill, particularly this amendment.

Madam President, at this time I yield time to my distinguished colleague and neighbor, the Senator from Mississippi.

The PRESIDING OFFICER. The Senator from Mississippi.

Mr. COCHRAN. Madam President, I am pleased the Senate is working to pass a farm bill. We need to complete action on this bill as soon as possible to send a signal that we could have a new farm bill implemented for the 2002 crop-year.

One of the primary objectives of new farm legislation should be to improve the predictability and effectiveness of the financial safety net available to farmers and to eliminate the need for annual emergency assistance. Unfortunately, the payment limitation amendment that we are debating now will have the opposite effect.

If this amendment is adopted, it will be a very serious and unfair—even punitive—act that will be catastrophic for southern agricultural interests. The costs of production of cotton and rice are much higher than corn or soybeans. According to agricultural economics analysts at Mississippi State University, the cost of producing 1 acre of cotton is approximately $550, while the cost of producing 1 acre of corn is about $350, and for soybeans it is only about $100 per acre.

On a 1,000-acre cotton farm, the production costs would be $200,000 a year higher than for corn, and $450,000 higher than for soybeans. This amendment clearly would be unfair to farmers who produce high-cost crops such as cotton and rice.

Since 1985, the marketing loan program has been the centerpiece of our Nation's farm policy. It provides reliable and predictable income support for farmers while allowing U.S. commodities to be competitive in the global market. If this amendment is adopted, the marketing loan program will be undermined and essentially will become useless.

It is expected by the prognosticators that farm commodity prices will remain low and net farm income will be $8 billion less this year than last year. Considering this bleak forecast for our farm economy, it does not stand to reason that Congress should impose new rules and regulations that unduly restrict Government assistance at this time of serious economic distress.

Many southern farmers work larger tracts of land because the tight profit margins lead to efforts to enhance efficiency through economies of scale. And cooperative farming also helps improve efficiency for some.

I heard the complaint that as much as 80 percent of the payments go to only 20 percent of the farmers. But these farmers are producing 80 percent of our Nation's farm output. If limitations on support are made more restrictive, a significant number of farmers will not be able to participate in the farm program. If this amendment is adopted, I predict the pressures for emergency assistance will build and will end up being more costly in the future.

Madam President, I strongly urge the Senate to reject this amendment.

The PRESIDING OFFICER. Who yields time?

Mr. GRASSLEY. Madam President, I yield 5 minutes to the Senator from Oklahoma.

The PRESIDING OFFICER. The Senator from Oklahoma.

Mr. NICKLES. Madam President, I thank my colleague from Iowa for his amendment, and also Senator DORGAN as well.

I have great respect for Senator COCHRAN. When it comes to agricultural policy, I look to Senator COCHRAN for advice. I just happen to disagree with him on this amendment. I am going to vote for his substitute. But I do think a limitation is in order.

I was kind of shocked to find out that, in some cases, some farms have been farming the Government quite well, and they make more money from the Government than they do from the marketplace. There has to be some limit. If not, are we going to allow people to just make millions off these programs?

To a lot of us, this agricultural policy is kind of arcane, and maybe it is hard to understand. If you are not from an agricultural State and you do not wrestle with it a lot, it is kind of difficult to understand. I have tried to understand a little bit of it, and I do understand a few things: A few people are doing a lot and getting a lot of money from the Federal Government. That does not mean that their net is good. They may lose a lot of money. They may get a lot of money from the Federal Government and lose a lot of money. I do not doubt that that happens. It happens a lot.

But how much should Uncle Sam be writing in checks to individual farmers and/or their families? Shouldn't there be a limit? I happen to think there should be a limit.

I know I have some constituents who are listening right now who are very disappointed in what I am saying because it is going to cost them a lot of money if this amendment is adopted. They have told me that. I respect them. And some of them are family farmers. But there has to be some limit.

I made my career in business. I did not get Government help and did not want Government help. But if we are getting Government help, there still should be some limit on what Uncle Sam is going to do.

Looking at some of the charts—just looking at the top 10 farm subsidy recipients—my colleague says, a couple of those are co-ops, but they were averaging almost $10 million a year. And it goes on down to different farms. Maybe some of those are individual farms, but they are in the millions of dollars a year.

Should Uncle Sam be writing checks to different groups, organizations, family farms, and so on, in the millions? I have a couple of Oklahomans getting in the millions. I do not think we should do that.

Let's look at the present farm bill. The present farm bill has basically a

cap of about $460,000. You have the flexibility contracts of $80,000, loan deficiency payments of $150,000. That is $230,000. You can have two other farm entities and get half of those again, and so that is another $115,000. Adding $115,000 twice to that totals $460,000.

But also under the present farm bill some people may say, wait a minute, I thought some people were getting millions. You have no limits on what are called certificate gains, so you can get well above $460,000. That is present law. That is the reason we find some recipients doing quite well. I say ''doing quite well,'' meaning getting a lot of money. They may not be doing very well, but they get a lot of money from Uncle Sam.

Looking at the proposal by Senator HARKIN, the underlying bill, they can do better. Present law is $460,000. Now that level goes up from $75,000 to $100,000. So now it is $250,000. You still have the two other farms that can get 50 percent of that. So the combination of three farming entities can get $500,000.

Also, under Senator HARKIN's bill, there are no limits on the certificate gains, no caps, so they can get more than $500,000.

So if you look at the charts from the Environmental Working Group that say some people are making this much, they can get a lot more under the Harkin bill than they could last year, and there is still no limit, no cap. So you have almost unlimited payments. If somebody happens to be farming—and you have market prices below loan prices—they can get hundreds of thousands of dollars.

Let's look at the Grassley amendment. The Grassley amendment says we ought to have a limitation. So he has flexibility contracts at $75,000, loan deficiency payments of $150,000, for a total of $225,000, and if you made another $50,000, that would be a total of $275,000. But guess what. The certificate gains are included in that $275,000, whereas under the Harkin bill, and under present law, the certificate gains are not counted.

So there is a cap under present law. Under the Harkin bill, there is no cap. This is saying $275,000. Well, $275,000 is a lot of money. Granted, if somebody is losing $400,000, they may say: I am still losing money.

I am sympathetic to that. I just don't think there should be an unlimited amount we are going to be writing in checks. Somebody can say: Write us a check for $5 million; I just lost $6 million. Where are we going to stop? I am not a big fan, as some people know, of loan guarantees, whether we are talking about steel or airplanes. I have some reservations about the Federal Government making loan guarantees, subsidizing business, and so on.

The amendment of the Senator from Iowa makes good sense. I urge my colleagues to adopt it.

I ask unanimous consent to print in the RECORD a chart that shows the percentage of payments made by income. It shows the upper 1 percent getting 19 percent of the payments, and the upper 10 percent getting 67 percent of payments in agriculture.

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

Concentration of payments for farms in the United States—from 1996 through 2000, the top 10 percent of recipients in the United States were paid 67 percent of all USDA subsidies:

Percent of recipients	Percent of payments	Number of recipients	Total payments, 1996–2000	Payment per recipient
Top 1	19	24,111	$13,470,787,292	$558,698
Top 2	29	48,221	20,841,600,894	432,210
Top 3	37	72,331	26,561,357,813	367,219
Top 4	44	96,441	31,231,049,012	323,835
Top 5	49	120,552	35,155,503,844	291,621
Top 6	54	144,662	38,515,289,723	266,243
Top 7	58	168,772	41,427,212,217	245,462
Top 8	61	192,883	43,974,881,921	227,987
Top 9	65	216,993	46,228,199,437	213,040
Top 10	67	241,103	48,231,602,648	200,045
Top 11	70	265,213	50,023,935,434	188,617
Top 12	72	289,324	51,637,374,388	178,475
Top 13	74	313,434	53,094,589,890	169,396
Top 14	76	337,544	54,416,196,177	161,212
Top 15	78	361,654	55,619,113,574	153,790
Top 16	79	385,765	56,717,246,985	147,025
Top 17	81	409,875	57,722,841,911	140,830
Top 18	82	433,985	58,646,414,190	135,134
Top 19	83	458,096	59,497,316,971	129,879
Top 20	84	482,206	60,284,320,451	125,017
Remaining 80 percent of recipients	16	1,928,821	11,245,676,109	5,830
All recipients	100	2,411,027	71,529,996,560	29,667

Mr. NICKLES. I yield the floor and thank my colleagues.

The PRESIDING OFFICER. Who yields time?

Mrs. LINCOLN. Madam President, how much time remains?

The PRESIDING OFFICER. There is no time remaining in opposition. There is 1 minute 36 seconds remaining on the proponents' side.

The Senator from Iowa.

Mr. GRASSLEY. Madam President, I yield myself the remaining time on our side.

We have an opportunity to do what has been a part of farm programs for 70 years: try to target the safety net for farmers to medium and smaller family farmers. We have an opportunity to save the taxpayers some money that would go to big corporate farms. We have an opportunity to bring money into the Food Stamp Program, and we are adjusting the formulas to reflect higher payments for shelter and for utilities and for heating homes so that the Northeast of the United States will be able to help some of their low-income people to a greater extent than they have been through the present formula, the Food Stamp Program. That is the use of the money.

The most important thing is targeting assistance to the family farmers. The legislation before us disproportionately benefits the Nation's largest farmers and in most cases nonfamily farmers. In fact, this farm bill unnecessarily increases payment limitations established in the present farm program which already allows up to $460,000.

We have a chance to do a very good thing from the standpoint of bipartisanship that has traditionally been such a part of the farm program. We have had several bipartisan amendments—for concentration and arbitration, and now for the payment limitation. Let's see what we can do to develop a bipartisan farm bill. Voting for this amendment will be one more bipartisan amendment to be adopted.

The PRESIDING OFFICER. All time has expired.

Mrs. LINCOLN. Madam President, I move to table the amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion to table amendment No. 2826. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Tennessee (Mr. THOMPSON), the Senator from Arizona (Mr. MCCAIN), the Senator from New Mexico (Mr. DOMENICI) are necessarily absent.

The result was announced—yeas 31, nays 66, as follows:

[Rollcall Vote No. 18 Leg.]

YEAS—31

Akaka	Frist	Lieberman
Allen	Graham	Lincoln
Baucus	Helms	Lott
Bingaman	Hollings	Miller
Bond	Hutchinson	Nelson (FL)
Breaux	Hutchison	Reed
Burns	Inhofe	Sessions
Carnahan	Jeffords	Shelby
Cleland	Kyl	Thurmond
Cochran	Landrieu	
Edwards	Leahy	

NAYS—66

Allard	Dorgan	Murkowski
Bayh	Durbin	Murray
Bennett	Ensign	Nelson (NE)
Biden	Enzi	Nickles
Boxer	Feingold	Reid
Brownback	Feinstein	Roberts
Bunning	Fitzgerald	Rockefeller
Byrd	Gramm	Santorum
Campbell	Grassley	Sarbanes
Cantwell	Gregg	Schumer
Carper	Hagel	Smith (NH)
Chafee	Harkin	Smith (OR)
Clinton	Hatch	Snowe
Collins	Inouye	Specter
Conrad	Johnson	Stabenow
Corzine	Kennedy	Stevens
Craig	Kerry	Thomas
Crapo	Kohl	Torricelli
Daschle	Levin	Voinovich
Dayton	Lugar	Warner
DeWine	McConnell	Wellstone
Dodd	Mikulski	Wyden

NOT VOTING—3

Domenici	McCain	Thompson

The motion was rejected.

Mr. REID. I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER (Mr. MILLER). The question is on agreeing to the amendment of the Senator from North Dakota, amendment No. 2826.

The amendment (No. 2826) was agreed to.

Mr. REID. I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

AMENDMENT NO. 2827 TO AMENDMENT NO. 2471

The PRESIDING OFFICER. Under the previous order, the Senator from Indiana is recognized to offer an amendment regarding payment mechanism. There will be 2 hours of debate prior to a vote in relation thereto.

The Senator from Indiana.

Mr. LUGAR. Mr. President, I alert all Members and staff as they prepare to go to lunch, we will have a debate for the next 2 hours and vote at approximately 3:05.

This amendment is a radical adjustment. I am hopeful Senators will be alert to the particulars as well as to the general philosophy of the amendment. It deals with the commodity title. As I have stated on other occasions, the other titles of the bill have had strong bipartisan support. As a matter of fact, we have improved them in the amendment process, especially a nutrition amendment that Senator DURBIN addressed this morning in his amendment.

My criticism of the commodity area of the farm bill is substantial. It comes down to the first point that we are debating this bill at a time in which our Nation is apparently in deficit finance, which means essentially we are spending more money as a government than we are taking in. That means each dollar of additional deficit comes from the Social Security trust fund. Most lament that; both parties, through a lockbox strategy or through pledges, want that sacrosanct and recognize the public as a whole does not like the idea of the Social Security trust fund being invaded. That dislike is compounded by predictions that it will occur perhaps for many years, not simply for the year we are in or, as a matter of fact, the year we just concluded.

I make that point not to say we should not proceed with the farm bill. We are going to do that. I support that. We are working with the distinguished chairman to try to finalize amendments and get a roadmap of how to do that. We are prepared to spend some money. However, we had better be thoughtful and prudent. I am suggesting that the current commodity title that lies before the Senate, plus or minus whatever adjustment amendments are brought to it, is about a $44 billion expenditure over 5 years of time. It is frontloaded into those 5 years of time. The Secretary of Agriculture already has expressed objection on the part of the administration to that.

The amendment I will offer today is a $25 billion payment for a 5-year period, as opposed to $44 billion. This is for 5 years. It is a very substantial change. It is a prudent change, in my judgment.

Now the second point I want to make is, if the first was not imperative enough in terms of deficit finance and money we do not have, the money that would be spent in the Daschle-Harkin bill would go—as we have heard again and again in the debate, approximately two-thirds of the money would go to approximately 10 percent of the farmers.

It is even more concentrated than that. In fact, the bills we have had in the past, and this bill, essentially deal with the basic row crops of cotton, rice, soybeans, corn, and wheat. That has been the case since the New Deal days in the 1930s and still remains the case in this bill. There are smaller amounts of money, from time to time, to vegetable crops—to dairy, to tobacco, to peanuts—but essentially the money is on the row crops.

That means that essentially six States receive half of the money because these are large States and they have row crops as opposed to agriculture of different sorts. So the bill is highly skewed. It is not original in that respect. That has been true of this legislation for many years. Nevertheless, we compound that problem in this bill.

To lay it out so all of us can understand it, 60 percent of farmers, more or less, do not receive any subsidies; 40 percent receive all the subsidies. Of the 40 percent, 10 percent of those receive two-thirds of the subsidies.

As I illustrated in debating the last amendment with regard to the limitation of $275,000 for a husband and wife or $225,000 for a single farmer, in my State of Indiana we have a very different result than was the case in the State of Arkansas, the proponents of the legislation. But in either case there are very few people who benefit—who receive, actually, more than $275,000 now. Only six farmers in Indiana, apparently 583 in the last iteration in Arkansas. We have 98,000 recipients of subsidies in Indiana; Arkansas has 48,000. So any way you look at it, 6 or 583, those particular farmers receive extraordinary sums of money, which skews the payment situation in a way that strikes most persons who are talking about retaining the family farm and supporting the modest farmer as very strange.

If in fact our intent was to save the family farmer, to cashflow those farms that are in trouble, it would appear that we could probably do better than have one-third of the money going to 90 percent of the farmers. As a matter of fact, it becomes even more progressive in the other way as you proceed down through the ranks.

So I add that thought. Not only are we in deficit finance, but we have a formula that, by its very nature, is going to reward those who are very large. Some would say, Why is that a bad idea? Is it not the American ideal, as a matter of fact, to succeed, to accumulate more land, to have more crops? Indeed, it is. The basic question is not one of merit. No one is being prohibited from becoming big and succeeding. The question is whether subsidies that were meant to save family farms contribute to that process.

The third point I want to make is there is strong evidence that our past farm bills—the immediate one we are working on now, the bill of 1996, the one of 1991 before that—have offered incentives to produce more. Why is that bad? Because we almost guarantee that, absent a huge weather problem or a total breakdown in the world trading system because of war or pestilence or disaster, we will have more of each of the basic row crops almost every year.

There are good incentives, in fact, to produce more, because each bushel of production brings its reward in higher subsidies. Therefore, Senators come to the floor and lament the fact that prices have never been so low. Well, of course. The very bills that we are passing almost guarantee they will be stomped down every year. It is impossible to think of a scenario in which we are more likely to have this problem.

Mr. President, I got so carried away in my arguments, I failed to call up the amendment. So, as a result, I will do that at this point, hopefully having whetted the appetite of the Chair.

I call up the Lugar amendment and ask the clock start running on debate time.

The PRESIDING OFFICER. The clerk will report the amendment.

The legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR] proposes an amendment numbered 2827 to amendment No. 2471.

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

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

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

Mr. LUGAR. Mr. President, the dilemma for the small farmer is compounded because, in essence, as overproduction occurs, prices remain very low. That hurts large farmers, too. But, as a matter of fact, many large farmers are large because they are efficient farmers. They do the research. They learn about the marketing tools available in futures contracts, forward contracts. They employ the proper conservation procedures and have the capital to do so.

As a result, it is not surprising that despite each of our farm bills—and the argument has been made every 5 years or 6 years, or however often we do this, that we are going to save the family farm—that in fact there are fewer family farms each time around. That, some would point out, has been true from 1900 onward—perhaps before that time.

One of the strange things about farm statistics presently—and I will not analyze this in depth—is there has been an increase in farms that are fairly small. These apparently are farms that are purchased by professional persons who want some room around their residences. If they produce on those premises at least $1,000 worth of agricultural produce or animals, then they qualify as a farm in the sense of this

definition. So this has led to a certain expansion, in some States, in which this would be counterintuitive.

But the heart of the matter is that about 350,000 farmers out of the 1.9 million who do at least $1,000 or more, those 350,000 do roughly five-sixths of the bill, all of it, in terms of crops or livestock. So essentially some have said farm policy is aimed toward them.

But at that point, very clearly, Senators rise and say: Hold on. That leaves 1.6 million entities out there, and some of these are family farmers. I know them. They are my constituents.

I would simply say the degree of concentration, often lamented, continues fairly rapidly. It does so, in part, because our farm bills, with very generous subsidies, support loans from banks and they have apparently led to an increase in land values in most States. That I witnessed with regard to estimates and appraisals on my own property in Indiana from 1956 onward. I have had responsibility for that farm. It is exciting to watch. Thank goodness we did not have to buy and sell during that time; we could simply watch the changes in the balance sheet.

But clearly it was an exciting experience throughout the 1970s, watching land values, as Purdue estimated them, go up and go up, sometimes by double digits in a single year. So as I took a look at my 604 acres and began to multiply by 2 or 3 those values, that was pretty exciting.

It was pretty depressing; after Paul Volcker and others put the skids on interest rates to try to take the Federal Government off in a different way, the value of farmland in Indiana plunged by as much as 50 percent to 70 percent.

That kind of jarring situation, many farmers who have lived a long time have become used to. But we are now, much more mildly than in the 1970s, but progressively, seeing those land values increase. For the general public, this seems strange.

The general public looks in on farming, and they ask: Why are farmers coming into the Senate pointing out that the prices have never been so low? The prospects have rarely been so dim with people lined up at the country banker failing to get loans, and all the signs are that even farmers who appear to be fairly prosperous are near bankruptcy.

The USDA illustrates this fine point. They point out that as you look at the balance sheet for all of American agriculture, the assets have been rising throughout the last 5 years. As a matter of fact, the net worth of farmers has been increasing. How can this be if operating results are so dismal?

In fact, operating results have not been that dismal. In the year we just finished, 2001, it appears that cash income is $59 billion for all of American agriculture. That is plus-$59 billion—not negative. But the real change comes in the asset value of farmland. With the pricing of land moving up, it is apparent that on paper the net worth of farmers is increasing substantially.

I make that point because many bankers, as you visit with them—as the distinguished Presiding Officer certainly has—would say we are counting on these farm bills to keep those values up. Why do you think we are prepared to loan more money or even any money without some assurance that farmland not only retains its value but nevertheless has a robust quality to it?

We then get into a problem in which farmers say: Hang on. Whatever may be the justice or injustice of the farm bill, if you tinker around with that bill very much, you are going to create anxiety with country bankers. They may not make loans. At that point, then we have a real problem.

It is not my purpose today to try to precipitate a decline in land values. That would be destructive not only of my own farm but to all my neighbors. I just observe, however, that without describing a bubble phenomenon—because it is not that; farms are not dot.coms and not electronic situations—there is value there. But we need to be thoughtful in terms of our policies as to how much steam we want to generate into what some would call false values—increases clearly not justified by implied income flow coming from those properties.

The dilemma, of course, for the young farmer we have talked about—we have a section in our farm bill that tries to address credit for young farmers—is that it is extremely important if we are to have entry of our young people. As most have pointed out, the average age of farmers seems to increase every year. Demographers indicate it has been true for quite some time. It has been proceeding towards the high 50s. That is not a healthy situation. That is not a healthy situation for a growing, prosperous industry, but it reflects the realities of young people coming through our agricultural schools.

The vast majority go into what might be loosely called agribusiness—not production farming. They are dealing with products that come from that, or marketing, or the espousal of farm interests in foreign trade, what have you. These are valuable skills. But the number of persons heading back to head up these family farms to keep the continuity going appears to be fairly limited. Some years are better than others.

The distinguished Presiding Officer has visited the excellent agricultural facilities with educational opportunities in Georgia, as I have at Purdue in our State. We encourage young people to farm. Some do. Some years are better than others. But for some years, there appears to be very few candidates for that.

One reason is it is very hard for a young farmer to get credit and to establish a landhold. If you are in a family farm now, that is your best bet. As inheritance tax reforms have occurred, many of us have pointed out they needed to occur because the family farmer is 15 times more likely to be visited by the inheritance tax than other ordinary citizens. The assets are tied up in the land, in the buildings, the visible assets. But if a family can work that out, there is some possibility for the young person. These are fairly small percentages of situations. I think that is a disturbing trend but one that current farm bills, I believe, have accelerated.

There is also the fact that as we discussed the last amendment on limits, some pointed out that farmers, in fact, are renting land from those who have estates, or elderly persons, retired farmers, and others. Indeed, a lot of renting does go on.

The 120-page USDA booklet indicates that 42 percent of farmers who are now involved in production are renting land. Only 58 percent own the land they are farming. That is a fairly large number.

Our farm bills have the tendency to raise the rents in the same way that they have raised the land values; in the same way they raise the possibility for larger loans for expansion or for accumulation of other farmland. None of these trends are new and none should be shocking. Many farmers, as well as Senators, say that is just the way the world works. These are trends that are in place, and we are only going to tweak the system a little bit and hopefully not disturb it a lot, although some Senators have greater ambitions for the farm bill.

They believe, in fact, that a very sizable change is going to occur if over a 10-year period of time, as the House of Representatives looks at it, you put $73.5 billion of additional money into American agriculture on top of the baseline of the regular programs we now have. So a lot of our debate in November and December revolved around the $73.5 billion, as Budget Chairman Conrad said it is. Ultimately, the Bush administration said: Well, we are going to acknowledge that it is there now, and in this year, and so forth. But there now appears to have been an argument over the situation. But some of us looking into this—I am one of them—said it wasn't in November, and it isn't there now. We do not have the money, and, therefore, we have to be thoughtful about it.

I simply add that everybody—the President and Senators in both parties—wants a farm bill. The question we are discussing today is not whether we should have a bill or not.

The amendment that I have offered substituting for the total commodity package still, by my own admission, is that it is going to cost $25 billion over 5 years—not $44 billion over 5 years but $25 billion. But it is still a sizable sum.

The basic difference in my approach is that I take seriously the thought that we ought to have equity in the payments. By that, I mean they ought to be available to any farm family wherever that family may be in America and whatever that family produces.

That would be a revolutionary step. That is what I am proposing.

I started by saying 60 percent of farmers are outside the game altogether. I want to bring them in.

They will occasionally come in when we have disaster relief debates—perhaps a strawberry crop in a State or a peach crop or a problem of cranberries in New England comes to the fore. Senators in that State say we have had a disaster brought about by weather, usually, or some other problem. Therefore, we need relief.

On an ad hoc basis, the Senate from time to time in the appropriations process plugs in some money for what is known as specialty crops or crops other than these five major row crops. From time to time, we have done something for livestock but not very much. We had a debate yesterday about the EQIP program. This has been a way of trying to bring some money so that manure could be controlled and other environmental circumstances surrounding a livestock operation.

The bill that the distinguished occupant of the Chair and I have been involved in on the Agriculture Committee does a lot more for the EQIP program. There has been a long line of people waiting to make those changes, so that will be helpful both to production in livestock as well as the environment and the counties that surround it. But at the same time, livestock people, aside from the pork dilemmas of 2 or 3 years ago when prices reached rock bottom, have not gotten the subsidy.

Sometimes people have wondered historically, why not? They were back in the 1930s when all this began to be passed out. Why haven't we been in that tradition? But, nevertheless, some, by diversifying, have corn farms, say, and get the money in that route, by spreading at least the risk, and they have imbibed in the farm subsidies in some fashion. All I am saying is, there is no equity, farm by farm, in the farm bill as we have known it. So I want to provide that.

I want to say, in essence, three things. One is that my bill would send money to any farm entity that has at least $20,000 of gross agricultural income coming from it, not the $1,000 which has been the definition of the family farmer. That is too low. It picks up what I think are clearly the so-called hobby farms or the almost incidental farming that occurs.

Some might say: But $20,000 is not much of an activity. Nevertheless, in some parts of the country—and given the history of some farms—that appears, to me, and to many economists who have looked at the subject, a reasonable threshold point.

So let's say I am a farmer—male or female—on a farm anywhere in America, producing anything I want to produce, and I can sell it for $20,000. I would qualify, under my amendment, for a $7,000 payment from the Federal Government each year for 4 years, starting with fiscal year 2003, and going through 2006, so long as I continue in the business. I would have to do the $20,000 each of the 4 years. This would not be a historical record but an actual record that I am a farmer and I am doing that kind of business.

And the question is raised, what if you have a situation in which there are two factors here—one a landlord and one a tenant or two farm families, one owns the land and the other provides the machinery and some of the labor, or what have you. Both of these entities could qualify for the $7,000 payment if both are at risk. If the landlord is simply getting the rent, without risk, then the landlord does not get the $7,000. The tenant gets the $7,000. He has the risk. So it is a question of being at risk and with at least $20,000 of income. Then you receive $7,000.

I make the point that this finally, then, gets us to the threshold question of why we have farm bills and why we have income security. My idea is that we provide income security for the vast majority of farmers in this way. It means the very large farmer still gets the $7,000. We will not be having a debate about $275,000, however. That really moves off into past history. I am talking about $7,000 for each farm family at this point.

That raises the question for skeptics of all programs: Why do you send $7,000 to a person in America because he or she is a farmer? We have settled that, I suppose, by all of us saying, several times, that we understand there are abnormal risks from weather, from foreign trade, from all the vagaries of history. It may or may not be totally just to those people who make their money at the retail store on Main Square or to those who venture capital into new businesses and lose it or to a whole lot of people who make livings in various ways, but what we are saying is we believe it is important to have a safety net.

What I am saying is, it should be just that, a safety net, not an incentive to produce more and, thus, depress prices, or an incentive to accumulate land using abnormal land values to borrow money, knowing that at some point this cascade is almost bound to lead to difficulty.

It ought not to be a program that excludes young farmers and one that is purely prejudiced against those who rent. And it ought not to be a program in which six States receive 50 percent of the money. This really does indicate in every State there are agricultural interests, but they are diverse and they are different. Where there are more farmers, the State will get more money. That is true of distributions of all sorts.

Having sort of recited the outline of where I am headed with this, let me say I believe the amendment I have offered will achieve each of the goals I have in mind: less money paid by the taxpayer, greater equity to all farmers, a genuine safety net, a policy that does not distort land values, does not depress prices, and, finally, does not lead to real problems with our trading partners, whether it be in the WTO or any other trading arrangement.

We debated that issue yesterday as to whether the current text of the farm bill, before amendment, leads to bumping up against the $19 billion cap. In my judgment, and that of many others, we risk that. The FAPRI group—the research people at Iowa State and Missouri—said there is a 30.3-percent chance that will occur in 2002, as a matter of fact. That really does jeopardize American agriculture.

We can say we do not care what the rest of the world thinks about all this and, after all, that the Europeans are subsidizing in a big way—maybe some others—but we need every dollar of export income. We cannot have countervailing suits or retaliatory mechanisms that abnormally affect certain crops as countries try to find where we are vulnerable and arbitrarily knock out one group of farmers while they are trying to hit the whole system.

Furthermore, we are the leaders in world trade. We are the people who really want to expand this. We have to do that if we are genuinely thoughtful about the future of American agriculture. To take some type of a myopic view that we simply deal with ourselves leads, finally, to the fact that is all we will be doing, and it is a limited market.

So given the extra incentives, prices will inevitably go down and stay down because there is no outlet in terms of American agricultural genius.

Let me point out that agricultural subsidies have been distributed according to acreage. Some have said that is the way it ought to be: You do more, you get more. I understand that. To some extent, I recognize, as the Presiding Officer does, that this has led to a situation of roughly two-thirds of the payments going to 10 percent of the farms. USDA—more graphically getting down to this 350,000 I talked about—says 47 percent of all the money went to them, almost half to a very isolated group of people. They are very good farmers, but if that is the purpose of the farm bill, that is not what the rhetoric we have been hearing would bring about.

The Daschle-Harkin bill spends the bulk of $120 billion on new fixed farm payments, on new countercyclical payments, on higher marketing assistance loan rates for program crops. It, likewise, extends, for dairy, the milk price support of $9.90 per hundredweight through 2006. It also creates a new national income support program. Overall, the dairy provisions are expected to cost $2.3 billion over and above the baseline.

A new target price is created for peanut producers, and that is expected to cost $4.2 billion over 10 years, and nearly $700 million more than the House-passed peanut provisions.

The CBO projects the Daschle-Harkin bill may cost $120 billion over 10 years,

but its actual cost could be 25 percent or even 50 percent larger if commodity prices fail to rise. That is a pretty good bet. I don't see how they rise under these conditions.

I am going to have another amendment in due course in the debate that will suggest we take the average payments of the last 3 years of the farm bill. Those have included not only the regular payments, baseline, AMTA, and so forth, but the supplemental legislation we passed each summer. These have been pretty heady sums of money all told. I am going to offer an amendment that will suggest that the payments, if we adopt the Harkin-Daschle approach, shall not exceed that average of the last 3 years, just so there are some stoppers with regard to some fiscal sanity in this bill.

This becomes an entitlement. If you are out there and you produce the bushel, you expect to get the loan or the payment and not a lecture that, after all, we only budgeted $120 billion.

That is not a part of this amendment, part of the next one, in the event I am not successful with this amendment. But if I am successful with this amendment, we have solved the problem. There is no doubt as to what the cost is going to be at that point, nor any incentive to overproduce. In fact, it is very likely that prices will rise as people make rational decisions on what to plant.

Let me conclude this initial presentation by pointing out, for those who have not followed it from the beginning, that this is a complete substitute for the commodities title of the bill. That means all the programs involved in the commodities title would no longer be there and, in fact, in place is a payment of $7,000 to each farmer in America or each entity at risk of $7,000 for a 4-year period of time, providing the safety net I believe we want, with strong bipartisan support for that in a very predictable and equitable manner.

I yield the floor and suggest the absence of a quorum. I ask unanimous consent that the time be equally charged to both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LUGAR. 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. LUGAR. Mr. President, I am pleased to announce I have received a letter from the Council for Citizens Against Government Waste, dated February 7, 2002. The letter states:

DEAR SENATOR LUGAR: On behalf of the more than one million members and supporters of the Council for Citizens Against Government Waste, I am writing to inform you of our support for your amendment to S. 1731, the Farm Bill, which would replace current farm program payments with fixed annual equity payments to eligible farmers beginning in 2003.

Your amendment provides equitable Federal assistance to all U.S. farmers and ranchers, and it saves taxpayers approximately $20 billion over the next five years. Current farm policy allocates two out of every three farm subsidy dollars to the top 10 percent of subsidy recipients, while completely shutting 60 percent of farmers out of subsidy programs.

Your amendment will provide a more equitable farm program, a significant improvement over the present system, which provides the overwhelming percentage of government payments to large farms rather than smaller farms that are most in need of assistance.

[The Council for Citizens Against Government Waste] will consider a vote on your amendment in the 2002 Congressional Ratings.

It is signed by Mr. Thomas Schatz, president.

I yield the floor and suggest the absence of a quorum, with the time equally charged against both sides.

The PRESIDING OFFICER. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. LUGAR. 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. LUGAR. Mr. President, USDA's Economic Research Service estimates that in calendar year 2000, the latest year for which this data is available, there were, in fact, 764,000 farms in America with an annual gross farm income of $20,000 or more. I cite that figure to give some idea of the number of farms that, given this threshold, we are discussing in this amendment.

As I mentioned, on some of these farms there are at least two entities—maybe more—sharing production risk and having $20,000 at stake in terms of gross income. Each of these entities would qualify for a $7,000 payment.

This means that those who have been scoring the amendment estimate there could be, under the widest interpretation, as many as 1.3 million payments of $7,000 a year.

That is the basis upon which we arrive at the $25 million sum for all of the commodity section over a 5-year period of time. I make that point simply to undergird, for Senators who are listening to the argument, the financial aspects.

I think it is of interest as to how this works out in real life. I cite once again the Environmental Working Group Web site with regard to my home State of Indiana. For the years 1996 to the year 2000, it breaks down the annual payments, not the 5-year total but the annual payments of farmers in my State. I cited earlier that in this particular situation, almost 100,000 farms receiving some payment have been identified. It is interesting that in Indiana about 75,800 of these farms received no more than $5,000 on an annual basis during this period of time. So this means, even if one extrapolates up into the next group, $5,000 to $10,000 where there were 9,500 more farmers, splitting that in half, roughly 80 percent of the farmers of Indiana, 80 percent who were receiving farm payments, received less than $7,000 in this period of time. That is why $7,000 per farm entity makes a significant difference to a large majority of farmers in my State.

I think most Senators will find, if they do the arithmetic, $7,000 for a farm entity of $20,000 at risk, $20,000 gross but the farmer at risk, means anywhere from three-quarters upwards of actual farmers in the Senator's State will do better under my amendment than under the Daschle/Grassley bill.

I hope Senators understand that. I am certain at some point farmers will understand that, and farmers presumably will hold Senators responsible for looking after their interests.

So to underline the obvious, again, my statement is that roughly 75 to 80 percent of farmers who now would receive $7,000 in each of 4 years if they continue in farming will do better than the payments they would receive under the farm bill that is now before us. Clearly, if we are deeply interested in the majority of American farmers, especially those farmers who are most in jeopardy of losing their enterprises, we will be interested in this group. This is the safety net that is provided by my amendment.

I yield the floor, and I ask unanimous consent that the time be equally divided against both sides.

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

The Senator from Iowa.

Mr. HARKIN. Mr. President, might I inquire of the situation. I understand the pending Lugar amendment is 60 minutes evenly divided. Could the Chair inform us about how much time is remaining on both sides?

The PRESIDING OFFICER. The Senator from Iowa has 52 minutes, and the Senator from Indiana has 70 minutes.

Mr. HARKIN. Mr. President, I yield myself such time as I may consume.

Mr. President, I have, as the Senator from Indiana knows, great respect for him. We have had a great working relationship on the Agriculture Committee. I daresay, without any fear of contradiction, that perhaps in most, if not almost all, of the present focus that we have on agricultural research and the changes that were made in research were because of the leadership of Senator LUGAR.

My friend from Indiana has been unafraid in what I call pushing the envelope in trying to think outside the box on agriculture, and maybe in some ways we find ourselves in a box on agriculture. I might be one of the first to admit that. We have over 60 years of Federal farm programs that have been designed, in essence, to try and support our farmers, our farm families, during periods of low prices, during periods when their income would fall basically due to no fault of their own.

A lot of times my urban friends will ask me why do I have all of these farm

programs. There is not the same thing for a hardware store, or the dry cleaning shop, or a number of other main street businesses. I always have to bring them through the process of why we are where we are, and that agriculture is really unlike a Main Street business in that there are so many variable factors beyond the farmer's control.

We know the classic ones, of course: weather, the droughts, the hail, the rain, the cold, the heat, whatever it might be, those vagaries of weather. Now, to a certain extent we have over the years attempted to protect the farmer from those vagaries with different forms of insurance programs, but then sometimes those insurance programs do not meet all the needs.

First, it was hail and fire. Now, we have gotten into all-crop, all-peril, all-risk insurance. We are doing that now so that has been helpful.

So there is weather. Then there are the other vagaries of agriculture, and that is basically on the world market in which we now find ourselves. What one country might do, as in Brazil, in Argentina, or the countries of Europe, might drastically affect what happens to the farmers in this country. We do not have much control over that.

Then there are the other vagaries of disease and pestilence, and so forth, that affect our livestock industries in this country. Of course, we continue to do research and to support APHIS, the Animal and Plant Health Inspection Service, and others, to help us in our continual battle against the infestation of either disease or pests in our crops and livestock. Put all of these things together and that individual farmer has literally no control over the marketplace, none whatsoever.

It has often been said the farmer is the only person who buys retail and sells wholesale and pays the freight both ways. That basically is true. So we build up this elaborate network of farm support programs, to me, different vagaries of farming as we go through the years; different now than it was 30, 40, or 50 years ago.

Our programs change, but they have the essential underpinning of ensuring that, No. 1, we will have an adequate supply of food and fiber for the citizens of this country, that we will have that food and fiber in a way that will ensure no one really goes hungry in this country. On that side of the ledger we have built up quite a system, also, of nutrition programs. The most famous is school lunch. But there are a lot of others. So we made it possible for this country to be the best fed and to have the largest variety and the most quantity at the cheapest prices of all sorts of food, especially wholesome food. There is some food that is not too wholesome, but at least in the wholesome foods that is true.

That is a reason we have dairy programs. We found through the history of the dairy programs, when we had the spring flush, prices would go to nothing. A lot of farmers found that they could not make it. But in the middle of the winter, the price of milk would skyrocket and kids would be left without milk. We wanted to even this out. We came up with dairy programs to even that out. They have worked quite well overall.

It is true we have an elaborate system of support programs. If we were starting over and we had a clean slate, we might start a system of equity such as the Senator is talking about. We are not starting with that clean slate. We have to take into account what has happened with land prices, what has happened in the local communities, what this would mean if we were to yank the rug out all of a sudden from under these programs.

If our experience under the last farm bill, under the Freedom to Farm bill, had been different and we had some reason to believe that farm programs would be phased down and eliminated, maybe this would have been the right approach. We saw that was not going to happen under Freedom to Farm. So all of these programs have been woven into the fabric not only of our farms but of our rural communities, our schools, our businesses, our colleges, our transportation.

Earlier we mentioned the value of land. Some may argue, rightfully so, we have a land bubble out there; we have prices of land, and the value of the commodity for that land cannot support that price. This is not speculative land, land near a city waiting to be developed. To a certain extent, some of the payments we have put out there in the past, in the last farm bill and the one before that and the one before that, going back for quite a ways, have had a more perverse effect than what we intended. It has, in fact, increased the price of land beyond what the productive capacity of that land could support. This has not created a good situation.

We just had a vote on payment limitations, which I support. What has happened—I see it in my own State the way the farm program is structured—the bigger you are, the more you get; the smaller you are, the less you get. The payments go to the larger farmers. They then go out and bid up the value of the land above what the smaller farmers can get, or a beginning farm can do, and you get bigger and bigger farms.

Since I was a kid, I have been watching farms get larger in my backyard. I come from a town of 150 people. I still live there. All the farms around my hometown are getting bigger all the time. Some of that was inevitable, due to mechanization, better equipment, better seed, better fertilizer, better control over pests. So the production kept going. That kept the price of our food very cheap in this country. It was inevitable that farmers would not stay with 40 acres and a mule; farms would get bigger.

Over the last few years—I don't know if I could use a cutoff date, maybe 15 or 20 years—our farm programs have accelerated the process and have added to it and have made it worse, exacerbated it. We do have a land bubble. One might say we should not have a land bubble; land ought to be worth what it can produce or whatever it can bring on the market for speculative purposes but not based upon Government payments. I can accept that argument.

What I cannot accept is pulling the rug out right now. We cannot do that. This has been built up over 60 years of time, and accelerated over the last perhaps dozen years, 15 or so years, maybe more. We have to be very careful how we approach modifying and changing what we do in agriculture and how we support our farmers. To make this drastic change right now would cause a collapse of land prices which would devastate a lot of farmers.

In rural America, it is often said most farmers live poor and die rich. That has basically been true throughout my life. That is their retirement. The farm they have is their retirement. If we pull that out from underneath them, it will be like all the people with their pensions in Enron. Pull the rug out from underneath our farmers, let those land prices collapse, and we have treated them like Ken Lay treated the people at Enron. We do not want to do that. That would devastate our public schools that rely on the property tax in rural areas and our small towns.

What to do, then, if that is the situation? Do we take a drastic turn, as my friend from Indiana wants to do? I hope not. That would be devastating. In other words, what we ought to do is try to work within the structure that we have and start to move this engine a little bit, just to move it a little bit, and start to change the way we do support agriculture. The bill before the Senate is a balanced bill in that regard. Yes, we do spend more money on commodity programs. We do because farmers need it.

The Department of Agriculture estimated a couple weeks ago there will be a 20-percent drop in net farm income this year unless we come in with some kind of a payment. I ask anyone listening or watching to think of your own situation. What would you do for your family if this year you had a 20-percent drop in your net income? What would you do with your lives? What would happen to your kids? What would happen to your car? What would happen? Think of the farmers with a net income drop of 20 percent this year. I wish it were not so, but that is the fact.

So we have more money on the commodity programs this year. However—and this is a big but—this bill, developed with a lot of bipartisan input, through the committee process, amended on the floor as it has been amended and probably will be in the next couple of days, this bill puts more money in commodity programs, but we spend more on a broader agricultural constituency. We provide new—and more—conservation spending. That is

income to farmers in a way that has never been done before.

Before, we would say to the farmer: If you take your land out of production, we will pay you for it. That has sort of reached its limits. So now we say to the farmer: You be a good steward of the soil, you keep your soil from running off; you, livestock producer, make sure you don't have the manure runoff that is killing fish in the streams and fouling underground water; you, row cropper, cropping the hills, put in some buffer strips along the streams, put in some grass waterways; you on the plains, cut down on the wind, put in some windbreaks, do things like that, rather than plowing up the land; do ridge tilling, hold the soil down—we will pay you for it.

That is a conservation security program to begin paying farmers to be good stewards.

Many farmers are already doing that and this bill would not cut them out. This would not say they would have to do anything different. They would just have to continue what they are doing and they will get paid for it.

That is a change. There are some in this Chamber—there were some in our committee—there are some who do not want to do that. The Cochran-Roberts bill that was offered as a substitute took that conservation out and threw it out the window. Fortunately, it only received 40 votes. But I think there is great support for that movement of beginning to pay all kinds of farmers, whether they grow row crops or livestock, orchards, vegetables, fruits—whatever it might be—to support their income in a way that provides a payoff and a better environment. So that is in this bill.

We also have, for the first time, an energy title in this farm bill. If September 11 taught us anything, it ought to have taught us that we have to cut the oil pipeline to the Mideast. Again, do we want to cut it this year? No, we can't do that this year or next year because our energy system in this country is too dependent on it. But we ought to begin planning and doing things now that will get us off that oil pipeline.

I daresay drilling for oil in the Arctic National Wildlife Refuge is not one way to do that. That will still keep us hooked up to the oil pipeline. What we have to do is begin to look at our farms and our fields as the substitutes.

Anything that can be produced from a barrel of oil can be produced from a bushel of soybeans or cottonseed or corn and other products.

I visited a relatively small farm in northeast Iowa last weekend. The farm family there had agreed with the University of Northern Iowa that they would participate in a project to make axle grease out of soybean oil. If you look at it, it looks just like grease. Already they are working with large trucking companies to buy this grease for their fifth wheel, and working with I think the Norfolk Southern and other railroads to grease the railroad tracks with it. Why? Because it is totally biodegradable. Hydraulic fluids can all be made from soybean oil. In Cedar Rapids right now we have over 30 buses running on soy diesel.

I think we have broken through a little bit on soy diesel, I say to my friend from North Carolina, because last week—I didn't see this, but I heard about it—on ''West Wing'' the television show ''West Wing'' that has to do with the President, I guess the President in ''West Wing'' was taking a trip to Cedar Rapids, IA. He said to his staff: Are we going to get picked up by one of those diesels running on soybeans?

So we are making a breakthrough. People are now beginning to pay attention that buses can run on soybeans. It is all biodegradable.

We have an energy title in this bill to try to start moving in that direction, $550 million, half a billion dollars in 5 years—I hope we can keep it—again, to begin to develop that, whether it is diesel or hydraulic fluids, grease, or ethanol. We haven't even scratched the surface on ethanol use in this country. We can do a lot more with ethanol, and the feed co-products can be used in feedlots.

Biomass energy—we have a project in Iowa right now that we started a few years ago. I was able to get a modest change in the law to allow biomass production on conservation reserve program land, we set aside 4,000 acres in southern Iowa to grow switch grass. That switch grass is cut and then it is taken over to the Ottumwa, IA, coal-fired powerplant and put right in there with the coal to burn at the powerplant.

See, a pound of switch grass has more Btus than a pound of coal. The problem is, a pound of switch grass is this big, and a pound of coal is that big. But they burned it last year in the boiler. It worked just fine. So now John Deere is working on developing new kinds of equipment that will cut the switch grass and put it in little bundles so it will make it easier to transport and put in the furnaces. Biomass energy, renewable every year. It will cleanup the environment and give farmers some additional source of income.

Wind energy—the largest wind farm in the world is located in Iowa. Interestingly enough, it was built by Enron. But it is there. So there are provisions in our bill—we have an energy title in our bill to begin to promote that and give a new market for farm products.

That is what we have to do. We have to find new markets for what these farmers grow. One of the biggest markets out there—a huge market that can absorb a lot of our commodities—is the energy market. So why should we be paying all this money to Saudi Arabia and the Mideast or go up and drill in the Arctic National Wildlife Refuge, when we have it right here on our lands. So that is another part of the bill that begins to move us in some different directions.

We have a strong rural development program in this bill to provide for broadband access to our small towns and communities. Those are things that will help bring jobs to smaller towns in rural America.

All in all, what I am trying to say is in this bill we tried to balance a lot of things. I say to my friend from Indiana, if I were a dictator, would I have written a different bill? I probably would. He would have, too. But we have a lot of interests here that we have to try to balance.

All in all, I believe the bill is a balanced bill and it will support farm income with countercyclical payments. That is another new provision in this bill, a countercyclical program. When prices go down, we support farm income. We don't let farm income go below a certain level. Then we have direct payments also, which we hope will phase out, phase down, and bring in the countercyclical. That was the problem with Freedom to Farm. They were phasing down the direct payments, but they never replaced them with anything, so every year we would come in and appropriate new money. In our bill, if prices fall, the countercyclical payments would kick in.

So I will oppose the amendment of my friend only because of that reason. I think to make that big of a change right now could really disrupt a lot of rural America. I say to my friend, I think sometimes—what is that old saying?—when you are up to your eyeballs in alligators, it is hard to remember who forgot to drain the swamp. You just want to get out of there.

Maybe it is a little hard to think about how did we get in this mess. We are faced with a situation where we have to save our farms and rural America, and that is what we are attempting to do in this bill. I hope, working together this year, next year, and in the ensuing years, we can begin to examine some other changes that we might make in the structure of agricultural programs, with the goal being, I hope, continuing to provide abundant food and fiber to our people at a reasonable price but also with the goal of enlivening and rebuilding rural America. In every poll I have ever seen, when people are asked if they would rather live in a large city or a smaller community, all other things being equal, overwhelmingly people would rather live in the smaller community. But if you do not have good schools, decent jobs, decent recreation, and decent transportation, then things aren't equal. So people tend to gravitate towards larger communities.

I hope our view for the future is of enlivening and rebuilding rural America, and enabling younger people to go into farming. We have some of the finest agricultural schools in America—including those in Indiana and Iowa. When you go to those agricultural schools, you see young people who are smart. They know how to do things. A lot of them have experience working on

the farms—maybe their family farms, or lives in a rural area. They are taking animal or plant science courses, or farm management courses. Ask any one of them if they are going to go into farming, and if they are going to be a farmer—only a very few, if they have parents with a farm free and clear that they hope to inherit—will they say yes. But if their parents have a little bit of land and they are renting more land, they are not going to be farmers. They are going to go into some kind of management, or some kind of agribusiness management. But they are not going to be a farmer.

Ask them if they want to be a farmer. Would you like to be a farmer? Would you like to have land out there and do the things your parents and grandparents did? Almost 100 percent say yes. But the decks are stacked against them.

I hope that is what we can look at as to how to revise and rebuild some of these farm programs in the future.

I listened to the distinguished Senator from Indiana, my good friend. He went through his long dissertation on his amendment. I thought it was very thoughtful. As I say, there are a lot of things on which I agree with him. But I just do not think this is the time to do that. I think we ought to be thinking about how to change some of these things. But, as usual, my friend from Indiana is very thoughtful and provokes our thinking. In that way, I think this adds to this debate. But I hope that all in all we will not approve of the amendment.

I yield the floor.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I thank the distinguished chairman for his generous comments about my work and about my amendment, even though he has risen in opposition.

Let me try to offer a word of assurance to the Senator as to the implications because it is certainly not my purpose to try to bring land values down or banking crises.

I make this point once again citing from the Environmental Working Group Web site because it has very detailed figures on how much money people get now.

For example, in my home State of Indiana, during the 1996–2000 period, 76,000 farmers out of the 100,000 who received money received less than $5,000. By definition, under this program, if they have $20,000 of income—that is the threshold—they are going to get $7,000. As you reach into the next bracket of $1,000 to $10,000, if you take half of those, we are up to 82 percent who are going to do better and 18 percent will not do so well.

The fact is, if there are to be changes profoundly useful to four-fifths of my farmers, the other one-fifth might say they can't count on this subsidy. Indiana is not as skewed as many States are with abnormal payments, as I cited in the last debate. Only six farmers in Indiana would be affected by the $275,000 limit—not more than that. But out of 100,000, we affected six farmers.

We are talking, it seems to me, in ranges that are not as cataclysmic as they may seem, but they do benefit three-quarters to four-fifths of the farmers of my State. The farmers I hear the most from are the other fifth. That may be true of the distinguished Senator from Iowa. Understandably, they are more aggressive, more articulate, and they have greater resources. If fact, their influence with the major farm groups seems to be substantially greater than the other three-quarters or four-fifths of my farmers.

But, nonetheless, for Senators who are trying to decide what kind of jarring change this makes, I think it makes a sizable change for a large majority of farmers. Others would have to accommodate to the fact that they are already more successful, and the safety net was not meant for them specifically.

Let me also mention that although I admit to the fact that all the money we are talking about is in deficit finance, I still indicated that I am prepared to advocate spending money. I would say that the farm bill—I may have left some confusion, and I want to clarify this—I am in favor of. That would include all the titles the chairman talked about, plus the commodity title comes out to $25 billion in my amendment for 5 years at a time. The commodity portion of that turns out to be a net increase of only $7 billion. That is true because we are phasing out a whole raft of programs but not adopting many programs that are in the Daschle-Harkin bill escalating the current baseline.

It is a fair question to always ask. Even if on paper the economics and the equities are right, what sort of jarring effect does this have on society? Probably there are people who want to walk around this a bit. Of course, that is the purpose of their debate: to define what we have to try to find. At least something is likely to be better not only for farmers—I think this amendment is better for three-quarters of the farmers—but also for taxpayers and for the general fiscal condition of the country. We are in a war and recession.

I would simply ameliorate the associations made that this is likely to cause very jarring changes. I think there will be changes, but I think they are constructive. Essentially, we move the money in a safety net to a large majority of farmers, those whom I think are probably most in need and are most likely to go out of farming, as a matter of fact, without some type of subsidy.

The distinguished chairman and I have generally agreed—and we had witnesses before the committee—that there is some equity at least in paying these moneys only if somebody is actually farming. That is one provision. In order to receive the $7,000, you have to produce $20,000 of gross income from the farming operation. You can't drop out for 2 or 3 years and on the basis of past history continue to collect the money.

I am not going to argue about the philosophy of the AMTA payments and the idea that those would be phased out from one type of farm philosophy to another. It may not have worked out that way. But that was the general idea. I am not talking about a phase-out, but the idea that you really need to farm and be a productive farmer at risk in a farm entity to collect the money.

I think that makes more sense to the American people as opposed to the many stories of moneys going to persons who have been out of the farming business for some time but had a history that fits these last farmers.

Mr. President, I yield the floor.

Mr. HARKIN. Mr. President, if I may respond to my friend, I understand what he is saying. Only a fifth of the farms in Indiana would be affected by this. It is probably about the same, I suppose, in Iowa. I do not know. But I still see that, again, these tend to be the bigger farms that have a lot of land. I still submit this could cause some derogation in the land values, and even though those at the bottom are getting a little bit more, their land prices might be affected by the bigger ones. So if those land prices go down, I think it might have a cascading effect on this.

I say to my friend—I think we discussed this in the past—some land prices may be inflated by farm programs, but if the support has to be brought down, I think it has to be brought down over maybe a several year period of time, or something such as that. That is why I was hoping to get away from some kind of direct payment system to a countercyclical payment that is only based on prices at the time and to put more into conservation, put more into energy, and put more into programs that require producers to act.

If there is something you have to do, then you can get paid for it, but it does not build into the land value. Because if you sell it to somebody else, and they do not do it, they do not get the payment. We have to try to get off the programs that continue to provide for an artificial land bubble out there—it is there; we have to recognize it—but I would be very careful about how we try to bring it down to some level in regard to what the productive capacity of that land is.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I appreciate this colloquy with the distinguished Senator because I think we are probably dealing with values and issues which are very important even in the midst of an empty Chamber. I am hopeful other colleagues are listening in from time to time to this dialog.

The dilemma we face, it seems to me, is not that the land values are going to

come down, but rather that farmers will now have to plant for actual markets as opposed to planting for the Government. I think the prices, in fact, have some chance, under my idea, of going up again, in large part because I believe the policies we might adopt in the Daschle-Harkin bill are likely to depress prices. The hope is that will not be so and maybe world conditions or weather conditions, or something, might change. But it seems to me there is a history of stimulating overproduction and lower prices. That affects big farmers as well as small farmers.

As I take a look at my own operation, we are somewhere in between. I sort of fit into the group that, according to the Environmental Working Group, would get about $9,000 a year under the current situation. I think the Web site lists the Lugar farm as 22nd in the batting order in Marion County, but that is in the Indianapolis area where there are just 240-some farms involved. But it is roughly $9,000 a year over a 5-year period of time we are talking about. It is a 604-acre farm, probably in the top sixth barely of the size of farms in the State.

This is sort of the cutting edge when I am talking about the beneficiaries being maybe 80 percent. We are a little above that, and so, as a result, we are likely to lose a little money.

My own view is that I am likely to make money because I think that probably the price of corn is more likely to go up, likewise the price of soybeans; therefore, in regular markets, as opposed to markets that are subsidized or have artificial stimulants in them, I am going to make more money. I think that will sustain my land value without a bubble and will make that price a healthier one. Of course, there are other factors in land values: proximity to cities, whether highways go through them, as the chairman knows—all sorts of reasons why that happens. But, nevertheless, our two States—Iowa and Indiana—have many characteristics. During my more intense experiences in Iowa in 1995 and 1996, I discovered that going county by county.

I am sympathetic to the thought that change which is really ridiculous ought not to be entertained. It seems to me we are at a point where the idea that I have brought forward benefits a very large majority of farmers, and I think without harm to those who are more efficient because my guess is they will benefit the most from higher prices. They, by and large, have lower costs through research and through the methods they have adopted. This is likely to lead to more of a golden age for agriculture than what might be sort of a descending situation that many of us have been describing.

Mr. HARKIN. If my friend would yield for a little colloquy, I just ask my colleague again if he will elaborate a little longer on why the prices would tend to go up under the scenario he just described. I would think they would go down. But why does the Senator think the prices will go up?

Mr. LUGAR. My theory is that less will be planted; fewer acres of corn will be planted and fewer acres of soybeans will be planted.

I believe the current system, plus the additions that your bill would provide, offer incentives to plant more acres. I believe, given new, modern methods, and the research that we are both for, that is going to lead to higher yields—besides more acres—more bushels, and lower prices. That could change if we had a worldwide boom and our exporting thing works or El Nino knocked out half of one country's production. So these things happen from time to time.

My guess is, to answer the Senator truthfully, many farmers, despite the Freedom to Farm, still have incentives to do basic row crops. That is where the money is.

Mr. HARKIN. I say to my friend from Indiana, I believe what he is saying is that farmers will get market signals. In other words, they are out there, and if the price goes down, they will plant less. So then you have a drop in prices, and farmers will plant less, and then the price will go back up. I assume that is what the Senator is saying.

Mr. LUGAR. Yes. For example, on my farm, we know that a bushel of soybeans is going to get about $5.43 no matter what the market price is. People lament that beans have been down close to $4 a bushel. Indeed, they are, but not for our farm, or for anybody else who really is involved in the farm program involving soybeans. So I want to maximize production irrelevant to whatever the market signals are because I know for every bushel of those beans I am going to get the $5.43.

This is the way the world works. This is one reason why soybean production has been booming while prices have been falling. It need not always be the case. If there were no such loan, if I were not guaranteed the $5.43, then I really would have to be thoughtful about how many acres of soybeans I would plant. I would really have to begin to calculate how the world works in terms of markets as opposed to Government programs.

Mr. HARKIN. I ask my friend: OK, if you are not going to plant that, what would the Senator plant? You have land. You have fixed costs.

Mr. LUGAR. Yes. I would have to find an alternative crop that looked better for me. For the moment, my guess is that I would probably go to more corn, just as a practical matter. Corn is not so heavily subsidized. The $1.89 I am guaranteed is not as attractive as the $5.40 for the other situation. On the other hand, other farmers have calculated that, too. So they have planted less corn, not added more beans. They all might shift back, so it makes agriculture interesting.

Mr. HARKIN. That is the concern I have.

Mr. LUGAR. Yes.

Mr. HARKIN. In a system such as that, my concern is the boom-and-bust cycle: Prices go all to heck for soybeans. So farmers say: OK, we are not going to plant soybeans. We are going to go to corn. So the price of soybeans booms up and then the price of corn goes down, and then they jump out of that and, say, get back into beans again. So you get these huge fluctuations.

Mr. LUGAR. Yes.

Mr. HARKIN. So we are trying to keep at least some stability in there so you do not have those wild swings in prices.

Mr. LUGAR. I will make another radical suggestion. This is purely anecdotal from our farm experience. But I planted, over the last 18 years, 60 acres of black walnut trees. This is on acreage that I found was submarginal. We used to plant more, but it appears that sort of is a grandfather's dream. I will not be there.

But you have, at least it seems to me—by all the calculations by the foresters who measure the growth year by year—more of a return from the walnut trees than I am getting from the corn. That is a very long-range vision.

Mr. HARKIN. Sometime down the road.

Mr. LUGAR. Yes. You asked for alternatives. Clearly, there are a good number of people who are family farmers who intend or at least hope that their farms will be family farms for a long time. They are doing alternative planning.

Mr. HARKIN. I agree, to the extent there are alternatives people can use. Obviously, though, as the Senator has said, the return you get off that is sometime down the road, not right now.

And I think, just again, being a little bit parochial about it, in our area of the country, in the upper Midwest, there is a reason why we plant corn and beans.

It is very suitable for that. There is some wheat, a little bit, some smaller grains, maybe up in Minnesota, the northern part up there, but in our area we are corn and beans. We plant those crops because that is what the land is productive for in that area of the country. It is very hard. We don't grow rice. Wheat is OK. We can get wheat, but that will just depress the price of wheat. We could grow wheat. But there is just not much else.

When I was a kid—I am sure for the Senator as well—we had orchards. We had a lot of orchards, vegetable gardens, a short growing season. It was OK for the family, but to really make a living out of it wasn't too viable. So we are sort of stuck on corn, beans, maybe alfalfa, some hay, things like that, some sorghum—basically corn and beans. And then you have all your land tied up. You have your land and then your machinery, your equipment. You have all that fixed cost already there. I have a big combine. I put a lot of money in it, and it doesn't do much to plant black walnut trees. I can't get much money out of that to do that.

I ask the Senator to think about something that was said to me at one time. I don't know if it is true, but it made sense to me economically—why agricultural economics is a little bit different.

The farmer is sitting out there—think about your own land—the farmer is sitting out there, fixed land, has his equipment. Let's just take the farmer who doesn't have all the land paid for, may own some, and rent some. That is usually the case. He has equipment, some paid for, probably some he is still paying for. If the price of the commodity he is growing—let's say in this case corn or beans—goes down, the normal thought process is, other people would say, if the price goes down, the farmer would be a darn fool to plant any more of that.

But the farmer goes out and plants more corn. Is he a darn fool? My response is, no. Because what he is thinking is: OK, I have my land out there. I have my equipment. I have all those fixed costs. The marginal cost of planting an additional acre always approaches zero. He doesn't know that, but that is what it is. So if I plant 100 acres, my cost may be whatever. If I add an additional 10 acres, the cost to plant that additional 10 acres is not as much as the first 100. If I plant an additional acre on the side of that, its cost is even less because I already have my equipment and all that stuff. The time involved is not that much.

The farmer says: I have all that equipment. So if the price is down, I have to produce more. So if I was getting $2.50 for my corn, and now I am getting $1.80, I will just grow more corn.

So it really is a perverse economic kind of thing, sort of counter intuitive—I ask my friend from Indiana if that might not be the case—because farmers don't have control over everything. If I controlled everything, like General Motors, I could say, yes, I will cut down production. But each individual farmer out there with that fixed land, the equipment, his costs, his sunk costs, he says: If prices are down, I had better grow more.

Does the Senator from Indiana have some sense that that happens sometimes?

Mr. LUGAR. I would respond to my friend that that probably frequently happens. Probably a majority of farmers will continue to plant about what they are doing now. What I am discussing really is at the margins, that overproduction has seemingly continued and maybe accelerated as the farm bill has progressed—not just the one we are in but the one before that. The control factor is something that the Senator and I have considered during our work on the Agriculture Committee with the crop insurance innovations.

For example, this gives the farmer a lot of control. I would say in my own situation, I purchased the 85 percent crop revenue insurance this year. Before I planted, I knew I was going to get 85 percent of the income from my beans and corn of the last 5 years or the average period that was a part of the premium I paid. That is a lot of assurance. Then I can go more aggressively into the futures market, sell corn that I don't even have in the ground, or not planted it in the event that it appears to me circumstances are adverse.

Farmers in the past didn't have those sorts of options. Some are not taking advantage of them now. Nothing in this amendment affects the crop insurance situation, which remains a very important part of this management of risk and control that we now have.

Mr. HARKIN. I understand. The Senator is right. His amendment doesn't touch crop insurance. I understand that. I am concerned about this idea that somehow farmers will get these market signals and they will plant accordingly. I still think there has to be a role for the big bad government to play through the Department of Agriculture, through us here in the Senate and House, to help to try to stabilize it somewhat, and to provide for some constancy out there in terms of what to expect in terms of price supports.

I guess it is my own personal belief, based upon my studies and being here for a long time and looking at what has happened to agriculture, we could get into a period where we have some violent swings. Then I think we might be in a situation where we would find—I am loath to say this to my friend from Indiana because it always sounds as if we are doing the bad foreign baiting type of thing—if we don't do this, the foreigners will do it.

I don't necessarily buy that, but to a certain extent I think we get into a situation where we have those fluctuations like that. We might encourage more of our competitors around the world to be growing these crops and maybe taking some of their marginal lands out of production in growing crops, which I don't think would be good for the environment or anything else. I wonder about that also.

Again, as I said, those are just the concerns I have with the amendment of the Senator in terms of land prices and violent swings in commodity prices. And perhaps we just have a different philosophy on what the role should be. I believe there should be a role for the Government to try to keep wild swings from happening and prop up these prices a little bit in the marketplace. I don't want to provide the ultimate security, but some security out there, to say, it will go down, but it is not going to go any lower than this.

Mr. LUGAR. The chairman and I have been in entire agreement that we ought to be devoting more of our resources in this bill to research, to agricultural community development—really the bulk of the rural people are not farmers who are going to benefit.

Mr. HARKIN. That is true.

Mr. LUGAR. The educational process for the young, as well as loans, and this important energy research. Clearly, if our country adopted an energy policy that featured the biomass, the ethanol, or other products that come from that, we would have a different farm scene. I pray that will occur, as does the Senator. But it won't, really, without a great deal of effort on our part.

These are hopeful signs for the future. I think we both agree, we don't want to bump up against the WTO ceilings because that really would jeopardize our export position. And I have offered a prudent step that takes us way back from that apparently. I have a lot of government still here: $7,000 for maybe 1.3 million entities is a lot of government but, at the same time, a level that I think will not perversely accelerate the land value, overproduction, and really finally does cost a lot less money at a time that we are in deficit finance.

I appreciate the Senator's thoughtful objections to this, but I persist nonetheless and ask for support of the amendment.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I suggest the absence of a quorum with the time evenly divided. How much time remains on both sides, if I may inquire?

The PRESIDING OFFICER. The Senator from Indiana has 2 minutes 8 seconds; the Senator from Iowa controls 14 minutes 26 seconds.

Mr. LUGAR. I thank the Chair.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARKIN. 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. HARKIN. Mr. President, I say to my friend from Indiana, I want to be honest, so for the record, according to my staff who did this research, about two-thirds of those receiving payments in Iowa get less than $7,000. The Senator's is one-fifth? Ours is one-third.

Mr. LUGAR. At least three-quarters receiving less than $7,000.

Mr. HARKIN. We have about 160,000 farmers or entities receiving payments. Iowa farmers who get more than $7,000 are about 55,000 out of that 160,000—that is about a third—farmers getting less than $7,000, 105,000; farmers getting more than $15,000 are just under 30,000; and farmers getting less than $15,000, fewer than 130,000. It would be 105,000 farmers getting less than $7,000, and about 55,000 would be getting more than that.

The PRESIDING OFFICER (Mr. CARPER). The Senator from Nevada.

Mr. REID. Mr. President, I have determined from conversing with the two managers of the bill that they are going to yield back their time on this amendment. That being the case, I ask unanimous consent that the time be considered yielded back and that following 5 minutes for the Senator from

New Jersey on an unrelated matter, the Senate begin voting on the Lugar amendment.

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

The Senator from New Jersey.

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

The PRESIDING OFFICER. The question is on agreeing to the Lugar amendment No. 2827.

Mr. HARKIN. I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. NICKLES. I announce that the Senator from Texas (Mr. GRAMM), the Senator from Tennessee (Mr. THOMPSON), the Senator from Arizona (Mr. MCCAIN), and the Senator from New Mexico (Mr. DOMENICI) are necessarily absent.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 11, nays 85, as follows:

[Rollcall Vote No. 19 Leg.]

YEAS—11

Chafee	Gregg	Santorum
Collins	Kyl	Smith (NH)
Corzine	Lugar	Voinovich
Ensign	Murkowski	

NAYS—85

Akaka	Dorgan	Lott
Allard	Durbin	McConnell
Allen	Edwards	Mikulski
Baucus	Enzi	Miller
Bayh	Feingold	Murray
Bennett	Feinstein	Nelson (FL)
Biden	Fitzgerald	Nelson (NE)
Bingaman	Frist	Nickles
Bond	Graham	Reed
Boxer	Grassley	Reid
Breaux	Hagel	Roberts
Brownback	Harkin	Rockefeller
Bunning	Hatch	Sarbanes
Burns	Helms	Schumer
Byrd	Hollings	Sessions
Campbell	Hutchinson	Shelby
Cantwell	Hutchison	Smith (OR)
Carnahan	Inhofe	Snowe
Carper	Inouye	Specter
Cleland	Jeffords	Stabenow
Clinton	Johnson	Stevens
Cochran	Kennedy	Thomas
Conrad	Kerry	Thurmond
Craig	Kohl	Torricelli
Crapo	Landrieu	Warner
Daschle	Leahy	Wellstone
Dayton	Levin	Wyden
DeWine	Lieberman	
Dodd	Lincoln	

NOT VOTING—4

Domenici	McCain
Gramm	Thompson

The amendment (No. 2827) was rejected.

Mr. HARKIN. Mr. President, I move to reconsider the vote.

Mr. LUGAR. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The PRESIDING OFFICER. The Senator from Iowa.

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

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

VISIT TO THE SENATE BY THE PRESIDENT OF ROMANIA

Mr. HELMS. Mr. President, I ask that it be in order for the Senate to stand in recess in honor of the distinguished guest we have today. He is the President of Romania. He is in his second term. His name is Ion Iliescu. Welcome, Mr. President.

RECESS

Mr. HELMS. Mr. President, I ask unanimous consent that the Senate stand in recess for about 6 or 7 minutes.

There being no objection, the Senate, at 4:05 p.m., recessed until 4:10 p.m. and reassembled when called to order by the Presiding Officer.

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

Mr. HARKIN. 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. HARKIN. 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. HARKIN. Mr. President, I understand under the procedure agreed to earlier, this side will now be recognized to offer an amendment. I understand Senator CARNAHAN has an amendment to offer. I understand we are ready to proceed to the Carnahan amendment. I was going to ask for a time agreement, but obviously we cannot proceed with a time agreement at this time.

I yield the floor.

The PRESIDING OFFICER. The Senator from Missouri.

AMENDMENT NO. 2830 TO AMENDMENT NO. 2471

Mrs. CARNAHAN. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Missouri [Mrs. CARNAHAN], for herself and Mr. HUTCHINSON, proposes an amendment numbered 2830 to amendment No. 2471.

Mrs. CARNAHAN. Mr. 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 permanently reenact chapter 12 of title 11, United States Code)

At the appropriate place, insert the following:

SEC. . REENACTMENT OF FAMILY FARMER BANKRUPTCY PROVISIONS.

(a) REENACTMENT.—Notwithstanding any other provision of law, chapter 12 of title 11, United States Code, is hereby reenacted.

(b) CONFORMING REPEAL.—Section 303(f) of Public Law 99–554 (100 Stat. 3124) is repealed.

(c) EFFECTIVE DATE.—This section shall be deemed to have taken effect on October 1, 2001.

Mrs. CARNAHAN. I ask unanimous consent Senator HUTCHINSON of Arkansas be added as a cosponsor to this amendment.

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

Mrs. CARNAHAN. Mr. President, let me commend the two managers of this bill, Senator HARKIN and Senator LUGAR. Trying to forge a consensus on a farm bill is a daunting task. The work is absolutely critical for family farmers in Missouri and throughout the Nation.

This amendment is designed specifically to help ailing family farmers. It will make permanent chapter 12 of the bankruptcy law. Chapter 12 offers an expedited bankruptcy procedure to family farmers in an effort to accommodate their special needs. It was first enacted in 1986 and has been extended several times since then—in fact, twice last year.

The provisions of chapter 12 allow family farmers to reorganize their debts as opposed to liquidating their assets. These provisions can be invaluable to farmers struggling to stay in business during difficult times. Unfortunately, chapter 12 expired on October 1 of last year. The Carnahan-Hutchinson amendment seeks to make permanent these bankruptcy provisions and reinstates them retroactively to the date when they last expired. The retroactivity will ensure there are no gaps in availability of these procedures.

The larger bankruptcy reform bill currently pending before the House-Senate conference committee includes a permanent extension of chapter 12. Nevertheless, America's family farmers should not have to wait for us to complete our work on the bankruptcy reform bill. Farmers and farm groups across Missouri have urged me to try to get these provisions reenacted as quickly as possible. They stress how important chapter 12 can be during tough times.

This amendment is also important because the retroactivity will eliminate uncertainty for farmers who have cases already pending.

Legislation extending these provisions passed the House of Representatives twice last year by votes of 411 to 1 and 408 to 2. These laws were both subsequently approved by the Senate by unanimous consent. It is my hope we can approve this amendment and complete our work on the farm bill quickly.

I reserve the remainder of my time.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Mr. President, I commend Senator CARNAHAN for her excellent statement and for introducing this amendment. I am proud to be a cosponsor.

Earlier today I filed amendment No. 2828 which did precisely this, making permanent chapter 12 provisions and making them retroactive. Obviously, there is no need to pursue that amendment. I am very pleased to be able to cosponsor this amendment with Senator CARNAHAN. I look forward to its quick passage as well.

I was very disappointed earlier today in the payment limitation amendment being adopted and the consequences I believe it will have for southern agriculture. I know other parts of the country do not face that problem and will not see the impact we will see in Arkansas, Mississippi, Alabama, and across the South. Consequences will be real and severe. That is why the permanent extension of the chapter 12 bankruptcy for farmers is so essential. It is unfortunate it is so essential.

We talk of our farm bill having a safety net. That safety net expired last year, and the enactment of chapter 12 bankruptcy is critical. The temporary basis of past law has Members again seeking to protect our Nation's farmers. This law was enacted on a temporary basis because Congress did not know whether it would work. We now know it does work and it should be permanently enacted. It was passed back in 1986. In the past 14 years, 20,000 American farmers have filed to reorganize their debts under its protection. It was designed to help farmers who receive more than half of their income from farming and have total debts of less than $1.5 million. It hopefully allows them to stay in farming. It has worked very well.

It is unfortunate so many of our farmers are being forced into bankruptcy. I join my colleagues in pointing out this disturbing fact. I ask those same colleagues to join me in doing something. Between 1999 and 2001, the Farm Service Agency in Arkansas has seen a 28-percent increase in filings for chapter 12 bankruptcy. I mentioned earlier I attended one of those farm auctions this weekend. The newspaper ad announcing the auction said: Three more farmers calling it quits.

That is what we are seeing over and over again across the South—calling it quits, not being able to make a go of it under the current commodity prices and in the absence of a predictable farm policy. There has been a 28-percent increase in filings for chapter 12 in Arkansas. Chapter 12 helps farmers get through bad times without having to give up the farm and helps them, hopefully, to get on their feet.

Before chapter 12, banks would not negotiate with farmers and they would be forced to sell the farm. Chapter 12 provides farmers the ability to have more flexibility to reorganize their financial affairs. Farming requires a tremendous amount of capital investment. Under most other provisions of bankruptcy, farmers would be required to sell a lot of their machinery and oftentimes sell their property also. This sends these farmers spiraling toward collapse because it nearly eliminates the chance farmers could work themselves out of their financial situation.

This legislation is currently tied up in the bankruptcy reform conference. It has been there now for 6 months. All the while, farmers are going out of business, forced to sell their equipment, and sell their assets, and sell their property.

Our country is in a recession. The agricultural community has been in a recession for several years. Many commodity prices are at their lowest point in nearly 50 years. In the past, we have supported short-term, short-sighted extensions. It is time to permanently enact these bankruptcy provisions. In this time of economic uncertainty, forcing farmers to liquidate their assets is not the answer. The answer is permanent enactment of chapter 12 bankruptcy, allowing farmers the ability and freedom to reorganize their debt and stay in farming.

Once again, I thank Senator CARNAHAN for filing and offering this amendment. I am glad to cosponsor the amendment. I hope for its quick passage this afternoon.

Mr. LEAHY. Mr. President, I am pleased to cosponsor this amendment by Senator CARNAHAN to retroactively renew family farmer bankruptcy protection and make Chapter 12 a permanent part of the Bankruptcy Code. I commend Senator CARNAHAN for her continued leadership in protecting family farms across the country.

Unfortunately, too many family farmers have been left in legal limbo in bankruptcy courts across the country since Chapter 12 of the Bankruptcy Code expired on October 1, 2001. Congress needs to move quickly to restore this safety net for America's family farmers.

This is the third time in the last year that this Congress must act to retroactively restore basic bankruptcy safeguards for family farmers because Chapter 12 is still a temporary provision despite its first passage into law in 1986. Our family farmers do not deserve these lapses in bankruptcy law that could mean the difference between foreclosure and farming.

In 2000 and into last year, for example, the Senate, then controlled by the other party, failed to take up a House-passed bill to retroactively renew Chapter 12 and, as a result, family farmers lost Chapter 12 bankruptcy protection for 8 months. The current lapse of Chapter 12 has lasted more than 4 months. Enough is enough. It is past time for Congress to make Chapter 12 a permanent part of the Bankruptcy Code to provide a stable safety net for our nation's family farmers.

In the current bankruptcy reform conference, I am hopeful Congress will update and expand the coverage of Chapter 12 as Senator FEINGOLD has proposed in the Senate-passed reform bill.

In the meantime, the Senate should take the lead and quickly restore and make permanent this basic bankruptcy protection for our family farmers across the country by adopting the Carnahan amendment.

Mr. GRASSLEY. Mr. President, I'm a strong supporter of Chapter 12. I wrote it; I believe in it. But I believe it belongs in the bankruptcy bill which is currently in conference. I hope that the Majority Leader will step up to the plate and help move this conference along. The bankruptcy bill contains many provisions that would make life better for farmers and it would be a serious mistake not to enact the bankruptcy bill soon.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, I join with the Senator from Arkansas and the Senator from Missouri in supporting this amendment. I compliment both Members for addressing this issue. I compliment the Senator from Missouri for offering this amendment and the Senator from Arkansas. This is something sorely needed. I hope it will have strong support.

I hear a lot about this in the countryside. Quite frankly, in these tough times, more and more I think we will need the benefit of chapter 12.

As I understand it, this does go back retroactively to last September, if I am not mistaken, and it will cover a number of farmers using chapter 12 proceedings and making it permanent. At least it lets them know it is going to be there from now on and we will not have to keep reauthorizing it. I ask to be added as a cosponsor of the amendment.

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

Mr. LUGAR. Mr. President, I join the chairman in commending the distinguished Senators from Missouri and Arkansas for a very constructive amendment. I am hopeful it will have universal support.

Let me add a point of procedure. Senator HATCH wants to speak on the amendment. He is not visible for the moment. At a certain proper time, I will consult with the chairman. We may want to set this amendment aside so we have floor activity. I know of no opposition, but Senator HATCH is still to be heard from, so we want to reserve the opportunity for him to speak if possible.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mrs. CARNAHAN. Mr. President, I ask unanimous consent that Senator LEAHY be added as a cosponsor.

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

Mrs. CARNAHAN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mrs. CARNAHAN. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. Is there further debate?

Mr. HARKIN. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill 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.

Mr. REID. Mr. President, I have conferred with Senators LUGAR and HARKIN, the two managers of this legislation. I ask unanimous consent that the vote on or in relation to the Carnahan amendment occur at 5:40 today.

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

Mr. REID. Mr. President, I ask unanimous consent that the pending amendment, that of Senator CARNAHAN, be set aside and that Senator CRAPO be allowed to offer his amendment. For the information of Members, he would offer this amendment, speak until 5:40. There are other Members who probably wish to speak on this amendment. Then the agreement between Senator CRAPO and the two managers and I would be that when the debate is finished on his amendment this evening, the amendment would be laid aside and we would take it up again next week.

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

Mr. HARKIN. 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. CRAPO. 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. 2533

Mr. CRAPO. Mr. President, I call up amendment No. 2533.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. CRAPO], for himself and Mr. CRAIG, proposes an amendment numbered 2533.

Mr. CRAPO. 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 as follows:

(Purpose: To strike the water conservation program)

Strike section 215.

Mr. CRAPO. Mr. President, this amendment strikes section 215 of the Water Conservation Program from this bill. I have introduced this amendment on behalf of not only myself but Senator CRAIG, Senator DOMENICI, Senator THOMAS, Senator ENSIGN, Senator ALLARD, Senator CAMPBELL, Senator HAGEL, Senator ENZI, Senator BURNS, and Senators HATCH and BENNETT of Utah.

This amendment is essentially a debate over whether the Federal Government should make an unprecedented move into the management, allocation, and use of water nationwide through the farm bill.

Historically we have had some very successful programs in the farm bill dealing with conservation. In fact, I have often stated, as I talk around the country about the farm bill, that in addition to creating our domestic farm policy, the farm bill has many other incredibly important provisions, not the least of which is its conservation title. It is probably the most important environmental piece of legislation this Congress considers on a regular basis.

One of those important environmental programs is the Conservation Reserve Program. This is a program that is time honored and has worked for many years in a way that has assisted farmers while at the same time assisted those who seek to improve the habitat for fish and wildlife around our country and to protect and preserve and strengthen our environment.

The Conservation Reserve Program is one which, in essence, allows a farmer to put his or her land into the program and idle it, allowing for more and better growth and development of habitat for wild species while at the same time allowing the farmer to receive some compensation for the agreement to do the effort of working to develop a habitat and protect it.

It is a program, as I say, that has been very successful and very well received, and in this farm bill there are proposals to improve and increase the availability of the CRP to those in the agricultural arena.

I have worked for months now on developing a very strong conservation title that can be a part of whatever we move forward on in the arena of our agricultural policy. In the proposals I have made, we have, indeed, added and improved the scope and reach of the CRP.

The water provisions we are debating today are an effort to link, if you will, administration of the Endangered Species Act with this very successful CRP, and to do so in a way that will intrude on State sovereignty over water and will create inappropriate pressures on our farmers, our agricultural producers, to give up their water rights and will not result in more effective benefits for the wildlife.

In essence, the language we are debating says, as to some of that increased CRP land we are proposing to be put into the new farm bill, about 1.1 million acres of it, that in order to participate in that new CRP land, a farmer would have to agree to give up either temporarily or permanently his or her water rights to the Federal Government.

First, this is creating a condition on our farmers for their participation in a portion of a very successful conservation program, a condition that is unnecessary and is harmful.

Second, it is walking all over States rights. Today States have sovereignty over the allocation, management, and use of water and water rights, and this is an unprecedented move of the Federal Government into the management, allocation, and use of water rights and, frankly, a move that will put the Federal Government in control of water rights in return for giving farmers the permission to participate in the CRP.

Third, the States already have programs and operations in place that enable them to address the questions of the need for water for species management. In fact, in my State of Idaho, we already are working very aggressively in salmon and steelhead recovery efforts to work with private property owners and water rights holders to make certain we are able to get water to the species that need it without harming the agricultural community and the other interests of water users, and we are doing so very successfully.

In fact, with permission, I would like to read briefly from a letter to me from former Senator Kempthorne, now Governor Kempthorne of the State of Idaho. I ask unanimous consent to read from this letter.

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

Mr. CRAPO. Mr. President, this letter, sent by Governor Kempthorne on December 11, says:

The water conservation program—

The water proposals I am talking about right now in this bill—

are not consistent with the laws of the 18 Western States, including those of the State of Idaho. In addition, the goal of implementing water quantity and water quality improvement demonstrated to be required for species listed under the Endangered Species Act can largely be achieved under existing State laws.

My point is that the objective of this language we are talking about is certainly worthwhile: getting water, quantity and quality, to the species that need them. But the States already have programs in place to achieve these objectives, and it is achieved very successfully in Idaho.

Governor Kempthorne goes on to point out:

In Idaho, the U.S. Bureau of Reclamation has been able to rent water from the State water supply bank from willing sellers pursuant to State law for almost a decade. More recently, the Bureau has rented water while in the Lemhi River, a tributary of the Salmon River, for the benefit of fish species. Again, this was done under the auspices of State law in cooperation with willing sellers.

My point again is that State law already provides mechanisms for the objectives of this water language to be achieved. We do not need to insert the Federal Government into the control of water rights, and we do not need to condition participation in a very successful conservation program and pressure being brought to bear to force farmers to give up their water rights either temporarily or permanently.

I will make another point and then yield the floor because I know there are other Senators concerned about this matter and who want to speak about it. The point is this: We have all had a lot of experience under the Endangered Species Act with its implementation and management. A very critical question has been raised about this language with regard to what happens if it is adopted and a farmer, in order to participate in this program, agrees to temporarily give up his or her water rights, thinking: I can get those water rights back at some point when I determine I would like to say it is time to return them to me.

What if a species has become dependent on that water? Under the Endangered Species Act, section 9, the question arises: Does that become a taking? Does there need to be a NEPA analysis before the Federal Government can return the water rights to this farmer? Does it have to go through an analysis of section 9 of the Endangered Species Act and under NEPA and other provisions of Federal law to determine whether other Federal law would be violated by the return which is contemplated by this very language?

Those are the kinds of questions that must be answered, but they are the kinds of questions that also raise clearly the problem that is addressed in terms of the Federal Government beginning to assert itself into this process.

Mr. President, I know we have a limited time right now, so I am going to conclude my remarks. I know there are a number of other Senators who will seek time. I have been told to remind them all we only have about 15 minutes of debate remaining.

I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. CAMPBELL. Mr. President, I rise to support Senator CRAPO's amendment to strike the language in the Conservation Reserve Enhancement Program.

Before the holiday recess, we debated a slightly different version of Senator REID's proposal. The holidays gave us sufficient time to look over the language and to get feedback.

I can tell my colleagues that in my State our Governor, our attorney general, the Colorado Farm Bureau, and literally every rancher and farmer I talked to during the break strongly oppose this language.

Senator REID has included some very controversial language. I have great respect for Senator REID and consider him a close friend, but I think this is just dead wrong. The recent change cannot cure the flawed provision.

First of all, some might refer to Senator REID's proposal as a mere extension of CREP, a program that can only be extended if it already exists, but water rights should not be part of the Conservation Reserve Enhancement Program. Therefore, the addition of water rights is a fundamental change to the existing program. Such a change should require hearings, study, or some level of congressional inquiry, and yet there has been none to date.

Our constituents expect us to be fully informed. Since this is the first that most of us have heard of creating what is effectively a new program, how can we possibly be fully informed? We cannot, and I simply cannot vote for something that can hurt farmers in my State when we do not know the effects.

I carefully reviewed the language letting the States hold water rights rather than the Secretary of Agriculture, as Senator REID recently proposed.

At first glance, this might sound reasonable, properly deferring to the primacy of State water courts in the West. However, the new language requires the Secretary of Agriculture to review and approve the interested State's program.

Again, the United States waived its sovereign immunity and consented to deferring to State adjudication of water rights. In 1993, the U.S. Supreme Court reaffirmed that law ensuring that Federal claims are subject to State water courts.

Senator REID's language would make a change to CREP and would bring the Federal Government back into the equation. Whether intentional or not, the USDA review and approval requirement amounts to a sleight-of-hand Federal regulation of a precious State resource resulting in de facto Federal involvement.

Again, this dramatic change to the CREP creates way too many questions. First and foremost, of course, is why should water be included in this farm bill? Second, this new program would give priority to a State program that addresses endangered, threatened, or ''species that have been called threatened or endangered.'' Senator CRAPO alluded to this.

It may also include those that ''may become threatened.'' I do not have to remind my friends from the West of the controversy currently surrounding the Canadian lynx and the fish in the Klamath Basin and my State of Colorado, too, species that were actually endangered and, in some cases, we are finding out now, in the case of the lynx, they were not really endangered. There were dummied statistics to make them look endangered.

Before granting discretion to affect ''species that may become threatened,'' we should determine how many problems actually are there and what kind of corrective action should be taken.

Senator CRAPO mentioned the question, if we lease water to the Federal Government and they use it for a different purpose than the farmer used it, if it creates an area that may become an actual endangered species habitat, would that, under the Endangered Species Act, supersede the rancher's and farmer's ability to get the water rights back when the lease is over? That is a question we should ask ourselves.

My colleagues have stressed this language would not disrupt water rights because it only affects ''willing sellers.''

What about the downstream farmer? In the West, all of us know that water is used more than once.

I have a small ranch. I think I am about fourth in the use of the water. The wastewater is then filed on by people who are downstream or have areas of ranching territory lower than others. So you may have four or five people who use the same water. Of course, priority right is given by senior water rights or junior water rights, depending on how early they were on the claims in the filing. If a senior rights holder upstream leases from the Federal Government, where does that leave the junior rights holders who also rely on that water to feed their crops or their livestock? Could they be also in danger? I think they could.

In Colorado, much as in all the rest of the West, water is treated apart from the land. It is considered a property right. It can be taken from the land and sold separately, which it often is. So long as the change does not injure other water rights, I think this language, because of the way we reuse the water over and over, could certainly jeopardize junior rights holders.

Colorado is an arid State. Its strained water supply has been over appropriated. In other words, the demand for water exceeds our supply. That is what we are always in court about and always fighting about. Even more challenging, Colorado's population is projected to grow 63 percent in the next 25 years. The growth, in fact, is only superseded by the growth in Nevada and Arizona. We are the third fastest growing State. I certainly would oppose any action to jeopardize any State's rights to use the water it legally owns.

In order to meet water needs, communities have entered into water compacts. I believe this language leaves too many questions about what happens to inter-basin compacts, inter-State compacts, and international compacts. Both the Colorado and the Rio Grande headwaters are in Colorado. We have nine rivers that flow out of Colorado. All of them are subject to those compacts. The two major rivers I

mentioned are subject to compacts with another nation, Mexico, as they receive water from both of those resources.

In closing, many of my colleagues like to say they are moving a farm bill because that is what farmers want. The group, Environmental Defense, was quoted today in Congress Daily concerning Senator REID's language, and I would like to remind my colleagues they are purportedly acting pursuant to the farmers' interests and what the farmers want.

Well, I know the Farm Bureau has gone on record as opposing this language. The Farm Union was in my office also opposing this language, and I oppose this language. So I hope my friends recognize the real long-term dangers that could exist for water users in all the Western States if the Reid language is included.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Mr. President, I am pleased to join with my colleagues from the West and my partner from Idaho, MIKE CRAPO, to support an amendment to strike a section from this bill that deals with the very critical issue of western water. This area is being called the water conservation program.

I will submit for the RECORD a letter from the President of the American Farm Bureau. Basically, he puts it rather clearly:

The American Farm Bureau Federation board of directors in a special meeting on Tuesday, December 18, 2001, voted to oppose Senate passage of the farm bill if it contains the water language that your amendment is intended to strike.

I ask unanimous consent that the American Farm Bureau letter be printed in the RECORD.

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

AMERICAN FARM BUREAU FEDERATION,
Washington, DC, December 19, 2001.

Hon. MICHAEL CRAPO,
U.S. Senate, Russell Senate Office Building, Washington, DC.

DEAR SENATOR CRAPO: I am writing to convey the strongest support possible of the American Farm Bureau Federation for your amendment to strike the Reid water rights language from the conservation title of S. 1731. This language poses an extraordinary new threat to agriculture and the ability of farmers and ranchers to remain economically viable.

The water provisions in the bill set a dangerous precedent that would erode historic state water law. Additionally, it will expand the scope of the Endangered Species Act to cover a new category of species that are not in fact threatened or endangered. These changes are unacceptable to agriculture and will affect agricultural producers well beyond those who participate in the Conservation Reserve Program.

The American Farm Bureau Federation board of directors in a special meeting on Tuesday, December 18, 2001 voted to oppose Senate passage of the farm bill if it contains the water language that your amendment is intended to strike.

Sincerely,

BOB STALLMAN,
President.

Mr. CRAIG. I am not sure one can get much clearer than the language of Bob Stallman as he talks for the thousands and thousands of members of the Farm Bureau across the Nation and, most importantly, in the 18 Western States that are most dramatically affected by the Reid provision.

A long while ago, long before the Presiding Officer or I ever thought about coming to the Senate—or maybe our parents even thought they might have sons that would come to the Senate—this Congress decided the best way to solve water problems in the arid Western States and western territories was to allow those States and their governments to make those determinations. Why? Because water was so very scarce, and only the Western States with their perspective could determine the allocation of water. It was never true this side of the Mississippi where there was 30 or 40 or 50 inches of rainfall on an annual basis. Water was viewed sometimes as a problem, not an asset or not a rare commodity, but that is not true in Idaho, Arizona, Colorado, New Mexico, California, or Wyoming where water is truly a scarce commodity. Over decades of time, our States have very carefully and cautiously allocated that water.

My colleague from Idaho, and the Senator from Colorado, spoke about some of the methods, the compacts, the water laws, and also the sensitivity that water had to be left instream to take care of endangered species, and those decisions had been made in the States where they most appropriately ought to be made to assure that critical balance in the aridness of the West, of where the water was, how it got allocated and how it got used.

Never before have we attempted to reach over State law by the character of the Reid amendment and create a rather perverse incentive that said we will reward you if you will take land out of production and, by the way, in doing so, you have to put your water in a waterbank to be reallocated.

I do not believe that is the right or the prerogative of the Federal Government in any of its policies under any incentive to do so. That is the right of the States, the State legislators, their State water boards of resources, and the methods by which they have established water allocation historically and currently. That is why it is critically important that the Crapo amendment pass. It is so very important for all of the West that that happen and that we never allow our Government in any way to infringe upon those rights.

We in Idaho, as is true of those other 17 States, are very sensitive to the needs of wildlife as it relates to the needs of the human species, as it relates to the needs of agriculture and the consumptive uses versus the conservation uses. We have worked constantly to strike that balance, and we do so today.

Water use and water allocation are a dynamic process in our States, as it must be because it is a rare commodity, constantly being demanded by someone for another purpose and another use. This city and those who work in these Halls do not collectively have the understanding that our colleagues in the West have for these unique purposes.

That is why I stand in support of the Crapo/Craig amendment this evening and hope our colleagues will join with us in its passage to change the provision of the Reid water language in S. 1731, better known as the water conservation program. I believe that proposal is a war on western water rights and western prerogative. Let us not get it started. Let us snuff it out before the first shot is fired.

I yield the floor.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. Mr. President, I am opposed to the Reid provision in the farm bill and stand in support of the Crapo amendment to remove that provision.

May I inquire as to how much time remains?

The PRESIDING OFFICER. There is approximately 1 minute before the vote under the previous order.

Mr. ALLARD. Mr. President, I ask unanimous consent that I be recognized immediately after the vote to speak on the Crapo amendment.

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

Mr. ALLARD. Mr. President, briefly I want to talk about the fact we have not had any hearings on this particular issue. I do not know how many Senators who come from a different part of the country than those of us in the West have come up to me and said: We do not understand your water law. Granted, it is complicated and it varies a little bit from State to State. Due to that complexity, I don't think we are doing the Members of the Senate any service by rushing this matter through and not having proper hearings and giving everybody an opportunity to understand the full impact of this piece of legislation.

The U.S. Supreme Court has clearly given the States the sovereignty in the matter of water adjudication. We are talking about a property right. My State of Colorado has recognized water as a property right. We have sometimes referred to it as the ''doctrine of prior appropriation'' or perhaps simply the ''Colorado water doctrine.'' Many Western States have followed suit and the laws have been put in place in the State of Colorado.

VOTE ON AMENDMENT NO. 2830

The PRESIDING OFFICER. Under the previous order, the Senate will now vote on agreeing to the amendment of the Senator from Missouri. The yeas and nays have been ordered. The clerk will call the roll.

The legislative clerk called the roll.

Mr. FITZGERALD (when his name was called). Present.

Mr. REID. I announce that the Senator from Vermont (Mr. JEFFORDS) is necessarily absent.

Mr. NICKLES. I announce that the Senator from Kentucky (Mr. BUNNING), the Senator from New Mexico (Mr. DOMENICI), the Senator from Texas (Mr. GRAMM), the Senator from Arizona (Mr. MCCAIN), and the Senator from Tennessee (Mr. THOMPSON) are necessarily absent.

I further announce that if present and voting the Senator from Kentucky (Mr. BUNNING) would vote ''yea.''

The PRESIDING OFFICER (Ms. CANTWELL). Are there any other Senators in the Chamber desiring to vote?

The result was announced—yeas 93, nays 0, as follows:

[Rollcall Vote No. 20 Leg.]

YEAS—93

Akaka	Dorgan	Lugar
Allard	Durbin	McConnell
Allen	Edwards	Mikulski
Baucus	Ensign	Miller
Bayh	Enzi	Murkowski
Bennett	Feingold	Murray
Biden	Feinstein	Nelson (FL)
Bingaman	Frist	Nelson (NE)
Bond	Graham	Nickles
Boxer	Grassley	Reed
Breaux	Gregg	Reid
Brownback	Hagel	Roberts
Burns	Harkin	Rockefeller
Byrd	Hatch	Santorum
Campbell	Helms	Sarbanes
Cantwell	Hollings	Schumer
Carnahan	Hutchinson	Sessions
Carper	Hutchison	Shelby
Chafee	Inhofe	Smith (NH)
Cleland	Inouye	Smith (OR)
Clinton	Johnson	Snowe
Cochran	Kennedy	Specter
Collins	Kerry	Stabenow
Conrad	Kohl	Stevens
Corzine	Kyl	Thomas
Craig	Landrieu	Thurmond
Crapo	Leahy	Torricelli
Daschle	Levin	Voinovich
Dayton	Lieberman	Warner
DeWine	Lincoln	Wellstone
Dodd	Lott	Wyden

ANSWERED ''PRESENT''—1

Fitzgerald

NOT VOTING—6

Bunning	Gramm	McCain
Domenici	Jeffords	Thompson

The amendment (No. 2830) was agreed to.

Mr. REID. I move to reconsider the vote.

Mr. HARKIN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

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

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

AMENDMENT NO. 2533

Mr. ALLARD. Madam President, before we had the vote, I was talking about my support of the Crapo amendment, of which I am a cosponsor, because of the need I felt to remove the Reid amendment from the farm bill. At the time, I was making the point that water issues in the West are very complicated.

Here is an issue that has come to the floor of the Senate that has not had any hearings in committee and has not had any kind of study.

Before we move forward with this kind of a proposal from the Senate, we ought to have thorough hearings and study so the Members of the Senate can understand the implications of this type of amendment, particularly out West where we deal with and are under a completely different set of water laws than those parts of the country that have more water.

For those of us in semiarid States, water is a property right. The responsibility of managing water has been made the responsibility of the States. This has gone to the Supreme Court. The U.S. Supreme Court has affirmed that, yes, that is a proper role; States should assume that responsibility.

The Reid amendment to the farm bill could literally devastate my State of Colorado. It is a very serious problem because we are a semiarid State, and farm country relies a good deal on agriculture.

One of the largest agricultural-producing counties in the country is in the State of Colorado. They rely on irrigated agriculture and having a reliable source of water.

The practical effect of this language could mean that farmers end up giving their water rights to the Federal Government when they sign up for participation in the Conservation Reserve Program.

This language, if it is left in the farm bill, could potentially dewater Colorado and other Western States. It would dewater States such as Colorado that rely on interstate compacts and State water laws to allocate a very scarce commodity—water.

Water is the essential substance of life. The farmer depends on it to grow enough food to meet our national food needs. The city depends on it to survive. Commerce depends on it to deliver goods to customers, to restock store shelves, and to continue as a viable business, providing jobs and security.

Colorado has a unique system in water law. We have our own water courts. We are the only prior appropriation State that does not have a permit system. Appropriators in Colorado must make a claim first and then seek a ''decreed'' water right in court.

In Colorado, we have actually even set up a different set of courts. It does not go through the regular court system. We have a different set of courts that just deal with water rights. When somebody applies for a right to use water, not only are there attorneys in that court but there are engineers, hydrologists, all sorts of scientists who come in and discuss the impact of the diversion of that water for one reason or another.

This requires considerable study. Each individual case is different. And these individual cases—usually the circumstances are never the same—have to be determined on a case-by-case basis.

Why many of us get so concerned about the Federal Government and a Federal law is that this treats everything as a blanket process. The Federal Government does not go through that process. They just collect the water off the CRP land, and there is no study as to what impact it has on private property rights.

The Colorado Constitution, which the Supreme Court has said has a sovereign right on water issues, says: ''The right to divert the unappropriated waters of any natural stream shall never be denied.''

These are not mere words. This is a collective ideology, molded from over 100 years of practical use. Many have brought an excellent point regarding beneficial use. Beneficial use is an integral part of western water law. When the farmer allows the Government to take the water, it is possible that the farmer could lose the water right under the State's beneficial use laws. It is possible that this law would result in an unintentional loss of water rights, water rights terminated through the operation of State law.

Let me offer a scenario. A farmer decides to go into the CRP, and it is the CRP where the Federal Government would take the water. Suppose he goes in it for 10 years. He has not been using that water so, under our State law, he would lose the right to use that water. Or the other question comes up, Does that right transfer to the Federal Government and remain with the Federal Government even though he has brought his land out of the CRP and back into production?

That is why it is very important that we proceed with hearings and study. The U.S. Supreme Court has clearly given the States sovereignty in the matter of water adjudication. This ill-founded amendment attempts to give the Federal Government a new water right that it simply is not entitled to, nor should it be granted by Congress.

My home State is united in opposition to this usurpation of water: the Colorado Commissioner of Agriculture, the Colorado Department of Natural Resources, the Colorado Farm Bureau, and the Attorney General. There is bipartisan concern in my State, and agricultural groups from all aspects of Colorado have raised concerns with me about this particular amendment.

The Colorado groups are not alone. The list of those deeply concerned with the negative implications of this language reaches the national level as well. We have heard from some of my colleagues and will probably hear more.

The Reid amendment ties the water rights to endangered species. We have

seen this combination before. Land, water, and the Endangered Species Act create a mix that is often disadvantageous for property rights and property owners. We have seen this, for example, in the Klamath River Basin in Oregon. Unfortunately, we are not sure what will happen with the water rights when the farmer's deal with the Government ends. I raised this point. We don't know because the proposal is silent on what has to take place upon termination of the enrollment period. Does the Government keep the water?

As we know, the Endangered Species Act requires consultation for any Federal action that affects species. That requirement could be applied to transfer of water rights back to the landowner on termination of the agreement.

Does the landowner have to establish that there is no longer a need for the water by the listed species? The landowner is placed in an expensive and dangerous position of proof—a difficult proposition that, if not answered, could mean the landowner loses his water right.

When water habits and availability of water to the land are changed, this alters the character of the land. In a region that receives far too little rain to depend on skies for moisture, a deprivation of water, no matter how permanent, could change the very nature of the ground itself.

Again, I would like to cite, in this context, my own personal experience. I grew up on a ranch. We had many hay meadows, and they were watered with flood irrigation. No longer is that ranch under private ownership. It is now owned by the Federal Government. They quit the surface right irrigation. It dried up all the springs that were feeding into this river that ran through the place. As a result, we see that that river dries up and is bone dry.

I see my colleague from Iowa wants to be recognized for a minute. I yield to my colleague from Iowa.

Mr. HARKIN. I thank the Senator for yielding without losing his right to the floor.

Madam President, I ask unanimous consent that the following list I will send to the desk be the only first-degree amendments in order to S. 1731; that they be subject to second-degree amendments which must be relevant to the amendment to which it is offered; that upon the disposition of all amendments, the bill be read a third time and the Senate then proceed to the consideration of Calendar No. 199, H.R. 2646, the House companion; that all after the enacting clause be stricken and the text of S. 1731, as amended, be inserted in lieu thereof; that the bill be advanced to third reading and the Senate then vote on passage of the bill; that upon passage, the Senate insist on its amendment and request a conference with the House on the disagreeing votes of the two Houses; and that the Chair be authorized to appoint conferees with a ratio of four to three; that S. 1731 be returned to the calendar, with this action occurring with no intervening action or debate.

Mr. REID. Madam President, reserving the right to object, for the information of Senators, tomorrow we have a number of people who have agreed to come and offer amendments: Senator CONRAD at 9:30; Senator SANTORUM at 10; Senator LINCOLN at 10; and Senator FEINSTEIN at or about 12.

I am not asking that this be part of the unanimous consent request but just to alert everybody, tomorrow there will be amendments offered. The two leaders will agree on when we will vote. There will be no votes tomorrow, as has been announced. Tomorrow we will be open for business to try to move this bill along.

I withdraw my reservation.

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

The list is as follows:

Baucus: Disaster assistance.
Bingaman: Peanuts (amendment No. 2573).
Bond: Relevant (2).
Boxer: Regional equity.
Boxer: Relevant (2).
Bunning: Relevant (2).
Burns: CRP (2).
Byrd: Relevant (2).
Carnahan: Relevant.
Collins: Relevant.
Conrad: Relevant.
Conrad: Sugar beet acreage allocations.
Craig: Strike packer ownership language.
Crapo: Strike water rights provision.
Daschle: Relevant to list (3).
Daschle: Relevant (2).
Dayton: Milk quotas.
DeWine: Food Aid.
Domenici: Dairy (2).
Domenici: Peanut.
Enzi: Lamb as food aid.
Enzi: Make livestock program permanent.
Feingold: Ag Fair Practices Act.
Feingold: Relevent (3).
Feinstein: Sugar Quota shortfall reallocation.
Gramm: Avocado checkoff.
Gramm: Immigrants/Food stamps.
Gramm: Payment limitation.
Gregg: Capitol gains.
Gregg: Tobacco.
Harkin: Managers' amendments.
Harkin: Relevant to list.
Harkin: Relevant (2).
Helms: Animal Welfare Act.
Helms: Relevant (2).
Hutchinson: Agro-terrorism.
Hutchinson: Predatory species.
Hutchinson: Relevant (2).
Inhofe: Peanuts (2).
Inhofe: Relevant.
Inhofe: Trade/Cuba.
Kerry: New England fishermen (amendment No. 2241).
Kyl: Death tax (sense of Senate).
Kyl: Water rights.
Leahy: Organics.
Leahy: Relevant (2).
Lincoln: Agro-terrorism.
Lincoln: Cormorants permits.
Lott: Relevant (2).
Lott: Relevant to list (2).
Lugar: Ceiling on farm spending.
Lugar: Relevant (3).
Lugar: Relevant to list (2).
McCain: Relevant.
McCain: S.O.S. farm.
McConnell: Bear Protection Act.
McConnell: Nutrition.
McConnell: Relevant (2).
Miller: Peanut quota holders.
Nickles: Relevant (2).
Reid: Relevant (3).
Reid: Relevant to list.
Roberts: Conservation.
Roberts: LDP graze-out.
Santorum: Puppy protection.
Santorum: Puppy mills protection.
Snowe: Commercial fisheries.
Stevens: Country of origin labeling.
Stevens: Organic labeling.
Stevens: USDA study/salmon.
Thompson: Relevant.
Wellstone: Relevant.

Mr. HARKIN. I thank the Senator for yielding.

The PRESIDING OFFICER. The Senator from Colorado.

Mr. ALLARD. Madam President, the point I was making is that we have to be very careful in how we use our water or we could have a lot of far-reaching ramifications that have had some inadvertent effects on fish and wildlife and plant species that survive in that particular area, which simply may not be met with a ready, easy transfer of water to the Federal Government without a serious study of those ramifications. There is a serious lack of fair and open discussion on this issue.

I remind my colleagues again, there was little congressional investigation or involvement when this language was inserted into the bill, and the committees responsible for many of the details simply were not involved in the discussion.

One must also ask the question: What is the purpose of the Conservation Reserve Program? Our debate is focused on many things, but not once have Members had the opportunity to discuss until now whether or not the purpose of the Conservation Reserve Program is for endangered species. This program also allows for a permanent transfer of water rights. CRP has always been limited to a certain number of years.

The Reid language also expands the basic coverage afforded to the protection of species under the Endangered Species Act. This is an important point. Not only will endangered species and threatened species be covered, but the Reid program would cover sensitive species, too.

What is a sensitive species? At this time everyone should be reminded that the Endangered Species Act has no classification or definition of sensitive species. What happens to the other uses of the water source? Participation in the program could lead to increased delivery costs to mutual users. The costs of operating ditch companies could increase as cost share participants leave the program. Downstream users could also be affected. Participation in the program could lead to underground recharge problems.

The language is simply too vague. It does not specify sources of water eligible to participate in the program. Not only would the language apply to surface water and CRP, but it could apply to ground water as well; a whole different set of issues become pertinent.

Ground water use and set-asides affect neighboring use.

My point is, this is a very complicated issue. It has a lot of ramifications. Without careful study, this could be the wrong action to be taken. It could have just the opposite effect of what the sponsor would like to accomplish.

I rise in support of the Crapo amendment. I thank my colleagues and yield the floor.

Mr. HAGEL. Mr. President, I rise to support the Crapo amendment to strike the proposed Water Conservation Program from the farm bill that we are debating today on the Senate floor.

The creation of the Water Conservation Program, as proposed in this current legislation, would set a very dangerous farm policy precedent. It would open the door to federal government infringement on state water rights. There would be many unintended consequences for the nation's agricultural producers—the people we are trying to assist today.

This provision is a threat to private property rights and conflicts with individual state water laws and programs.

As Nebraska Governor Mike Johanns said:

> To tie state-administered water rights into such a program creates another federal nexus whereby the federal government can leverage water away from our agricultural producers and water users permanently. . . . Nebraska simply cannot agree to any such program.

Governor Johanns clearly identified the dangers of the current legislation.

All states care about water conservation and wildlife protection. For example, the State of Nebraska is currently working with Wyoming and Colorado, and the U.S. Fish and Wildlife Service to craft a Cooperative Agreement for endangered species management on the Platte River. States do not need more federal dictates and regulation.

As one irrigation district manager in western Nebraska said, ''there could be significant consequences with this water conservation proposal as it is written in this legislation. The process of evaluating these impacts would be very complicated. Each state has different laws and issues.''

Additionally, the current proposal has not been debated in the House or Senate Agriculture Committees, or in the oversight committees responsible for the Endangered Species Act. This issue deserves significant study, review and analysis before we move forward with federal legislation.

There are too many problems in this proposal—too many questions yet to be answered. We should not impose additional, unnecessary restrictions on water and property rights for our states and our citizens. I urge my colleagues to support the Crapo amendment to strike the Water Conservation Program from the underlying bill.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. THOMAS. Madam President, I will be brief. I will come back on Monday or Tuesday and talk more about it. I rise, too, in support of the Crapo amendment.

Certainly for those of us in the West there is nothing more important than water rights and how we handle those water rights, nothing more important to us than to maintain the concept of State allocation of water adjudication. And this threatens that, it preempts State water rights. It has the possibility of doing that. That could result in permanent acquisition of the water rights, which is not something that any of us want to see happen.

It extends authority of the Endangered Species Act to USDA. Certainly we have enough difficulties with the way the Endangered Species Act is handled now.

This is the last one of the issues. It proposes radical changes to CRP without addressing the reform of the Endangered Species Act. These two issues do not fit together and are very inconsistent.

Furthermore, it never was discussed in the committee. I happen to be a member of the Agriculture Committee. This was never debated during consideration of the bill. There are a number of us on the committee who certainly would have fought vigorously to keep this language out of the bill.

Madam President, I will not take any more time. Some of my colleagues want to speak. I will be back to talk more about some of the impacts I believe this amendment will have. Again, I support the Crapo amendment. I yield the floor.

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Madam President, I rise to support the Crapo amendment. From the statements that have been made with regard to having water language in the agriculture bill at all, it is pretty indicative of what has happened since the legislation was introduced. There has been no hearing on this legislation. It started out as a version of S. 1737. The bill never had a hearing. It has never seen the light of day. It has never seen any lightbulbs. Any time that happens in the Senate, most of us fear not what is in it but what is not in it.

This summer, we had a crisis in the Klamath Basin in southern Oregon, southeastern Oregon, and northern California. Anybody who depends on water for irrigation and their farm operations should be very concerned about this amendment.

We have heard a lot of Western Senators make statements, but this is not only a problem that is confined to the West. We now have a little argument over a river that runs between Alabama and Georgia. As populations grow, we will hear of more conflicts in areas where water law or water policy has never before been considered.

Last weekend, of course, all the papers were full of Enron, but there was a very interesting article in Monday's Washington Post with regard to a National Science Foundation study that was released. It was very critical of the science that was a part of the decision to shut off the water to the agricultural interests in the Klamath Basin.

Madam President, 1,500 farmers were denied water for their irrigation projects. Crops burned up. We have seen filings of bankruptcy, people losing their farms because in farming, a tenuous endeavor, one cannot afford to see one crop missed or they will not have anything at all, all because of the Endangered Species Act.

That made me wonder about a lot of other studies the Government has done. Are they credible? And what kind of responsibility have we taken on as a Government to make sure that the science is correct to the best of our knowledge?

Ever since, any legislation that comes before this body that has to do with the Endangered Species Act as it relates to water raises many questions.

Congress has had a longstanding policy that water rights, even water rights for conservation, even water that would be classified as preservation, always had to come to terms with the States involved. It is a State's right of controlling and adjudicating its own resources. This Government has never even taken a look at that until the beginning of the last administration when we had a Secretary of Interior who was very forthright in his belief that the Federal Government should control all water resources across this country.

This is a part of the farm bill that is most troubling to most of us. We will have more to say on this before we vote on this amendment, which comes up on Tuesday. I assume that is the tentative schedule.

We see new terms entered in this issue. We know what an ''endangered specie'' is. We have a definition of a ''threatened specie.'' But this is the first time we have heard the term ''sensitive specie.'' Maybe that category is those who serve in this body.

As we look at what happened in the Klamath Basin, as we look at another little item that happened in Washington State when there was a deliberate planting of the Canadian lynx hair to prove this was habitat for another specie that is on the threatened list and yet has not been classified as endangered just to control the use of the land, we have to look with a very suspicious eye at what we are doing to this country and its ability to produce food and fiber for its citizens.

Can that agenda be so treacherous as to deny us, the American people, the ability to clothe and feed ourselves? Right now, with the attitude I see in some communities, I would say that is the case.

There are a lot of unintended consequences of this language that could happen later, and all of them are negative. There is nothing positive. This does nothing for agriculture, as we know it, and our ability to produce crops and fiber.

From that standpoint alone, I ask my colleagues who represent States where agriculture plays a major role in their economy to take a look at this and ask themselves: Is this farm policy? Is this food security policy? I can see no way that one can find a positive answer.

Any time we have big brother, who has the big checkbook, standing in the wings to control the lifeblood of any crop, whether it falls from the sky, whether it runs down our streams, or the capillary or the underground rivers of groundwater under their control, something so vital that it is even recommended we have eight glasses a day—or it used to be—something so vital to life, would we want that kind of control in the hands of a government, sometimes a government that is insensitive to what we have to put up with in the production of food and fiber for this country?

So as the weekend rolls on and as we take time to study this issue, I think that is a question for this body. Do we pass legislation that has never had a hearing, that has never been presented before any committee, and then wonder about the question that is being raised tonight? Remember, we are doing business that will affect people with real faces, with real investments, in the real world. It is not some harebrained idea that has been generated in this 17 square miles of logic-free environment because it does have a true effect on every person who lives in this country, not just us who live in the West but everybody who lives in this country.

I thank the Chair for allowing me this time. I will have more to say at a later date.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Madam President, I rise to support the amendment that is offered by my colleague from Idaho, Mr. CRAPO, a water lawyer. Yes, water is important enough in the West that there are people who make it an occupation. It is that complicated and it is that important. His amendment would strike section 215 of the farm bill and leave intact the current conservation programs that are administered by the Secretary of Agriculture.

I commend the Senator from Idaho for his leadership in this matter and for the excellent foresight he shows in working to block the Federal Government when intervening into an area that is extremely critical to the survival of the Western United States.

Now one has probably noticed how many Western Senators have come to this Chamber. That is because we have some unique problems with water. We want to make sure those fights we have been having for a long time are still fights between States, because we know that is a fair fight and a fight with the Federal Government is not.

Mark Twain is the one who said in the West whiskey is for drinking and water is for fighting over. He was really right.

The first principle that must be understood in dealing with water in the West is that availability of water has always been the West's limiting factor for development. If one looks at a map of the private and Federal lands in the West, one will see a fairly good description of the region's water sources and productive lands. Early settlers built their homes where they could get water to plant their crops and raise their livestock; at least as soon as they understood the West, they did.

A lot of the homesteaders came from the East. One of my old friends, one of the first people I met when I moved to Gillette, WY, was a homesteader. He has since passed away, but I loved him telling me about his first selection of land. There were people who could be paid who would help pick the best land. But nobody who came West had much money. So rather than pay one of these people this bounty to help him select the good land, he picked good land Pennsylvania-style. He picked the hills because he did not want to be flooded out every year.

After the first year, he gave up his first homestead and picked some good bottomland. Bottomland in Wyoming does not flood because we do not have that much water, and he learned that his first year. He tells about this piece of property on which he did finally homestead. He had to get water from a neighbor to drink. He had to haul the water by wagon 3 miles to get it to this place. We are talking some dry land.

In fact, availability of water was so important to early settlers, when Wyoming ratified its State constitution in 1890, the State claimed State ownership of all water rights as part of the State constitution, and that was accepted as part of our Statehood. The Federal Government said: Wyoming, we will let you own your water.

Later, when all the productive lands were settled, the bulk of the remaining lands were portioned out by the Federal Government mainly between the Forest Service and the Bureau of Land Management.

We also have a third category, and that is the national parks. The Bureau of Land Management and the national parks are administered by the Interior Department, and the forest lands are handled by the Department of Agriculture. There is a good reason for that. The national parks, of course, are very pristine. They are to be maintained in that condition, and I do not know of anybody who ever wants to change that. So those are not productive lands.

The Bureau of Land Management lands are the lands that were left over from homesteading. That means those are the lands people found were too dry or too rocky or too steep to be usable. So those are not productive lands.

Then, of course, there are the Forest Service lands. Those went under the Department of Agriculture because those were supposed to be productive. Those were usable lands, and usable for a number of activities. Besides the recreation we greatly enjoy today, there was grazing and timbering. When we created a new agency a little bit later then to develop the water resources on this public land, we had the Bureau of Reclamation to make sure there was enough water to use the vast resources found in places such as the State of Wyoming.

The next principle that must be understood as to why it is so important to strike section 215 is because of the scarcity of water in the West. Western water law was built on a much different foundation than the current laws enforced in the East.

We are amazed at the rain that happens out here. Washington, DC, occasionally gets more rain in a period of a few consecutive days than the State of Wyoming gets in an entire year. Almost all of Wyoming is considered desert, high desert, mountain desert. The desert definition is less than 15 inches of rainfall a year.

Part of the reason we do not get much rainfall, of course, is the mountain ranges that this water comes over before it ever gets to us drop out a lot of the moisture. I remember being in Seattle and seeing T-shirts that said: ''Here you can take your goldfish for a walk,'' or ''Kids here do not get a suntan, they rust.''

After I saw some of the rain, I realized it was a little different place than Wyoming where we are more interior and have a little less rain. While a good portion of the country, particularly the East, is trying to figure out how to drain the water off, we are trying to figure out how to save every last drop. We have come up with some rather innovative ways of doing that.

We are also in a drought, so water is even more important this year than it has been. This is the third year of a drought, though. There are some complications with the Federal Government when there is a continuing drought because we really only provide for—and can imagine—one year of drought. So if people are given advantages in one year of a drought, they are not eligible in the next year.

I mentioned that we are going into the third year. There are lakes in Wyoming that have dried up. Nobody gets any water out of them anymore. The streams are much smaller than usual. Wyoming streams and rivers are different than in some of the other areas of the country. We call it a creek or a stream when it is about 2 feet to 20 feet wide. Anything over 20 feet is a river in Wyoming.

We do not have much water. We are the headwaters of a lot of places, but when there is a drought every last drop is important.

I want to explain a little bit about the water law. Although there are variations from State to State, basic eastern water law follows a doctrine known as riparian rights. Under this doctrine, landowners who border waterways are granted certain rights that allow them

to use whatever amount of water they need for any reasonable use. Because riparian rights adhere to the ownership of the land, these rights do not need to be exercised to be kept alive. By simply obtaining a water use permit, much as someone would get a building permit, landowners can initiate a new water use at any time they want and in doing so can force other users to adjust to their needs. This is more or less the main water use principle that underlies the water law in 29 States.

Western water law, on the other hand, is based on a doctrine of prior appropriation. Under State law, an individual owns the right to use water based on the time the water was first appropriated and used, and then that interest is only valid for the amount of water appropriated for that particular use.

Let me give an example. Say that rancher one settles along Crazy Woman Creek at the foot of the Wyoming Big Horn Mountains. We have a lot of interesting creek names. He drew enough water in his first year to water 50 head of cattle and to irrigate two pastures. The next year his neighbor moved in and used enough water to irrigate his two pastures and to water his livestock. Now in this case, rancher one, settler one, would be able to claim a prior use and his neighbor would have to guarantee enough water remains in Crazy Woman Creek to ensure the first settler can irrigate his two pastures and water his 50 head of cattle before settler two gets any water.

Furthermore, if in the following year the first settler decided to irrigate a third pasture in order to feed an additional 25 head of cattle, his second appropriation of water would have to follow the appropriated rights already established by settler two the year before.

To add to this confusion, once a person puts water to a beneficial use, such as irrigating land or watering livestock, and complies with the statutory requirements, that water right remains valid only so long as it continues to be used. If a water right lays dormant for too long, the right is considered abandoned and is lost. All of those rights shift.

Do not worry if the system sounds complicated. After more than 150 years of more and more water users and more and more beneficial uses, the ability to sort out the rights of Western water users is a science all its own. And I have not even thrown in the complication of Indian water rights which have a historic precedent and are the subject of a lot of water law.

I will say, however, if you were to talk to any of the farmers and ranchers whose families first settled areas that still apply the prior use doctrine, you would quickly begin to grasp the fact that each one of them knows what their rights are under the law now, how much water they can use, how much water they will need, and how any disruption of the use system will decimate the ecosystem and the land's ability to sustain life.

What does this have to do with the amendment? It has everything to do with the amendment. As soon as the Federal Government intervenes in the State water law system and acquires the water rights under section 215, that water right under the supremacy clause of the U.S. Constitution would suddenly move to the front of the line for when that water right would be available for use. In other words, it would trump all other uses and put people selectively out of business.

The land use and water balance that had been established over the past one and a half centuries would then be completely turned on its ear. The impact would immediately be felt by family farms and ranches that would lose productivity, jobs, homes, and wildlife. Migrating birds would lose their habitat.

Don't let anyone kid you that ranches and farms are not habitat for wildlife. Private ranches and farms in the West are some of the most productive and vibrant wildlife habitat you will ever find. Every time we put a ranch out of business in Wyoming it turns into rich ranchettes, little 40-acre tracts. The people are so crowded together. Forty acres may seem to be a lot in the rest of the country, but for wildlife that is not a lot of room. It is not even a lot of room for people in our State. We would lose critical wildlife habitat. They would be overrun by people.

In addition, many streams in the West are currently overallocated with junior and senior water rights. Individuals with junior water rights would lose complete access to water if the Federal Government held senior water rights. Water delivery schedules would be upset; some areas could get flooded while others would come up dry at critical times. And just in case you do not believe that Federal ownership of water rights would have such a devastating impact, I will point out again the travesty that occurred in Oregon and California's Klamath Basin.

Farmers, whose rights to the water were established by Federal statute, had them taken away from them through a policy that the National Academy of Sciences reports was based on speculation. It was not based on science. It was not based on good policy. It was not based on practicality. I guess it was based on bad politics.

As I said at the beginning of my statement, water is extremely important to the future of the West and to Wyoming. I urge my colleagues to support the amendment offered by my colleague, the water attorney from Idaho, and to leave in place the conservation program as currently administered by the Secretary of Agriculture.

If we were to implement section 215 as it now stands, it would have a devastating impact on all the downstream water users, and it would preempt the balance carefully established in State water law. It would do so to satisfy a policy that not even the National Academy of Sciences claims is supported with adequate science.

I mentioned before there are fights between States. We just finished a 25-year fight with the State of Nebraska. It had to do with how much water we have to release from Wyoming into Nebraska. It is settled by a water compact that has a few intricacies that resulted in 25 years of legal battles. That particular compact would be upset, and most of the protection that is built in there is for migrating whooping cranes. Sometimes when we make an effort, we are not sure of the unintended consequences.

Once again, I remind Members what Mark Twain said: In the West, whiskey is for drinking and water is for fighting over.

We prefer to be fighting between States than fighting with an unfair Federal Government. Please help eliminate this unfair section.

I yield the floor.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAIG. Madam President, I have been listening for the last good number of minutes as my colleague from Wyoming gave what was not only an eloquent but true and most entertaining explanation about the validity of the Crapo amendment and why this Senate should pass it.

There is no question in my mind or any westerner who lives in the high desert States of the Great Basin, all the way to the Mississippi River, of the criticality of water and why States over long periods of time have been very cautious in not only its allocation but its relationship to the human species. I hope the explanation of the Senator from Wyoming serves us all well as we consider this amendment.

It appears there is no one else in the Chamber at this moment to debate the Crapo amendment, so I ask unanimous consent it be set aside for the purpose of offering another amendment.

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

AMENDMENT NO. 2835 TO AMENDMENT NO. 2471

Mr. CRAIG. Madam 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 Idaho [Mr. CRAIG] proposes an amendment numbered 2835 to amendment No. 2471.

Mr. CRAIG. 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:

At the appropriate place, insert the following:

SEC. 1022. STUDY OF PROPOSAL TO PROHIBIT PACKERS FROM OWNING, FEEDING, OR CONTROLLING LIVESTOCK.

(a) IN GENERAL.—Not later than 270 days after the date of enactment of this Act, the

Secretary of Agriculture shall complete a study to determine the impact that prohibiting packers described in subsection (b) from owning, feeding, or controlling livestock intended for slaughter more than 14 days prior to slaughter would have on—

(1) livestock producers that market under contract, grid, basis contract, or forward contract;

(2) rural communities and employees of commercial feedlots associated with a packer;

(3) private or cooperative joint ventures in packing facilities:

(4) livestock producers that market feeder livestock to feedlots owned or controlled by packers:

(5) the market price for livestock (both cash and future prices);

(6) the ability of livestock producers to obtain credit from commercial sources:

(7) specialized programs for marketing specific cuts of meat:

(8) the ability of the United States to compete in international livestock markets; and

(9) future investment decisions by packers and the potential location of new livestock packing operations.

(b) PACKERS.—The packers referred to in subsection (a) are packers that slaughter more than 2 percent of the slaughter of a particular type of livestock slaughtered in the United States in any year.

(c) CONSIDERATION.—In conducting the study under subsection (a), the Secretary of Agriculture shall—

(1) consider the legal conditions that have existed in the past regarding the feeding by packers of livestock intended for slaughter; and

(2) determine the impact of those legal conditions.

(d) EFFECTIVENESS OF OTHER PROVISION.—The section entitled ''PROHIBITION ON PACKERS OWNING, FEEDING, OR CONTROLLING LIVESTOCK'', amending section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192), shall have no effect.

Mr. CRAIG. Madam President, as we debated the farm bill before the Christmas recess, I voted to support an amendment offered by Senator GRASSLEY, Senator JOHNSON, and Senator WELLSTONE to ban packer ownership of livestock. Since that amendment passed, I and other Senators have had serious discussions, along with the livestock industry and the packing industry, as to what this amendment meant and what it will mean if it becomes law out in the marketplace.

As a result of that, I am offering an amendment tonight that would, in essence, set this provision aside. I am talking about that provision of the section entitled ''the prohibition on packer ownership feeding or controlling livestock.'' That is an amendment to section 202 of the Packers and Stockyards Act.

It is clear to me and to many others that there are a great many questions being asked at this moment about the scope of the language and its potential impact on the meatpacker and the livestock producer. In fact, much has been written on both sides with respect to the legal and economic ramifications of the language.

This fact lends greater credence to my suggestion in this amendment that we approach a complete study by USDA of the intent of this language and what it would mean in these kinds of new owner relationships.

Since the Senate approved the language in December, I am sure many have heard from those in favor of and opposed to the language. Seldom have I heard such impassioned opinions on any given issue. Indeed, the National Cattlemen's Beef Association and the National Pork Producers Council, both leading groups representing livestock producers, have policies opposing the proposed ban. Still other groups support the ban.

Meanwhile, eight of the Nation's leading agricultural economists released a paper that raised nine serious concerns about the potential negative consequences this ban would have. Among them is the damage that would be done by revising strategic alliances between packers and producers, taking us back to a time when meat was treated as a nameless commodity rather than a distinct, branded consumer food product.

The U.S. meat and livestock industries also would be at a distinct disadvantage, I believe, under the current language, to foreign beef and pork processing competitors with the production capacity and marketing ability to work with livestock producers to form the very strategic alliances, joint ventures, and ownership arrangements that this language seeks to make illegal in the United States. The advances we have made in foreign markets could be put at very serious risk.

These economists also point out that producers who enter into marketing agreements with packers are better able to obtain financing for their operations. I know of several instances of those relationships where those very contracts allow the producer to gain the necessary financing with his financial institution. Without these agreements, financing for growth and capital investment could clearly be threatened. Lenders would not have the assurances that producers seeking loans had a market for their animals.

Congress would be taking a critical risk management tool away from producers in certain instances. Is this what the ban's proponents hoped to accomplish for their livestock constituents? I really don't think that was the intent. And I must tell you, Mr. President, when I initially voted for the ban, that was clearly not my intent.

Still other legal analyses have offered a response to this economic analysis. The very intensity of the ongoing debate over this issue raises the question: Why throw support to a measure punctuated by so many question marks as this current language has?

Call me a pragmatist if you will, but when I hear such genuine concern expressed by so many of my constituents, by leading economists, and by legal experts about language that was never vetted through a committee, a hearing not held on it, and legal experts not allowed to give their opinion on it, it seems to me that we should not act as hastily as I believe we did, and as I know I did.

My concerns have been validated by the disparate positions taken by many farm and livestock groups. I have learned that large economic implications may exist for several States, including that of my colleague, Senator JOHNSON, from South Dakota. Reportedly at stake are about 3,000 jobs in a South Dakota packing plant, and 4,000 jobs associated with the Premium Standard Farms of Missouri. I also know of significant consequences to the economy and jobs in the State of Colorado. In this current time of such a sensitive economy in agriculture, I believe 10,000 more people without jobs is not a correct path to walk down.

In my State of Idaho, it could significantly impact the relationship between certain producers in my State and certain packers.

Given the questions I have asked about a ban on packer ownership of livestock, I cannot lend my support to the Grassley-Johnson-Wellstone language. I urge my colleagues to consider my amendment requiring a speedy but thorough review of the potential impact of a ban on packer ownership, control and feeding of livestock. The word ''ownership,'' and the word ''control'' are key to all of these relationships.

Under my amendment, the USDA would conduct a study in cooperation with the livestock industry—all of those within the industry—to determine the impact that prohibiting packers from owning, feeding, and controlling livestock intended for slaughter more than 14 days prior to slaughter would have on producers, rural communities, private or cooperative joint ventures in packing facilities, marketing prices for livestock, the ability of producers to obtain credit, specialized marketing programs, the ability of packers to compete in foreign markets, and future investment decisions by packers about plant locations. This study would be completed within 270 days of the date of the enactment of this law. I think it is important that we move timely to this. It is not my intent to stall it. It is my intent to get clear answers for all of us and for all of those associated with this issue in the livestock industry.

I have visited with Senator GRASSLEY. We have been working cooperatively to get language that is better understood and that we believe would meet the test of the court. Senator GRASSLEY is working with the Farm Bureau at this moment to do so. That amendment might well be available tomorrow or early next week, and I will take a look at it to see whether it fits my concerns and the concerns of a variety of other interests and relationships as they relate to the new dynamics of the livestock industry.

I am certainly willing to give Senator GRASSLEY and Senator JOHNSON and others the benefit of the doubt if that language can be arrived at. But if it can't be—and let me tell you, legal

language is left to the beholder and the interpreter at the time—it is clear that a test needs to be run. This Senate deserves a clear determination or interpretation of what all of this means. That is exactly the intent of the amendment that I offer this evening.

Let us act on this important issue with the foresight that a thorough review can offer rather than to seek to undo damage apparent in the glaring light of hindsight. Literally, we could destroy thousands of contractual relationships. We could even impact markets and future markets if this language is not clear and clearly understood in the law itself. Lawsuits, court orders, interpretations of or arbitrary decisions made as a result of language that is not clearly understood is not what this Senate should be about in the crafting of good farm policy for the livestock industry.

That is the intent of my amendment. I hope my colleagues will read it, understand it, and I ask their support.

Mr. President, I see the chairman of the Agriculture Committee is in the Chamber at this moment. With that consideration, I suggest the absence of a quorum.

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

The bill clerk proceeded to call the roll.

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

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

Mr. KENNEDY. Mr. President, I support this legislation. I commend Senator HARKIN, Senator LUGAR and all our colleagues on the Agriculture Committee for their hard work on it and I welcome the opportunity to discuss its important provisions to deal more effectively with the challenge of nutrition and hunger in our society.

It is long past the time for Congress to end the gap in the nation's nutrition safety net. Hunger is a silent crisis affecting families across America today. No corner of our land is immune from this crisis.

Thirty one million Americans, including twelve million children, suffered from hunger last year. Over seventeen million Americans participated in the food stamp program but four out of ten of those who are eligible did not receive benefits. Last year, 23 million Americans, including 9 million children, sought emergency food relief through America's Second Harvest—an increase of more than 2 million and that increase took place during a time of unprecedented economic prosperity in the nation.

The average food stamp benefit is 81 cents a meal and it should be available to everyone who truly needs it. The need for action is especially urgent in this current serious downturn in the economy.

Too many individuals and families in America have trouble putting food on the table. Their plight is all too clear in the stories of real people:

A mother in Springfield, MA, asked, ''Should my kids sit in the dark or should they go hungry? One of my kids has multiple handicaps, so I have to pay the utility bills to have heat and light. But, then we have no food.''

Karen Norman, a mother in Worcester, MA, explained, ''I used to donate food to the food pantry. I always thought, 'There's someone out there who needs it.' Now all I have left is pictures of when I had a very nice life. Now I make brunch because I don't have enough to give my kids breakfast and lunch. When I leave the kitchen I can hear my five-year-old say to my eight-year-old, 'How come we can't have breakfast and lunch?' and my eight-year-old says, 'We have to stretch out the food.' Then at night she'll cry, 'I'm hungry! I'm hungry! I'm sorry, but I'm hungry.' ''

Their plight is unacceptable, but it is all too consistent with the national data collected in reports by the Greater Boston Food Bank, the Food Bank of Western Massachusetts, and America's Second Harvest.

Nationwide, participation in the Food Stamp Program has declined by 34 percent since 1996 four times faster than the decline in the poverty rate. This means that over 2 million fewer people who live in poverty are obtaining food stamps today. Over a quarter of the reduction in food stamp participation between 1994 and 1998 resulted from welfare reform and its elimination of food stamp eligibility for legal immigrants which made them ineligible for food stamps and discouraged their U.S. citizen children from obtaining food stamps.

The results are predictable. The Department of Agriculture has determined that 5 million adults and 2.7 million children live in households that experienced hunger last year. Women and children are disproportionately hurt. Last year, over half of all food stamp participants were children. Sixty-eight percent of the children were of school age and 70 percent of adult participants were women. The most vulnerable are recent immigrants, children, and the elderly, and they are the ones who face the greatest difficulty.

The nutrition provisions in this bill are a significant step to reduce hunger in America. It restores food stamp benefits for all legal immigrant children and persons with disabilities. It is clear that the people now most in need of nutritional assistance are immigrants who entered the United States legally. For the first thirty years of the Food Stamp Program, legal immigrants were eligible for food stamps. It was unfair for Congress to exclude them in 1996 and it is time for us to close this unconscionable gap.

While hunger and malnutrition are serious problems for people of all ages, their effects are particularly damaging to children. Hungry and undernourished children are more likely to become anemic and to suffer from allergies, asthma, infections, and other health problems. They are also more likely to have behavioral problems and difficulty in learning. When children arrive at school hungry, they cannot learn. If children are hungry, our investments in education and early learning will not have the full positive impact that they should.

The nutrition title of this bill includes a number of other important policy provisions, including changes in the Food Stamp Program to improve access and simplify administration. These reforms are vital to ensure that low income families receive the nutrition assistance they need. Excessive requirements for reporting income, counting assets, calculating expenses for deductions, and determining ongoing eligibility can be an overwhelming burden for families who lack transportation or child care, or who have inflexible work schedules. These requirements often make it difficult or impossible for low income families to participate. Given current economic conditions, an effective and efficient Food Stamp Program is now more important than ever.

The bill also provides states more options for helping families make the transition from welfare to work. Current food stamp law allows a 3-month state option for a transitional food stamp benefit. This bill reflects Medicaid's six-month Medicaid transitional benefit for food stamps. It simplifies state record keeping, increases state flexibility, and helps welfare families make the transition to work.

The bill ends the child penalty under current food stamp law. Just as the marriage penalty in our tax code unfairly penalizes some couples, the existing food stamp law unfairly limits nutritional assistance for many families with children. The bill corrects this problem by indexing the food stamp standard deduction to family size, so that every family in deep poverty will receive the maximum current food stamp benefit, regardless of family size.

The bill helps single parents struggling to make ends meet. It ensures that the food stamp law treats child support payments like income, by disregarding 20 percent of these payments when calculating benefits. This measure is consistent with last year's overwhelming approval of a plan by the House of Representatives to encourage states to see that child support actually benefits the children in low-income families. Parents who know that their children will directly benefit if they pay child support are more likely to pay the support and stay involved in their children's lives.

In addition, this bill improves access to food stamp information, helping to see that families are aware of the help available. Less than one-third of the people who seek emergency hunger relief are currently receiving food stamps

even though three-fourths are eligible for the relief. This bill will help rural families apply for food stamps online or by telephone. It eliminates the need to travel to food stamp offices. In addition, the bill also supports stronger public-private partnerships to distribute information about nutrition assistance programs.

Finally, the bill increases federal support for emergency food programs, which have had sharp increases in requests for help in the past year. Many food banks find themselves unable to meet the heavy new demands. America's Second Harvest reports that 23.3 million people—equal to the combined population of the 10 largest U.S. cities—received emergency hunger relief last year—two million more than in 1997. One-in-five local charitable agencies were already facing problems that threatened their ability to serve hungry people in their communities—before the current economic crisis.

For all of these reasons, it is critical that we maintain the $6.2 billion funding level for the nutrition title of this bill. This amount is urgently needed and it must be part of the final bill. The policy changes that will be accomplished will make an enormous difference in the lives of many families. Fewer children will go to bed hungry and arrive at school hungry and unfed.

The current downturn in the economy means that even more families, including farm families, are facing the impossible choice between feeding their children and paying the rent, a choice no person should have to make. We have the resources to make the modest investment that is necessary. Once again, I commend Senator HARKIN and Senator LUGAR for their skillful work and I urge my colleagues to support the needed funding levels for nutrition.

MORNING BUSINESS

Mr. REID. Mr. President, I ask unanimous consent that the Senate now proceed to a period of morning business, with Senators allowed to speak therein for a period not to exceed 10 minutes each.

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

CAMPAIGN FINANCE REFORM

Mr. TORRICELLI. Mr. President, it would appear that after more than a decade of discussions about campaign finance reform, the House of Representatives and the Senate may be nearer an accord on a historic change of how Federal elections are conducted in the United States. It is none too soon. Confidence in our political process has been undermined, the integrity of the Congress itself has been questioned, and the system is badly in need of repair.

We are very indebted to a number of people in this institution and different institutions around the country, but in a strange irony, at a stroke before midnight, one of the elements that has been driving reform is undermining a critical component of the change.

Much of what America knows about the abuses of campaign reform has come through the media. Across the Congress today, the Broadcasters Association, led by scores of lobbyists representing millions of dollars of donations of the very type and scale that we seek to control, is undermining the bill.

Campaign finance reform, as passed by this Senate and the legislation pending in the House, includes a critical component for controlling and reducing the cost of television advertising.

The amendment, widely accepted in both Houses of Congress, is based on the proposition that controlling the amount of money raised must be met by an ability to control the amount of money spent. Controlling campaign fundraising without helping with the cost of campaigns will simply result in a diminished national political debate. Candidates will raise less money, and if the cost of advertising remains as high, we will lose the competitive debate, the exchange of ideas so vital to our democracy.

As any candidate for Federal office in the United States is painfully aware, the cost of campaigns is the cost of television advertising. Eighty-five percent of the cost of a Senate campaign goes to the television networks.

Under the amendment as passed by this institution, the networks would be required to sell time at the lowest unit rate available; that is, whatever rate they have set for their customers and sold at their lowest cost they must make available to a candidate for Federal office.

This provision was in previous Federal law since 1971, but in 1990 an FCC audit found that 80 percent of the stations had failed to give the lowest rate available. During the 2000 elections, a typical candidate had 65 percent of their advertising sold at above that lowest rate.

With my amendment now placed in the McCain-Feingold bill, passed by this Senate by a 69-to-31 vote on a bipartisan basis, that provision is now strengthened. It becomes mandatory, and it has the best chance of controlling these costs.

The chart on my left shows the scale of the problem: The percentage of ads actually sold at the lowest unit rate in the fall of 2000. Congress believed it made this a requirement before, but it has been evaded in the majority of cases.

Let's look at a few examples: Minneapolis, WCCO, 95 percent of the ads sold were not at the lowest rate; Detroit, WXYZ, 88 percent were not sold at the lowest rate. In my own market in northern New Jersey, WNBC New York, 78 percent were not sold at the lowest rate.

In the year 2000, the buying of these television ads cost candidates $1 billion. This chart indicates as well the deluge of these ads, the amount of them now being placed on television.

Very simply, if we cannot hold in the McCain-Feingold bill and the Shays-Meehan bill in the House this element of controlling cost, this vital compromise that is campaign finance reform will be broken. It must be raising and it must be spending, and I ask the television networks to forgo these excess profits on the Federal airways, licensed by the Federal Government for the public good. Be part of reform. Don't undermine the reform. Let's change the system now for everybody's benefit.

Mr. President, I yield the floor.

HAPPY BIRTHDAY, SENATOR HERB KOHL

Mr. BYRD. Mr. President, I rise today to offer a tribute on the occasion of the birthday of one of our colleagues in the Senate, that of Senator HERB KOHL, Senior Senator from the State of Wisconsin.

I have known Senator KOHL for many years, since he first came to the Senate in 1989, and over that period of time, my respect and admiration for Senator KOHL has grown as I have watched him learn the role of a legislator and master the methods and the means of becoming a fine United States Senator.

Senator KOHL is hard-working, tenacious, and will fight to the end for the interests of this institution and those of his state. A few years ago when the Senate was debating legislation regarding the dairy industry, I remarked that Senator KOHL was the Stonewall Jackson of Wisconsin, standing firm for the interests of the dairy farmers in his state. When it comes to fighting for his state, or other issues of importance to him, such as measures to help and protect our nation's children, there is no one to outshine Senator KOHL in his dedication for the values he holds dear. That is one of the distinguishing characteristics of a good Senator.

But HERB KOHL is more than just a fine United States Senator, he is a good and decent man. His hallmark is honest modesty, a man of few words, but words of great meaning and words that deserve being heard. He is consistently kind to the people who work around him, especially his staff, who will follow him faithfully through thick and thin. His word is his bond, and to this Senator, there is no greater tribute than recognition of that fact.

Senator KOHL represents what is best about Senators and about Americans generally. He is a self-made man whose parents came to this country during the last century without an ability to speak the English language. From those humble beginnings, they and their son and other family members worked to develop a family grocery business in Milwaukee, Wisconsin, that became successful and grew to have national recognition. If you drive around

the Washington, D.C. metropolitan area, you will notice Kohl stores, and they are evidence of the contribution Senator KOHL and his family have made to the commercial strength of this country.

The types of success that Senator KOHL has known have been the result of constant effort, a solid education in the Wisconsin public schools, and an understanding that hard work, honesty, intellectual clarity, and dedication to strong values are the key components to a successful career in either the business world or public service.

So, I want to honor Senator KOHL on this special day and pay him the recognition that he is due for all his work on behalf of the people of Wisconsin and all who serve here in the United States Senate.

TRIBUTE TO DR. DAVID SATCHER

Mr. REID. Mr. President, I rise today to pay tribute to a public servant who will soon complete his tenure as the 16th Surgeon General of the United States. Dr. David Satcher has served this Nation with distinction and performed the duties of the position of Surgeon General in an exemplary manner.

Dr. Satcher was born in Anniston, AL on March 2, 1941. He and his wife Nola have raised four children. Dr. Satcher graduated from Morehouse College in Atlanta in 1963 and received his M.D. and Ph.D. from Case Western Reserve University in 1970. He has completed numerous fellowships and holds many honorary degrees and distinguished honors. He has taught students, chaired Departments, and served as President of the Meharry Medical College in Nashville, Tennessee. As a public servant, he served as the Director for the Centers for Disease Control and Prevention and Administrator of the Agency for Toxic Substances and Disease Registry before assuming his current position as Surgeon General. During the period February 1998 through January 2001, Dr. Satcher simultaneously served as Assistant Secretary for Health and Surgeon General of the United States.

Dr. Satcher is a learned, well-educated man of great accomplishment. Yet, in spite of his many degrees and awards, he set a simple goal of wanting to be a Surgeon General remembered for listening to the American people. He not only listened to those whose voices could be heard, but extended his reach to those who for far too long have suffered silently, those in our nation suffering with mental illness.

I first became acquainted with Dr. Satcher during his confirmation. I remember asking him to consider addressing the issue of suicide and its impact on the Nation. I was concerned about what we as a nation could do in an effort to prevent the nearly 30,000 lives lost annually to suicide. As Surgeon General, Dr. Satcher convened a consensus conference on suicide in Reno, Nevada in 1998. He brought together scientists, clinicians, survivors, advocates and state mental health staff to examine the science of suicide prevention, that is what we knew and what we didn't know, and from this published the Surgeon General's Call to Action for Suicide Prevention. His next step was to develop a National Strategy for Suicide Prevention. In May 2001 this strategy to guide our national suicide prevention efforts was published. As we speak today, states, communities, tribes, and many others are coming together to discuss ways in which we can prevent suicide in America.

Dr. Satcher demonstrated time and time again his ability to engage the public and the private sectors to come together as we examined health problems facing our nation and sought solutions on how to address them. In the suicide prevention effort, Congress called for the development of a national strategy to guide our national response. Dr. Satcher embraced this challenge, provided the necessary leadership and vision to bring it about, and recognized from the outset that government alone could not provide the complete background nor could they singularly define the solution. He called upon the non-profit community, experts in research, clinical practitioners, and just as importantly, listened to the survivors who freely shared their experiences to ensure that our national effort was inclusive of all perspectives. The national problem of suicide warranted a comprehensive solution and, thanks to Dr. Satcher's leadership, the components considered were from all communities who had a perspective which needed to be heard.

I for one am truly grateful for the service of Dr. David Satcher. I care deeply about the issue of suicide in America for a number of reasons. Unfortunately, Nevada has the highest suicide rate in the nation. In fact, the top ten states for suicide are all west of the Mississippi. I believe we can make a difference by studying the facts and developing evidenced based programs to prevent the tragic loss of life due to suicide. I also lost my father to suicide many years ago. I've said many times before that back then we did not know as much about depression and treatment as we do now. Today, science and research have made incredible advances and through medication and counseling help is available and effective treatments can and do make a difference.

We have an obligation to help those suffering from mental illness or substance abuse to ensure they receive the treatment that can afford them a quality of life they deserve. I believe Dr. Satcher has made an incredible difference and helped countless individuals through his work as Surgeon General. We still have a long way to go in reducing stigma and affording access to mental health treatment in this nation, but we are further along today as a result of the leadership provided by Dr. Satcher.

In closing, I wish to thank Dr. Satcher for his courageous work and dedicated public service. I am particularly grateful for his efforts in raising awareness and educating Americans about mental illness and suicide in America. We are a better nation as a result of his service as Surgeon General. He will be remembered by this Senator as the Surgeon General who listened to the American people. In my judgement, he not only listened, but he acted as well.

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 April 6, 1997 in Tyler, TX. Two men attacked another man who the assailants perceived to be gay. The attackers, Billy Glenn Adams, 30, and James Dean Dickerson, 33, were charged with aggravated assault 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.

BLACK HISTORY MONTH

Mrs. CARNAHAN. Mr. President, every February our nation pauses to recognize the tremendous contributions of African-Americans to the history of our nation. In 1926, Dr. Carter G. Woodson established Negro History Week because he saw that most of the contributions African-Americans had made to American culture and industry were being ignored by historians.

We have come a long way since 1926. More and more of our history books acknowledge the contributions of African-Americans. Our schools have made it part of their curriculum. Libraries and museums create exhibits. Television executives highlight the contributions of African-American actors and screenwriters and our celebration of Black history has been expanded to an entire month. But we still have a long way to go.

We need Black History Month because people may not be aware of African-Americans who have added to the richness and greatness of our country. It is appropriate that as we stand in our nation's Capitol, which was built by the back-breaking labor of free and slave African-Americans, we talk about the contributions African-Americans

have made to this country's history, and to its future.

Any Missourian can name George Washington Carver's most famous invention, peanut butter, but few realize the role Carver played in the agricultural revolution that went on in the South in the early 1900s—Carver's work to wean the South from its single-crop cultivation of cotton. His development of commercial uses for alternate crops like peanuts and sweet potatoes helped modernize Southern agriculture, paving the way for a better life for the entire South.

Scott Joplin led a revolution of a different kind. While living in Sedalia, Missouri he created a blend of classical and folk music that took America by storm. Ragtime, as his style came to be called, has become America's unique contribution to classical music and a prelude to jazz.

In literature, Missourians are proud of the heritage of Langston Hughes of Joplin, MO. A poet of international renown, Hughes' poetry helped to create the Harlem Renaissance, the artistic and cultural awakening among African-Americans in the 1920's and early 1930's. His first two books of poetry daringly fused jazz and blues with traditional verse. Also an advocate for children, Hughes wrote over a dozen still popular children's books on jazz, Africa and the West Indies.

Another Missourian became famous not only as an inventor but also as the most outstanding jockey of his time. Tom Bass, of Mexico, MO, trained some of the finest race and show horses of his day. At the peak of his career he rode in the Inauguration of President Grover Cleveland and gave a command performance before Queen Victoria. In addition to being a famous jockey, he invented the ''Bass bit'' which is still used today.

Missouri has borne some notable civil rights leaders as well. Perhaps the most prominent of them is Roy Wilkins, who served as executive director of the National Association for the Advancement of Colored People from 1955–1977. Appointed during the most turbulent era in the civil rights movement, Wilkins kept the NAACP on the path of nonviolence and rejected racism in all forms. His leadership and devotion to the principle of nonviolence earned him the reputation of a senior statesman in the civil rights movement.

All of these great Missourians, and others history may have forgotten, struggled against bigotry and violence, but all showed—through their natural talents—that racism was not just wrong, but un-American. So it is fitting that we take this month to learn more about the history of African-Americans in this country, to ensure that these Americans are recognized, and to celebrate their contributions to our great nation.

TRIBUTE TO THE NEW ENGLAND PATRIOTS—NFL CHAMPIONS

Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to the Robert Kraft Family, Coach Bill Belichick and the New England Patriots team on their achievement as victors of Super Bowl XXXVI.

The people of New Hampshire and the entire New England region are proud of the exemplary accomplishments of the Patriots organization. The talented players and coaches of the team have demonstrated that hard work, perseverance and unity are the foundation of success.

I commend the New England Patriots for the benchmark that they have created for all Americans who seek to achieve the highest of standards in their lives. Each player on the team cast aside ego and self promotion for the good of the team realizing the best talents individually transformed into a power house of skill and sense of purpose.

I applaud the contributions of the New England Patriots organization including the team owners, the Robert Kraft Family who have steadfastly stood by the Patriots since the origination of the franchise in 1962. I congratulate Robert Kraft and his family for this tremendous achievement and wish them well as the franchise grows and flourishes.

On behalf of the citizens of New Hampshire, I want to sincerely thank the players and coaches of the New England Patriots for providing sports fans with some of the best football competition seen in the United States in years. We will not easily forget the excitement of the talented skill and ability of kicker Adam Vinatieri during game winning field goals at the Oakland Raiders snow bowl game nor the thrill of his dramatic kick more recently as the clock ticked down to 7 seconds at Super Bowl XXXVI.

I commend the efforts of the mastermind of the operation, Coach Bill Belichick and the National Football League Champion team for their efforts, accomplishments and contributions to the New England region. We are all very proud of you and thank you for being the best of the best in a very competitive and talented industry. It is truly an honor and a privilege to represent you in the United States Senate.

MORE EVIDENCE THAT BACKGROUND CHECKS WORK

Mr. LEVIN. Mr. President, in 1994, the Congress passed the Brady Law, which requires Federal Firearm Licensees to perform criminal background checks on gun buyers. However, a loophole in this law allows unlicenced private gun sellers to sell firearms at gun shows without conducting a background check.

In April of last year, Senator REED introduced the Gun Show Background Check Act which would close this loophole in the law. The Reed bill, which is supported by the International Association of Chiefs of Police, extends the Brady Bill background check requirement to all sellers of firearms at gun shows. I cosponsored that bill because I believe it is critical that we do all we can to prevent guns from getting into the hands of criminals and terrorists. A recent report from Americans for Gun Safety demonstrates how successful the Brady law has been in this regard and why it is important to extend its provisions to firearms sales at gun shows.

According to Bureau of Justice Statistics numbers cited in the AGS report, in 2000 alone, Brady bill background checks blocked more than 153,000 felons and other illegal firearms purchasers from buying a gun. In addition, these checks were typically conducted without placing unreasonable burdens on gun buyers. According to the study, 72 percent of background checks were completed within minutes and 95 percent were completed within two hours. The study provides yet further evidence in support of common sense legislation to close the gun show loophole.

EXTENDING UNEMPLOYMENT BENEFITS TO WORKERS

Mr. KOHL. Mr. President, in past recessions Congress has been quick to extend benefits for the unemployed. Every recession over the past thirty years resulted in a extension of unemployment benefits. Helping unemployed workers has never been a partisan issue, both Democrats and Republicans have worked to help unemployed workers in times of economic difficulty. During the recession of the early 1990's we extended a total of 33 weeks of additional benefits. Current data shows this recession started last March, and we are only now taking steps to finally extend unemployment benefits. We have waited too long, but I am glad the day for action has come at last. I hope the other body will be able to quickly pass this legislation so that this delayed assistance will not be delayed any longer.

While I am relieved the Senate has acted, I was disappointed we were not able to do more for workers. Helping people maintain health coverage while out of work would have gone a long way to making working families feel more secure. Covering part-time workers and the newly hired, and providing the States with the necessary funds to make those reforms, also would have helped this country on the road to economic recovery.

While some of my colleagues believe that what we have done today will have little or no positive effect on the economy, I disagree. Extending benefits puts money into the hands of people who really need it, and people who will be forced to spend it. The money we send out will be spent on groceries,

clothes, and mortgages. It will meet the day-to-day needs of working families, and it will be spent right in their communities. It will spur local economies and prevent the recession from deepening.

An unemployment check is always second best to a paycheck. The 142,000 workers in Wisconsin who have been forced to file for benefits want a job, they want to work, they want to contribute to the economy and pay taxes. Unemployment insurance is meant to help hard working people through difficult times. It is an insurance plan that workers and employers contribute to for emergencies just like today. American workers have paid for these benefits, they have earned them, and they deserve this extension.

RESTORING TEA 21 FUNDING LEVELS

Mr. BAUCUS. Mr. President, for the past 6 months Congress has been discussing the best ways to stimulate the economy. Even though we are no longer working on an economic stimulus bill, we face a real crisis that will negatively affect our economy. We face unprecedented losses to our highway program. Every state will lose money.

If we want to create true stimulus and maintain jobs for our citizens then there is an easy solution. Highways. For every $1 billion dollars that goes into the highway program, 42,000 jobs are created. In an attempt to address unemployment concerns and immediate stimulus to the country's economy, I, along with others on the Environment and Public Works Committee, propose an increase in obligation authority for the fiscal year 2003. This would restore the authorized levels for that fiscal year. It doesn't get us all the way there, but it's a start.

This is about jobs. Skilled and unskilled jobs in highway construction are well-paid. These jobs would provide employment opportunities for workers who have lost manufacturing jobs, with minimal training requirements. In addition current jobs will not be lost in many of the supplier and heavy equipment manufacturing industries. This is money that can be spent quickly by state DOTs. Fast spending means fast jobs. Both state DOTs and contractors confirm that money can be spent and jobs maintained within the first 6 months. Without restoring TEA 21 levels, over 360,000 jobs will be lost.

There is $20.5 billion in the Highway Trust Fund. We can afford at least the $4.369 billion from that balance to be distributed over the next year. In fact, we can't afford not to.

This extra $4.369 billion begins to take care of this huge problem that we face. It is a problem that we addressed the other day in the Environment and Public Works Committee hearing on TEA 21 reauthorization. We are looking at a highway program that is $9 billion lower for FY 2003 than it was in FY 2002. For my state of Montana that means a $79 million loss to our highway program. And in Montana, highways are our lifeblood. We need the highways and we need the jobs created from new highway funding. Also, we can't afford to lose any highway-related jobs because of this under funding.

We passed a six year highway bill for a reason. So states knew how much was coming in from year to year. My State Department of Transportation is counting on at least the TEA 21 level.

Secretary of Transportation Norman Mineta was at that hearing I just mentioned. And when I pressed him about this extra obligation authority for highways, his response was that highway money is good economic stimulus.

In conclusion, I propose that we give States at least what they were expecting for highway projects in fiscal year 2003. They say there is no such thing as an easy fix, but let me tell you—this idea comes as close as any.

THE FEDERAL REFORMULATED FUELS ACT

Mr. JEFFORDS. Mr. President, I ask unanimous consent that documentation important for the legislative history of S. 950, the Federal Reformulated Fuels Act, be printed in the RECORD.

The first is a supply impact analysis of that legislation. The analysis concludes there is a significant probability that total gasoline production capacity would increase under the provisions of S. 950. The second is an estimate by the Congressional Budget Office of the effects of any private-sector mandates included within that bill.

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

U.S. ENVIRONMENTAL PROTECTION AGENCY,
Washington, DC, January 18, 2002.

Hon. JIM JEFFORDS,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, DC

DEAR MR. CHAIRMAN: This is in response to your letter of December 20, 2001, co-signed with Senator Bob Smith, requesting technical and economic analyses regarding the elimination of MTBE as a gasoline additive.

We are enclosing two documents that are responsive to your request. The first is a draft report prepared by PACE Consultants, under contract with the Environmental Protection Agency. This report is entitled, Economic Analysis of U.S. MTBE Production Under the MTBE Ban.

The second document is a draft EPA staff analysis entitled, ''Supply Analysis of S. 950—The Federal Reformulated Fuels Act of 2001.'' This analysis, which was prepared in October 2001 by EPA staff who have technical expertise in matters relating to motor vehicle fuels, has never been released and should not be construed to be Administration policy. The analysis draws extensively from the findings of the above-mentioned PACE report.

As you know, the issue of MTBE is related to a current Clean Air Act provision that requires the use of oxygenates in reformulated gasoline. It is my understanding that Congress designed this provision to promote the use of renewable fuels, enhance energy security, support the agricultural economy, and improve the environment. EPA welcomes the opportunity to work with the Congress to further these important goals.

Again, thank you for writing. If you have questions about these documents, please feel free to contact me or your staff may contact Diann Frantz in the Office of Congressional and Intergovernmental Relations at (202) 564–3668.

Sincerely yours,

CHRISTINE TODD WHITMAN.

Enclosures.

SUPPLY IMPACT ANALYSIS OF S. 950—THE FEDERAL REFORMULATED FUELS ACT OF 2001

There are four primary provisions in S. 950 that could have an impact on gasoline supply in the U.S. These include the nationwide ban on MTBE, rescinding the 1 psi RVP waiver for ethanol blended into conventional gasoline, the additional air toxics requirements, and the provision of grant money to support the conversion of merchant MTBE plants to the production of other gasoline blendstocks. The impact of each of these provisions is discussed below. The evaluation of the financial support for the conversion of merchant MTBE plants to the production of other gasoline blendstocks is combined with that of the ban on MTBE use.

A. NATIONWIDE MTBE BAN

Due to the attention that has been placed on the MTBE issue over the last several years, there have been a number of different MTBE ban scenarios that have been put forward and a considerable amount of analysis already performed for at least some scenarios. Differences in how the bans would be implemented, however, can cause significant differences in what impact they will have on the gasoline fuel supply. What follows is a summary of a recent analysis EPA conducted for a nationwide ban on MTBE use which mirrors relatively closely the MTBE ban provisions in S. 950.

Table A–1 shows the sources of the MTBE used in U.S. gasoline and estimated 2000 production volumes (from Pace Consultants). The total MTBE volume of 263,000 bbl/day represents approximately 3.1% of U.S. gasoline consumption. However, MTBE contains only about 80% of the energy density of gasoline. Consequently, on a energy equivalent basis this MTBE volume represents approximately 2.5% of total U.S. gasoline consumption.

TABLE A–1.—YEAR 2000 PRODUCTION VOLUME OF MTBE (BARRELS/DAY) IN THE U.S.

Type of MTBE plant	Physical volume	Gasoline equivalent volume
Captive refinery plants	79,000	64,000
Propylene Oxide based merchant plants	45,000	36,000
Ethylene based merchant plants	21,000	17,000
Natural gas liquids (NGL) based plants	67,000	54,000
Imports (NGL based)	51,000	41,000
Total	263,000	212,000

In support of EPA's analysis of restrictions on the use of MTBE, we hired Pace Consultants, a knowledgeable and reputable firm, to conduct an analysis of the economics of converting the different types of MTBE plants to produce either alkylate or iso-octane instead of MTBE, versus the plant completely shutting down.

MTBE plants react isobutylene with methanol to make MTBE. MTBE plants fall into two broad categories: those which use isobutylene which already exists or which can be produced at very low cost from existing material, and those which have to produce isobutylene at significant cost from other chemicals. Captive or refinery based

MTBE plants and ethylene based MTBE plants fall into the first category, as their isobutylene is being produced in the process of making gasoline in the refinery or butadiene in the chemical plant. Propylene oxide based MTBE plants produce isobutylene from tertiary butyl alcohol, but do so using an inexpensive chemical process. Thus, they are placed in this first category, as well.

Domestic and overseas natural gas liquids (NGL) based MTBE plants fall into the latter category. These plants produce isobutylene via three processes from a mixture of normal butane and isobutane obtained from natural gas processing.

If an MTBE plant converts to alkylate production, it produces 80% more gasoline in terms of energy content than it did when producing MTBE. The gain in energy comes from the fact that isobutane is combined with this isobutylene in the production of alkylate, versus the addition of methanol in thr production of MTBE. Isobutane contains more energy than methanol, so the product does as well.

If an MTBE plant converts to iso-octane production, it produces 15% less gasoline equivalent volume than it did when producing MTBE. Again, this assumes that the converted MTBE plant would process the same amount of isobutylene as before. The loss in energy comes from the fact that isobutylene is reacted with itself to form iso-octane (i.e., no other feedstock is combined with the isobutylene in the reaction). Thus, the energy content of methanol is lost relative to MTBE production.

Alkylate and iso-octane both contain no aromatics and have relatively high octane (90–100) and low RVP, making them attractive fuel blending components. The Pace study found that it should be economic for the vast majority of MTBE production plants to be converted to either iso-octane or alkylate production if MTBE were banned. Below, we discuss the likely fate of each type of MTBE plant, plus imports.

Pace projected that captive, refinery MTBE plants will likely convert to either iso-octane or the isobutylene will be used to produce alkylate in a refiner's existing alkylation plant. Isobutylene had always been converted to alkylate at refineries prior to a refiner's decision to produce MTBE and this would be the preferred route if MTBE were banned, due to the higher volume of gasoline produced with alkylate versus iso-octane. However, if a refiner's current alkylation unit did not have excess capacity or its capacity could not be inexpensively increased, Pace concluded that the MTBE unit would likely be converted to produce iso-octane. Thus, as a lower limit for our analysis we have presumed that all these MTBE units are converted to produce iso-octane, and as an upper limit all the isobutylene will be used to produce alkylate. However, in no case should the MTBE production from these plants be completely lost as the isobutylene is available at no cost and has no other high value market.

Pace projected that propylene oxide based MTBE plants are likely to convert to iso-octane production, due to the lower capital cost involved. Like captive refinery plants, these plants are unlikely to shut down, since the feedstock used to produce MTBE (tertiary butyl alcohol) is produced as a by-product from propylene oxide or ethylene production (i.e., it is essentially free).

Pace projected that ethylene based MTBE plants are likely to shutdown and send their isobutylene to refineries for conversion to alkylate. Thus, while the MTBE plant itself is shut down, the volume it produces is not lost. As a lower limit, we projected that these ethylene based plants would convert to iso-octane, like the propylene oxide based plants.

Pace projected that merchant, NGL based MTBE plants would face the greatest challenge to stay in business. If they were to stay in business, Pace projected that they would be more likely to convert to alkylate than iso-octane production. Historical alkylate price premiums over premium gasoline would not support conversion to alkylate production. However, in 2001 price premiums have been consistently higher. Furthermore, under a complete MTBE ban, demand for clear, high-octane blending components should increase and alkylate price premiums should increase accordingly. This was in fact the case in all refining studies of California under their MTBE ban which showed significant flows of alkylate from the Gulf Coast to California. Consequently, for this analysis of a nationwide MTBE ban, due to the uncertainty, we have projected in the worst case that all of these plants would shut down or in the best case that all would convert to alkylate production. Under the actual provisions in S. 950, the best case is more likely to occur. This is due to the $750 million it would provide to help convert merchant MTBE plants. This subsidy should be sufficient to ensure that the production capacity of these plants remains available.

Finally, Pace projects that most foreign natural gas based MTBE plants are likely to convert to iso-octane production, given their low feedstock costs. This was observed already with an MTBE plant in Alberta, Canada, that recently converted to producing iso-octane.

Table A–2 summarizes the results of this analysis. As can be seen, we project that the net impact on supply from a nationwide MTBE ban ranges from a loss of approximately 84,000 bbl/day to gain of approximately 91,000 bbl/day, or roughly a gain or loss of approximately 1% of total nationwide gasoline volume on an energy equivalent basis. Given the $750 million in grants made available to help convert merchant MTBE plants, we believe that the supply impact is more likely to fall towards the upper end of this range than the low end. The grants should be sufficient to ensure that the production capacity of the NGL-based MTBE plants remains in the gasoline supply.

TABLE A–2.—GASOLINE EQUIVALENT VOLUME WITH A NATIONWIDE MTBE BAN

	Current production volume (bbl/day)	Lower limit of replaced volume (bbl/day)	Upper limit of replaced volume (bbl/day)
Captive refinery plants	64,000	54,000	114,000
Propylene Oxide based merchant plants	36,000	31,000	31,000
Ethylene based merchant plants	17,000	14,000	30,000
Merchant (NGL) plants	54,000	0	98,000
Imports (natural gas based)	41,000	30,000	30,000
Total	212,000	128,000	303,000
Change from Current		(84,000)	91,000

This analysis reflects only the changes in MTBE and gasoline hydrocarbon volume. The changes in ethanol volume that go along with this were not quantified in the Pace analysis. Even without the RFG oxygen mandate, which S. 950 allows states to opt out of, it is likely that a significant amount of ethanol would be used to fulfill the RFG and mobile source air toxics (MSAT) performance requirements. For example, Mathpro, in refinery modeling performed for EPA, projected that 50–65% of California gasoline would contain ethanol if MTBE were banned and the RFG oxygen mandate were waived.

B. RESCINDING THE 1.0 PSI RVP WAIVER FOR ETHANOL BLENDED IN CONVENTIONAL GASOLINE

Due to its hygroscopic nature it is not possible to ship ethanol blends through the same common carrier fuel distribution system with other petroleum products. Consequently, ethanol is not blended at the refinery into gasoline, but instead is ''splash blended'' at the terminal, usually as it is loaded into tank trucks. When ethanol is added to gasoline, it results in roughly a 1.0 psi RVP increase in the vapor pressure of the final blend. It is possible to produce a sub-RVP grade of gasoline for blending with ethanol downstream to offset this RVP increase, and in fact, that is what is done under the RFG program. Furthermore, some refiners currently produce a sub-octane grade of gasoline for downstream blending of conventional gasoline with ethanol. However, requiring all gasoline blendstock destined for ethanol blending to be distributed separately would place an additional challenge for the distribution system.

Rescinding the 1.0 psi RVP waiver for ethanol blending would require a unique sub-RVP gasoline blendstock for conventional gasoline. Unlike the MTBE ban discussed above, EPA has not conducted studies recently that would quantify the impact of this on overall gasoline supply. However, the analysis is also much less complicated. Based on recent analyses performed in support of our analysis of the boutique fuels issue, we have determined that lowering the RVP of gasoline by 1.0 psi RVP would require the removal of 1.5% of the gasoline in the form of butane. For some refineries, this would require the construction of a new butane-pentane splitter. Since butane contains roughly 85% of the energy content of typical gasoline, on an energy equivalent basis this would represent a 1.3% reduction in the volume of gasoline that is blended with ethanol.

While the amount of butane which needs to be removed from gasoline increases with increased ethanol use, this impact is overwhelmed by the additional volume of ethanol itself. Ethanol is typically blended at a 10 volume percent level. Ethanol contains 60% of the energy per gallon of gasoline. Thus, adding 10 volume percent ethanol increases gasoline equivalent volume by 6% while removing butane to compensate for ethanol's RVP boost reduces the gasoline equivalent volume by 1.3%, or just over a fifth of the gain from ethanol. Therefore, the net gain from adding 10 volume percent ethanol is an increase in gasoline equivalent volume of 4.7%.

Ethanol-blended conventional gasoline currently represents about 7% of total U.S. summertime gasoline consumption, or about 640,000 barrels per day. Thus, about 8000 bbl/day gasoline equivalent of butane would have to be removed from this fuel to compensate for ethanol's RVP boost. However, under a nationwide MTBE ban and with or without state opt outs of the RFG oxygen mandate, ethanol use in both RFG and conventional gasoline would likely increase over today's level. Since the RFG performance standards do not grant ethanol an RVP waiver, increased use of ethanol in either fuel would require butane removal. The impact on conventional gasoline, however, would be directly attributable to the removal of the RVP waiver under S. 950. It is difficult to predict precisely how much ethanol production in general would increase. If for example, ethanol use were to double over today's levels (nominally 100,000 bbl/day, or 60,000 bbl/day gasoline equivalent), this could require the removal of as much as 15,000 bbl/day of butane (13,000 bbl/day gasoline equivalent). Thus, the total amount of butane removed could be 22,000 bbl/day gasoline equivalent under this example. However, this is still much lower than the 60,000 bbl/day gasoline equivalent of new gasoline supply associated with the new ethanol production.

C. EXISTING AND ADDITIONAL AIR TOXICS CONTROL

It is difficult to quantify the impact on gasoline supply of the existing MSAT standards plus the new air toxics standards which are included in S. 950. The current MSAT standards require refiners to maintain the toxics emission performance of their 1998–2000 RFG and conventional gasoline into the future. In the context of S950, this means that as MTBE is removed from primarily RFG, refiners producing RFG must maintain their previous toxics emission performance.

In general, this historical performance has been well beyond that required by the RFG regulations. Removing MTBE increases toxics emissions from gasoline, even considering the lower sulfur levels which will be required in the future and lower olefin levels which should accompany the sulfur reductions. Substituting alkylate and iso-octane for MTBE helps, but may not be sufficient to maintain toxics performance. Adding ethanol along with alkylate and iso-octane should be sufficient for most refiners to compensate for MTBE removal, once the Tier 2 sulfur standards take effect.

Another possibility is that most refiners should be able to shift some of their reformate (the gasoline blendstock highest in aromatics and benzene) from RFG to conventional gasoline. This would ease compliance with the MSAT standards for their RFG. However, some refiners may still have to reduce benzene or aromatic levels below current levels. Some refiners are also more dependent on MTBE use than others.

Despite this uncertainty, any impact of the MSAT standards are likely to affect RFG supply more than total gasoline supply. Much less MTBE is used in conventional gasoline today compared to RFG. The levels of sulfur and olefins in conventional gasoline will also be dropping in the near future. Thus, most refiners should find it relatively easy to comply with the MSAT standards for their conventional gasoline even with an MTBE ban. Refiners facing difficult meeting their MSAT standards for RFG would not decrease total gasoline production, but could shift some of their RFG production to conventional gasoline. Thus, the relevant issue with the current MSAT standards is their effect on RFG supply, not total gasoline supply.

The new toxics performance standards in S. 950, as they appear to be written, would be imposed in addition to the current MSAT standards. As a result, refiners with cleaner than average historic RFG would be constrained primarily by the MSAT standards, while refiners with poorer than average historic RFG toxics performance would be held to a new PADD average toxics standard.

We have not analyzed the impact of a regional toxics standard of this type, particularly in conjunction with the MSAT standards. However, as was the case with the MSAT standards, the impact of the regional toxics standards would be to make it relatively more difficult to produce RFG than conventional gasoline. Total gasoline supply would probably be little affected, but RFG supply could be affected. More analysis is needed before any quantitative estimates could be made.

D. OVERALL IMPACT

Due to the lack of available analysis to quantify the impact of the new toxics emission requirements on gasoline supply, we cannot provide a comprehensive overall estimate of the impact of the S. 950 on gasoline supply. However, the combination of alkylate and iso-octane production from current MTBE plants, plus the likely increase in ethanol use, should more than compensate for the loss of MTBE volume. Thus, based on this first order analysis, total gasoline production capacity could actually increase. The toxics standards primarily affect RFG production relative to conventional gasoline production. Thus, whether RFG production increases must await further analysis. However, there appears to be a significant probability that total gasoline production capacity would increase under the provisions of S. 950.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, December 21, 2001.

Hon. JAMES JEFFORDS,
Chairman, Committee on Environment and Public Works, U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: The Congressional Budget Office has prepared the enclosed statement on private-sector mandates for S. 950, the Federal Reformulated Fuels Act of 2001. CBO completed a federal cost estimate and an assessment of the bill's effects on state, local, and tribal governments on November 9, 2001.

If you wish further details on this statement, we will be pleased to provide them. The CBO staff contacts are Lauren Marks and Richard Farmer, who can be reached at 226–2940.

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

CONGRESSIONAL BUDGET OFFICE PRIVATE-SECTOR MANDATES STATEMENT

S. 950—Federal Reformulated Fuels Act of 2001

Summary: S. 950 contains several private-sector mandates as defined in the Unfunded Mandates Reform Act (UMRA). The bill would impose mandates on domestic refiners and importers of certain motor fuels, and on producers of the fuel additive methyl tertiary butyl ether (MTBE). The most costly mandate would ban the use of MTBE in motor vehicle fuel by the year 2006. CBO estimates that the direct costs of such a ban would amount to about $950 million a year starting in fiscal year 2006, declining to about $600 million a year by 2008. Consequently, the aggregate direct costs of all the mandates in the bill would be well in excess of the annual threshold established by UMRA ($113 million in 2001, adjusted annually for inflation).

S. 950 also would authorize an annual appropriation of $250 million to the Environmental Protection Agency (EPA) over the 2002–2004 period for grants to assist manufacturers of MTBE to convert facilities to produce fuel additives that would substitute for MTBE.

Private-sector mandates contained in bill: S. 950 would impose private-sector mandates on domestic refiners and importers of certain motor fuels, and on producers of the fuel additive methyl tertiary butyl ether. Specifically, the bill would impose mandates by:

Banning the use of methyl tertiary butyl ether in motor vehicle fuel;

Eliminating the waiver that allows gasoline blended with ethanol to have higher evaporative properties (as measured by the Reid vapor pressure) than gasoline blended with other fuel additives; and

Requiring the refining industry to comply with more frequent environmental and public health testing of fuel additives prior to registration of those substances.

Estimated direct cost to the private sector: CBO estimates that the aggregate direct costs of the private-sector mandates in S. 950 would be well in excess of the annual threshold established by UMRA ($113 million in 2001, adjusted annually for inflation) starting in 2006.

Ban the Use of MTBE in Gasoline

Under the Clean Air Act (CAA) Amendments of 1990, areas with poor air quality are required to add chemicals called ''oxygenates'' to gasoline as a means of reducing certain air pollution emissions. The CAA has two programs that require the use of oxygenates. One program requires oxygenated fuel only during winter months. The more significant of the two programs is the reformulated gasoline (RFG) program. Under that program, areas with severe ozone pollution must use reformulated gasoline year round. Areas with less severe ozone pollution may opt into the program as well, and many have. Refiners in participating states are required to add oxygenates to that gasoline at levels designated to improve combustion and thereby, reduce pollution from motor fuel emissions. Currently, about 1.3 million barrels of reformulated gasoline are sold each day. One of the most commonly used oxygenates is methyl tertiary butyl ether. In recent years concerns have been raised about the adverse effects on drinking water supplies of MTBE that leaks from underground tanks.

S. 950 would ban the use of methyl tertiary butyl ether in gasoline within four years of the bill's enactment. Nearly 0.3 million barrels of MTBE are blended into gasoline each day in this country, with about one third of that amount supplied to refiners by merchant producers and the rest produced by the refiners themselves or imported. Under the bill, domestic petroleum refiners would no longer be able to blend MTBE into gasoline and would therefore be required to either produce or buy other, more costly fuel additives (such as Alkylates or IsoOctane) to blend into reformulated gasoline. Merchant producers would have to convert their operations and begin producing alternative fuel additives, or would sell MTBE abroad. Significant capital investment by domestic refiners and merchant producers, including conversion of MTBE plants would be required in order to produce the Alkylates or IsoOctane. Importers would have to acquire gasoline produced without MTBE and alternative fuel additives.

Industry studies indicate that refiners and importers may initially have to pay an additional 2.5 cents to three cents per gallon to supply gasoline without MTBE. The cost to merchant producers of MTBE that decide to convert to the production of alternative fuel additives could be about 15 cents per gallon of MTBE converted. For both parties, the unit costs of compliance will diminish after capital investments are made. CBO estimates the total cost of the MTBE ban would amount to about $950 million annually starting in 2006 and decline after a few years to about $600 million annually.

At this time, ten states, including California and New York, have acted to completely phase-out the use of MTBE in gasoline. CBO's estimate of the cost to refiners has been adjusted for the fact that those states, which account for more than 40 percent of reformulated gasoline sales, will already be in compliance with the ban by the time the bill's provisions would go into effect.

Eliminate the Ethanol Waiver

Under the RFG program gasoline sold in the summer months must meet a Reid vapor pressure (RVP) standard that is stricter than that for other gasoline. RVP, measured in pounds per square (psi), indicates how quickly a substance evaporates. Gasoline with a high RVP evaporates more readily at a given temperature, allowing components of gasoline that contribute to smog formation to escape into the atmosphere.

S. 950 would eliminate the statutory waiver that allows conventional gasoline blended with ethanol to have a higher Reid vapor pressure than other gasoline. Currently, conventional gasoline blended with ethanol is

allowed to have an RVP of 10 psi, making it more evaporative than other fuels. Under the bill, ethanol-blended fuels would have to achieve an RVP of 9 psi. To accommodate the change, refiners who blend ethanol would reduce their use of other highly evaporative components in gasoline, such as butane. It is likely that those refiners (located mainly in the Midwest) would continue their use of ethanol, since that additive receives federal and state subsidies. According to the Energy Information Administration, it would cost about 0.4 cents per gallon of gasoline to eliminate enough butane to lower the RVP of ethanol-blended gasoline to 9 pounds per square inch. CBO therefore expects that the cost of replacing butane and other evaporative blendstocks in the 0.4 million barrels of ethanol-blended gasolines that are sold each day would be about $65 million annually.

Require More Frequent Environmental and Public Health Testing

The bill would require manufacturers of fuel additives to test their products regularly for any environmental and public health effects of the fuel or additive, as part of the registration process with the EPA. Under current law, such testing occurs at the discretion of the EPA Administrator. Based on information provided by the EPA on the most recent round of testing, CBO expects the cost of regular testing to be between $10 million and $20 million every five years, which is the period of time over which the EPA expects the testing to take place.

Appropriation or other Federal financial assistance provided in the bill related to private-sector mandates: S. 950 would authorize the appropriation of $750 million to the Environmental Protection Agency over the 2002–2004 period for grants to assist domestic manufacturers of MTBE to convert facilities to produce substitute fuel additives instead of MTBE.

Estimate prepared by: Lauren Marks and Richard Farmer.

Estimate approved by: David Moore, Deputy Assistant Director for Microeconomics and Financial Studies Division.

ADDITIONAL STATEMENTS

HONORING ALLISON CHURCH OF CORBIN, KENTUCKY

● Mr. BUNNING. Mr. President, today I ask my colleagues to join me in honoring the most recent accomplishment of Allison Church of Corbin, KY.

Allison, a junior at Corbin Independent High School, has been chosen as one of only 350 students nationwide to be a participant in this year's National Youth Leadership Forum on Defense, Intelligence, and Diplomacy, which will take place later in February right here in our Nation's capital. Allison earned this distinction based upon her excellent academic record, extensive involvement in extracurricular activities, and expressed interest in a career related to national security. I commend Allison for her strong commitment to her studies, school, and country's protection.

After the horrific attacks perpetrated on September 11, 2001, I can see no better time than the present for our nation's youth and future leaders to be learning about the importance of such topics as international diplomacy, defense, and intelligence. I believe Allison will learn valuable political and social tools which she will carry with her for the rest of her life. I thank Allison for proudly representing Corbin Independent High School and the entire Commonwealth of Kentucky.●

10TH ANNIVERSARY OF THE VERMONT SMALL BUSINESS DEVELOPMENT CENTER

● Mr. LEAHY. Mr. President, I rise today to commend the Vermont Small Business Development Center, commonly known as the Vermont SBDC, for its impressive first ten years of operation.

In 1992, this new partnership of government, education, and business was established in Vermont to help spur the state's economy. The parties involved were the U.S. Small Business Administration, the Vermont Agency of Commerce and Community Development, the Vermont State Colleges, and Vermont's twelve Regional Development Corporations.

With a staff of five and a lean budget, the SBDC set out to accomplish its statewide mission: to help Vermont small businesses succeed. In its first year of operation, nearly 3,000 hours of free business counseling were provided to 736 clients. The positive impact of SBDC activities in just its first three years of existence is attested to by the attendance of nearly 1,400 people at its small business seminars held around the state in 1995.

Over the past 10 years, the SBDC has provided more than 44,000 hours of counseling to 11,000 clients. Over half were women, and half were new business startups. In addition, over 15,000 Vermonters have attended SBDC business seminars.

Evaluation is a critical component to the SBDC. The annual impact assessment implemented in 1996 measured the economic impact that SBDC clients were having in Vermont. It found that SBDC clients created jobs at twice the rate of other Vermont businesses. It is not surprising that client satisfaction was rated at 97 percent.

In 1998, the Vermont SBDC was recognized by the U.S. Small Business Administration, SBA, as the Outstanding National SBDC; a wonderful feat for an organization that accomplishes so much with so little. In fact, last year's economic impact assessment revealed that SBDC clients have led to the addition of over $3.2 million in incremental tax revenues to the Vermont treasury. Considering the current state match contribution of about $300,000, that equates to more than 9 to 1 return on the state's investment.

The impressive achievements of SBDC must be viewed in light of the active role of the various partners that support it. Since its inception, SBDC has been housed at Vermont Technical College, which also provides facilities for workshops and seminars. The SBA provided the initial seed funding and by validating SBCD's effectiveness continues to provide federal funding. The Vermont Agency for Commerce and Community Development provides matching state funds and is an integral partner in the SBDC network. The Agency considers SBDC a primary component of their economic development strategy. The Vermont Regional Development Corporations (RDC) are the local partners which ensure that services are provided uniformly throughout the state. SBDC counselors are housed at the twelve RDC centers around the state.

Leveraging resources and working with other organizations has been the hallmark of the SBDC over the years. Private sector and other external network partners have been absolutely essential for service delivery. The SBDC works with countless external organizations on a daily basis to form a broad delivery and support network. For example, approximately 60 percent of referrals for SBDC counseling and business planning assistance come from the banking community and other lenders.

In the face of potential reduction of funding, clients and friends of the SBDC are coming together to emphasize the benefit and economic contributions of the SBDC. Together, they are sending the message that now is not the time to cut SBDC resources. Rather, a challenging economy is the time to invest in partnerships like the SBDC. At return rates of 9 to 1 it is difficult to justify not providing the funding necessary to maintain the resources needed to meet market need.

Once again, I am proud of the initiative and hard work SBDC has contributed to making our state a national leader among small business development organizations. Small business is truly the backbone of Vermont's business community. And Vermont is an example of how small states can leverage their limited resources for the maximum benefit of their citizens. Over the years, SBDC has found ways to partner with the federal government, the private sector, and higher education to double its available funding, provide free quality services to businesses, help develop businesses and economic independence, and at the same time provide a return on investment that more than pays for the program. I congratulate them on their tenth anniversary.●

TRIBUTE TO PETER HAMBLETT

● Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute to Peter Hamblett of Dover, NH, on being named as the 2002 Volunteer of the Year by the Greater Dover Chamber of Commerce.

Peter was the recipient of the Volunteer of the Year award in 2001 and is an exemplary member of the community in Dover. His community involvement includes: member, Dover Rotary Club, activist in Main Street program in Dover, member, Board of Directors for

the United Way of the Greater Seacoast, member of the New Hampshire Bankers Association and member of South Church in Portsmouth. Peter has also served on the Boards of Strawberry Banke and the Manchester Boys and Girls Club.

I commend Peter for his tremendous energy and contributions to the community at large in Dover. In addition to his volunteer service to community groups, he also serves on the Greater Dover Chamber of Commerce Government Affairs and Waterfront Committees.

The City of Dover and the State have benefitted greatly by Peter's efforts and selfless dedication. The citizens of the greater Dover area are most fortunate to have a talented leader and volunteer such as Peter. I congratulate Peter on this well deserved recognition and wish him the very best. It is truly an honor and a privilege to represent him in the United States Senate.●

TRIBUTE TO JACK RICE

● Mr. SARBANES. Mr. President, I rise today to honor an outstanding public servant, John ''Jack'' Rice for his thirty-six years of exemplary Federal service. As a Marine Machinist General Foreman at the Coast Guard Yard in Baltimore, Jack consistently provided high quality work to the Coast Guard and deserves recognition for his service.

Throughout his long career with the Federal Government, Jack Rice distinguished himself as a highly skilled tradesman who was committed to the Coast Guard and his trade. His vast knowledge and extensive experience as a Marine Machinist made him a valuable source of information for the Coast Guard Yard as it sought to achieve high quality production of Coast Guard ships. Among the many important projects that he made significant contributions to was the design, construction, and procurement of the Yard's 4000HP water brake, a computer-controlled dynamometer. His insight also proved essential to the architects and facility managers that built and outfitted the building that currently houses this equipment.

Jack Rice's innovative approach to his position will be missed. When the Yard's new Machine Shop was in need of additional equipment and tools, Jack diligently reviewed excess equipment lists from other agencies. Through his efforts, the Yard was able to maintain state-of-the-art techniques while simultaneously achieving significant savings for the Coast Guard and the Federal Government.

Jack Rice also played a key role in advocating that the Coast Guard Yard receives the necessary resources from the Federal Government to accomplish its important missions. I was fortunate to have the opportunity to work with Jack on these efforts. The Coast Guard and our country owe him a debt of gratitude for helping to ensure that the Coast Guard is adequately prepared to defend our coastlines, particularly during these difficult times.

In addition to his service to the Coast Guard, Jack has contributed endless hours to promoting the development of skilled tradesmen. In particular, as Chairman of the Baltimore City Public Schools Manufacturing Advisory Committee, he advised the school system about the latest trade technology and provided valuable suggestions to the Board as it developed a curriculum that would effectively prepare students for a career involving a trade. He also played a key role in the organization of the job and information fairs that have been extremely successful at informing students and their parents about the need for skilled labor and the benefits of selecting a career in the trades.

For 36 years, Jack Rice exemplified the Coast Guard Yard's motto, ''Service to the Fleet''. Without a doubt, he played a large part in helping the Yard earn its reputation as a top quality workforce which produces top quality products.

It is my firm conviction that public service is one of the most honorable callings, one that demands the very best, most dedicated efforts of those who have the opportunity to serve their fellow citizens and country. Throughout his career, Jack Rice has exemplified a steadfast commitment to meeting this demand. I extend my personal congratulations and thanks for his many years of hard work and dedication and wish him well in the years ahead.●

MAGGIE L. WALKER GOVERNOR'S SCHOOL OF RICHMOND, VA

● Mr. WARNER. Mr. President, on May 4 through 6, 2002 more than 1200 students from across the United States will visit Washington, D.C. to compete in the national finals of the ''We the People . . .'' The Citizen and the Constitution program, administered by the Center for Civic Education. ''We the People'' is the most extensive educational program in the country developed specifically to educate young people about the Constitution and the Bill of Rights.

I am proud to announce that the class from Maggie L. Walker Governor's School from Richmond will represent the Commonwealth of Virginia in this national event. These young Virginians have worked diligently to reach the national finals and through their experience have gained a deep knowledge and understanding of the fundamental principles and values of our constitutional democracy.

The 3-day national competition is modeled after hearings in the United States Congress. The hearings consist of oral presentations by high school students before a panel of adult judges on constitutional topics. The students' testimony is followed by a period of questioning by the judges who probe their depth of understanding and ability to apply their constitutional knowledge.

The class from Maggie L. Walker Governor's School is currently conducting research and preparing for their upcoming participation in the national competition in Washington, D.C. I wish these young ''constitutional experts'' the best of luck at the ''We the People . . .'' national finals. They represent the future leaders of our Nation.●

WHITNEY R. HARRIS INSTITUTE FOR GLOBAL LEGAL STUDIES

● Mrs. CARNAHAN. Mr. President later today, Washington University, in St. Louis, MO, will be dedicating the Whitney R. Harris Institute for Global Legal studies. This Institute is a fitting tribute to a man who has devoted his life to the concept of international law.

As a young naval officer, Mr. Harris was selected to join the team of 24 U.S. prosecutors during the trial of Nazi war criminals at Nuremberg because of his expertise in German intelligence matters. The trial was without precedent in legal history. For his services at Nuremberg, Harris was awarded the Legion of Merit, the Highest decoration received by any trial counsel.

As Mr. Harris said, ''Because of Nuremberg—and the effort which it represents of man's attempt to elevate justice and law over inhumanity and war—there is hope for a better tomorrow.'' The importance of Mr. Harris' work cannot be overstated.

In the 50 years since Nuremberg, Mr. Harris has championed human rights through international law. In 1954, Mr. Harris wrote ''Tyranny Trial,'' in which he distills the massive documentary evidence presented at the historic trial to provide a meticulous look at Hitler's rise to power and the Nazi planning and execution of war crimes. His book explores the relationship between law and war and discusses the precedent Nuremberg set for international human rights law.

The mission statement of the Institute for Global Legal Studies says: ''We live in a truly global age. People, goods, services, information, and capital flow freely across international boundaries. From the Internet, e-mail, fax machines to travel, migration, commerce, and foreign relations, the story of the new millennium will be our ever shrinking planet. The world's problems—and the problems entrusted to lawyers—will increasingly require international cooperation and international solutions.'' The Whitney R. Harris Institute for Global Legal Studies will train men and women to follow in Mr. Harris' footsteps, guiding us through this new global age.●

TRIBUTE TO KERRY FORBES

● Mr. SMITH of New Hampshire. Mr. President, I rise today to pay tribute

to Kerry Forbes of Dover, NH, on being named as the 2002 Citizen of the Year by the Greater Dover Chamber of Commerce.

A true champion of the community at large, Kerry has been involved in numerous volunteer programs including: member of the Dover Economic Commission that oversaw the creation of the Enterprise Industrial Park and the creation of the Dover Economic Development Loan Fund, volunteer counselor at the Seaborn Hospital, board member of the Strafford Rivers Conservancy, member of the Greater Dover Chamber of Commerce, member Board of Directors of the Dover Main Street Program and member of the Dover Rotary Club.

The citizens of the greater Dover area and the State have benefitted greatly by Kerry's efforts and talents. I commend Kerry for the exemplary leadership and spirit of service which he has consistently exhibited while serving his community and congratulate him for this prestigious recognition. It is truly an honor and a privilege to represent him in the United States Senate.●

MESSAGES FROM THE HOUSE

At 1:41 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3394. An act to authorize funding for computer and network security research and development and research fellowship programs, and for other purposes.

ENROLLED BILL SIGNED

At 3:31 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

S. 1888. An act to amend title 18 of the United States Code to correct a technical error in the codification of title 36 of the United States Code.

The enrolled bill was signed subsequently by the President pro tempore (Mr. BYRD).

MEASURES REFERRED

The following bill was read the first and the second times by unanimous consent, and referred as indicated:

H.R. 3394. An act to authorize funding for computer and network security research and development and research fellowship programs, and for other purposes; to the Committee on Commerce, Science, and Transportation.

ENROLLED BILL PRESENTED

The Secretary of the Senate reported that on today, February 7, 2002, she had presented to the President of the United States the following enrolled bill:

S. 1888. An act to amend title 18 of the United States Code to correct a technical error in the codification of title 36 of the United States Code.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. KERRY, from the Committee on Small Business and Entrepreneurship, without amendment:

S. 396: A bill to provide for national quadrennial summits on small business and State summits on small business, to establish the White House Quadrennial Commission on Small Business, and for other purposes. (Rept. No. 107–136).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LEAHY for the Committee on the Judiciary.

Michael J. Melloy, of Iowa, to be United States Circuit Judge for the Eighth Circuit.

David L. Bunning, of Kentucky, to be United States District Judge for the Eastern District of Kentucky.

James E. Gritzner, of Iowa, to be United States District Judge for the Southern District of Iowa.

Robert E. Blackburn, of Colorado, to be United States District Judge for the District of Colorado.

Cindy K. Jorgenson, of Arizona, to be United States District Judge for the District of Arizona.

Richard J. Leon, of Maryland, to be United States District Judge for the District of Columbia.

Jay C. Zainey, of Louisiana, to be United States District Judge for the Eastern District of Louisiana.

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 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.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

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. KERRY (for himself and Mr. BOND):

S. 1914. A bill to amend title 49, United States Code, to provide a mandatory fuel surcharge for transportation provided by certain motor carriers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mrs. LINCOLN:

S. 1915. A bill to amend the Internal Revenue Code of 1986 to treat natural gas distribution lines as 10-year property for depreciation purposes; to the Committee on Finance.

By Mr. DAYTON:

S. 1916. A bill to provide unemployed workers with health coverage assistance; to the Committee on Finance.

By Mr. JEFFORDS (for himself, Mr. SMITH of New Hampshire, Mr. REID, Mr. INHOFE, Mr. BAUCUS, Mr. WARNER, Mr. GRAHAM, Mr. BOND, Mr. VOINOVICH, Mr. LIEBERMAN, Mr. CRAPO, Mrs. BOXER, Mr. CHAFEE, Mr. SPECTER, Mr. WYDEN, Mr. CARPER, Mr. CAMPBELL, Mrs. CLINTON, and Mr. CORZINE):

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; to the Committee on Environment and Public Works.

By Ms. COLLINS (for herself, Mr. FRIST, Mr. LIEBERMAN, Mr. DEWINE, Mr. ROBERTS, Mr. SESSIONS, Mr. CARPER, and Mr. BREAUX):

S. 1918. A bill to expand the teacher loan forgiveness programs under the guaranteed and direct student loan programs for highly qualified teachers of mathematics, science, and special education, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Mr. WELLSTONE:

S. 1919. A bill to amend the Employee Retirement Income Security Act of 1974 to provide for improved disclosure, diversification, account access, and accountability under individual account plans; to the Committee on Health, Education, Labor, and Pensions.

By Mr. NELSON of Florida:

S. 1920. A bill to require that the Attorney General conduct a study regarding the ability of the Federal Bureau of Investigation to prevent and combat international crimes involving children, and for other purposes; to the Committee on the Judiciary.

By Mrs. HUTCHISON (for herself, Mr. LOTT, and Mr. CRAIG):

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; to the Committee on Finance.

By Mr. HUTCHINSON (for himself, Ms. MIKULSKI, and Mr. ENZI):

S. 1922. A bill to direct the Secretary of Health and Human Services to expand and intensify programs with respect to research and related activities concerning elder falls; to the Committee on Health, Education, Labor, and Pensions.

By Mr. LOTT (for Mr. MCCAIN):

S. 1923. A bill to provide for increased corporate average fuel economy standards, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. DASCHLE:

S.J. Res. 31. A joint resolution suspending certain provisions of law pursuant to section 258(a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985; to the Committee on the Budget pursuant to Section 258(a)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985, for not to exceed five days of session.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. CAMPBELL (for himself, Mr. DODD, and Mr. BROWNBACK):

S. Res. 205. A resolution urging the Government of Ukraine to ensure a democratic, transparent, and fair election process leading up to the March 31, 2002, parliamentary elections; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 91

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 91, a bill to amend the Native American Languages Act to provide for the support of Native American Language Survival Schools, and for other purposes.

S. 208

At the request of Mr. FRIST, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 208, a bill to reduce health care costs and promote improved health care by providing supplemental grants for additional preventive health services for women.

S. 243

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 243, a bill to provide for the issuance of bonds to provide funding for the construction of schools of the Bureau of Indian Affairs of the Department of the Interior, and for other purposes.

S. 281

At the request of Mr. HAGEL, the name of the Senator from Missouri (Mrs. CARNAHAN) was added as a cosponsor of S. 281, a bill to authorize the design and construction of a temporary education center at the Vietnam Veterans Memorial.

S. 503

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 503, a bill to amend the Safe Water Act to provide grants to small public drinking water system.

S. 540

At the request of Mr. DEWINE, the names of the Senator from Kansas (Mr. BROWNBACK) and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. 540, a bill to amend the Internal Revenue Code of 1986 to allow as a deduction in determining adjusted gross income the deduction for expenses in connection with services as a member of a reserve component of the Armed Forces of the United States, to allow employers a credit against income tax with respect to employees who participate in the military reserve components, and to allow a comparable credit for participating reserve component self-employed individuals, and for other purposes.

S. 627

At the request of Mr. GRASSLEY, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 627, a bill to amend the Internal Revenue Code of 1986 to allow individuals a deduction for qualified long-term care insurance premiums, use of such insurance under cafeteria plans and flexible spending arrangements, and a credit for individuals with long-term care needs.

S. 722

At the request of Mr. FRIST, the name of the Senator from Wyoming (Mr. THOMAS) was added as a cosponsor of S. 722, a bill to amend the Communications Act of 1934 to prohibit telemarketers from interfering with the caller identification service of any person to whom a telephone solicitation is made, and for other purposes.

S. 808

At the request of Mr. BAUCUS, the name of the Senator from Idaho (Mr. CRAPO) was added as a cosponsor of S. 808, a bill to amend the Internal Revenue Code of 1986 to repeal the occupational taxes relating to distilled spirits, wine, and beer.

S. 1021

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 1021, a bill to reauthorize the Tropical Forest Conservation Act of 1998 through fiscal year 2004.

S. 1140

At the request of Mr. HATCH, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 1140, a bill to amend chapter 1 of title 9, United States Code, to provide for greater fairness in the arbitration process relating to motor vehicle franchise contracts.

S. 1186

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 1186, a bill to provide a budgetary mechanism to ensure that funds will be available to satisfy the Federal Government's responsibilities with respect to negotiated settlements of disputes related to Indian water rights claims and Indian land claims.

S. 1379

At the request of Mr. KENNEDY, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1379, a bill to amend the Public Health Service Act to establish an Office of Rare Diseases at the National Institutes of Health, and for other purposes.

S. 1496

At the request of Mr. GRAHAM, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 1496, a bill to clarify the accounting treatment for Federal income tax purposes of deposits and similar amounts received by a tour operator for a tour arranged by such operator.

S. 1749

At the request of Mr. KENNEDY, the name of the Senator from Missouri (Mrs. CARNAHAN) was added as a cosponsor of S. 1749, a bill to enhance the border security of the United States, and for other purposes.

S. 1753

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. 1753, a bill to amend title XIX of the Social Security Act to include medical assistance furnished through an urban Indian health program operated by an urban Indian organization pursuant to a grant or contract with the Indian Health Service under title V of the Indian Health Care Improvement Act in the 100 percent Federal medical assistance percentage applicable to the Indian Health Service.

S. 1786

At the request of Mr. DURBIN, the names of the Senator from Rhode Island (Mr. REED) and the Senator from Nebraska (Mr. NELSON) were added as cosponsors of S. 1786, a bill to expand aviation capacity in the Chicago area.

S. 1867

At the request of Mr. LIEBERMAN, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 1867, a bill to establish the National Commission on Terrorist Attacks Upon the United States, and for other purposes.

S. 1899

At the request of Mr. BROWNBACK, the names of the Senator from Mississippi (Mr. LOTT) and the Senator from Idaho (Mr. CRAIG) were added as cosponsors of S. 1899, a bill to amend title 18, United States Code, to prohibit human cloning.

S. RES. 68

At the request of Mrs. MURRAY, her name was added as a cosponsor of S. Res. 68, a resolution designating September 6, 2001 as ''National Crazy Horse Day.''

AMENDMENT NO. 2533

At the request of Mr. CRAPO, the names of the Senator from Utah (Mr. HATCH) and the Senator from Utah (Mr.

BENNETT) were added as cosponsors of amendment No. 2533.

AMENDMENT NO. 2821

At the request of Mr. DURBIN, the names of the Senator from Michigan (Mr. LEVIN), the Senator from New Jersey (Mr. CORZINE), the Senator from Maine (Ms. COLLINS), and the Senator from Iowa (Mr. HARKIN) were added as cosponsors of amendment No. 2821.

At the request of Mr. SPECTER, his name was added as a cosponsor of amendment No. 2821 supra.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. KERRY (for himself and Mr. BOND):

S. 1914. A bill to amend title 49, United States Code, to provide a mandatory fuel surcharge for transportation provided by certain motor carriers, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. KERRY. Mr. President, today I am pleased to introduce the Motor Carrier Fuel Cost Equity Act, which is much-needed legislation. My bill is designed to improve the ability of independent truck drivers to recoup losses from high fuel costs by requiring that motor carriers charge a fuel surcharge when the price of diesel fuel rises above $1.15 and pass-through this surcharge to the payer of the fuel costs. My bill will level the playing field for small operators, which comprise nearly 80 percent of the motor carrier industry, without any cost or regulatory requirement for the Federal Government.

There are approximately 350,000 independent truck drivers, known as owner-operators, who haul freight either on a per-load contractual basis or by leasing their truck and driving services to a motor carrier, freight forwarder or other shipping broker. Owner-operators essentially are independent contractors. Sometimes they provide their services directly to a shipper, but more often owner-operators contract out their services to a motor carrier company which negotiates its own contract with a shipper and then pays the owner-operator to provide the transport service.

Fuel surcharges are a long-established method of permitting motor carriers, airlines and even taxis to recover high fuel costs. But because of intense competition in the industry, owner-operators have little ability to negotiate terms of transport with a motor carrier, and in virtually no circumstance are they able to pass along the increased costs of fuel to the shipper. The inability of independent truck drivers to pass along the higher fuel costs of the last two years has resulted in the bankruptcy of 7,000 trucking companies, nearly all small businesses, and the repossession of nearly 200,000 trucks.

I'd like to make clear a couple of additional points about the legislation: First, the bill would not affect less-than-truckload carriers, such as package delivery services. Many of these services are already imposing surcharges and they don't face the same unique situation that confronts the independent trucker. Second, my bill allows the parties to set their own surcharge formulas, but the surcharge must be sufficient to fully compensate the person who pays for the fuel. That's only fair, but it allows the motor carriers and truckers the greatest degree of flexibility in negotiating the terms of transport.

While national diesel fuel costs have recently fallen below the $1.15 threshold, we know well that fuel costs can increase suddenly. America's independent truckers, which form the backbone of truck transportation in this country, deserve the ability to protect themselves during these periods of high diesel fuel prices.

I am proud to be joined by Senator BOND in introducing this bill today. I am also pleased that Congressman RAHALL has introduced similar legislation on the House side. He has worked hard on this bill for several years now, and I look forward to working closely with him as we move forward on this legislation.

By Mrs. LINCOLN:

S. 1915. A bill to amend the Internal Revenue Code of 1986 to treat natural gas distribution lines as 10-year property for depreciation purposes; to the Committee on Finance.

Mrs. LINCOLN. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows.

S. 1915

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. NATURAL GAS DISTRIBUTION LINES TREATED AS 10-YEAR PROPERTY.

(a) IN GENERAL.—Subparagraph (D) of section 168(e)(3) of the Internal Revenue Code of 1986 (relating to classification of certain property) is amended by striking ''and'' at the end of clause (i), by striking the period at the end of clause (ii) and by inserting '', and'', and by adding at the end the following new clause:

''(iii) any natural gas distribution line.''.

(b) ALTERNATIVE SYSTEM.—The table contained in section 168(g)(3)(B) of the Internal Revenue Code of 1986 is amended by inserting after the item relating to subparagraph (D)(ii) the following:

''(D)(iii) ..... 20''.

(c) ALTERNATIVE MINIMUM TAX EXCEPTION.—Subparagraph (B) of section 56(a)(1) of the Internal Revenue Code of 1986 is amended by inserting before the period the following: ''or in clause (iii) of section 168(e)(3)(D)''.

(d) EFFECTIVE DATE.—The amendments made by this section shall apply to property placed in service after the date of the enactment of this Act.

By Mr. JEFFORDS (for himself, Mr. SMITH of New Hampshire, Mr. REID, Mr. INHOFE, Mr. BAUCUS, Mr. WARNER, Mr. GRAHAM, Mr. BOND, Mr. VOINOVICH, Mr. LIEBERMAN, Mr. CRAPO, Mrs. BOXER, Mr. CHAFEE, Mr. SPECTER, Mr. WYDEN, Mr. CARPER, Mr. CAMPBELL, Mrs. CLINTON, and Mr. CORZINE):

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; to the Committee on Environment and Public Works.

Mr. JEFFORDS. Mr. President, I ask unanimous consent that the Highway Funding Restoration Act as cosponsored by Senators SMITH of New Hampshire, REID, INHOFE, BAUCUS, WARNER, BOXER, CAMPBELL, CARPER, CRAPO, CLINTON, SPECTER, LIEBERMAN, VOINOVICH, GRAHAM of Florida, WYDEN, CORZINE, BOND, and CHAFEE, be printed in the RECORD. The bill provides for highway infrastructure investment at the guaranteed funding level contained in the Transportation Equity Act for the 21st Century.

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

S. 1917

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Highway Funding Restoration Act''.

SEC. 2. FEDERAL-AID HIGHWAY PROGRAM OBLIGATION CEILING.

Section 1102 of the Transportation Equity Act for the 21st Century (23 U.S.C. 104 note; 112 Stat. 115, 113 Stat. 1753) is amended by adding at the end the following:

''(k) RESTORATION OF OBLIGATION LIMITATION FOR FISCAL YEAR 2003.—Notwithstanding any other provision of law, the obligations for Federal-aid highway and highway safety construction programs for fiscal year 2003—

''(1) shall be not less than $27,746,000,000; and

''(2) shall be distributed in accordance with this section.''.

By Ms. COLLINS (for herself, Mr. FRIST, Mr. LIEBERMAN, Mr. DEWINE, Mr. ROBERTS, Mr. SESSIONS, Mr. CARPER, and Mr. BREAUX):

S. 1918. A bill to expand the teacher loan forgiveness programs under the guaranteed and direct student loan programs for higher qualified teachers of mathematics, science, and special education, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

Ms. COLLINS. Mr. President, I rise today with my colleagues, Senators FRIST, LIEBERMAN, DEWINE, ROBERTS, and SESSIONS to introduce the Math, Science, and Special Education Teacher Recruitment Act of 2002. I particularly want to thank the Senator from Tennessee for his tireless efforts and his leadership on this issue. The legislation we have before us today is, in large part, a product of his commitment to affordable education. I would also like to thank the Senator from Connecticut for his assistance and his dedication to solving America's teacher shortage.

The legislation we are introducing is designed to recruit teachers with an expertise in math, science, or special education to work in schools with high concentrations of low-income students by offering substantial assistance with their student loan payments.

All across our Nation, public schools are struggling to fill teaching positions with qualified teachers. In the 2001–2002 school year, administrators had to hire an estimated 200,000 new teachers just to maintain the current teacher/student radio. Although universities continue to produce a greater number of teachers each year, the profession is losing too many of its most qualified and experienced personnel to retirement. In Maine, for example, 30.2 percent of teachers are over the age of 50. With such a large portion of the profession nearing retirement, additional replacements will be needed in the next few years. The national teaching shortage is expected to continue throughout the next decade, making it more and more difficult for schools to find qualified instructors.

Attracting new faculty is difficult enough, but finding applicants with backgrounds in math, science, or special education can be particularly demanding. Among first year teachers, approximately 55 percent graduated from college with a bachelors in general education. Many more graduated with liberal arts degrees or majors unrelated to the curriculum they teach. The result is a system where only 38 percent of public school teachers hold subject-matter specific degrees.

In Maine, the shortage of qualified applicants is most severe with regard to math, science, special education, and foreign languages. Eighty nine percent of our high schools reported a shortage in math teachers, and 87 percent reported a shortage of science teachers. With the recent developments in technology and computing, it is becoming more important than ever that our schoolchildren enter the workforce with a firm grasp of math and science. Yet, it is more and more difficult to attract math and science specialists to the teaching profession. As for special education, the Council for Exceptional Children reports that 50,000 special education positions were unfilled or filled by teachers without a full certification.

If this teacher shortage is a burden on suburban school districts with ample resources, you can imagine the strain it puts on high poverty school systems. Problems are amplified in high-need areas: Teachers are likely to be the least experienced, often just out of school, they are less likely to hold a masters degree, and they are less likely to have majored in their field of instruction.

To help deal with this epidemic, Senator FRIST and I put together a proposal that would expand the current loan forgiveness program for math and science teachers who are willing to teach in high-poverty areas. Under the Act, teachers who commit to teach for five consecutive years in a low-income/high-need area would be eligible for $17,500 in loan forgiveness instead of the current benefit of $5,000. To meet the pressing need for special educators, the proposal would also make special educators eligible for the loan assistance for the first time. We expect this legislation will expand upon the successes of the current program and encourage a greater number of college graduates to enter the teaching profession. We are also hopeful that it will encourage more of the best qualified teachers to consider teaching in high need areas.

We are delighted that the President has included $45 million in his budget for a similar proposal. Once again, President Bush has chosen to make education a priority, and I look forward to working with my colleagues and the Administration on this important piece of legislation.

Mr. FRIST. Mr. President, I rise to speak about a bill being introduced today by Senator COLLINS, a bill that would expand loan forgiveness for math, science and special education teachers. I am proud to be a cosponsor of this legislation.

At this time, I would like to share with you some startling statistics regarding the status of teaching skills in our country. More than 1 in 4 high school math teachers and nearly 1 in 5 high school science teachers lack even a minor in their main teaching field. About 56 percent of high school students taking physical science are taught by out-of-field teachers, as are 27 percent of those taking math. And these percentages are much greater among high-poverty areas. Among schools with the highest minority enrollments, for example, students have less than a 50 percent chance of getting a science or math teacher who hold both a license and a degree in the field being taught. One survey taken among 40 large urban schools, for instance, showed that more than 90 percent of them had an immediate need for a certified math or science teacher.

This shortage of strong math and science teachers is having a direct effect on the performance of our students. The most recent NAEP science section results showed that the performance of fourth- and eighth-grade students remained about the same since 1996, but scores for high school seniors changed significantly: up six points for private school students and down four for public school students, for a net national decline of three points. Moreover, a whopping 82 percent of twelfth-grade students are not proficient in science and the achievement gaps among eighth-graders are appalling: Only 41 percent of white, 7 percent of African-American and 12 percent of Hispanic students are proficient.

The disappointing overall results for seniors on the science section of the NAEP prompted Education Secretary Rod Paige to call the decline ''morally significant.'' He warned, ''If our graduates know less about science than their predecessors four years ago, then our hopes for a strong 21st century workforce are dimming just when we need them most.'' I couldn't agree with the Secretary more.

An enormous improvement in mathematics and science education at the K–12 level is necessary if today's students want good jobs and the United States wants to stay competitive in the world economy. With globalization, that means that the good jobs will go to the people who can do them best. If those people are not in the United States, then those jobs will also not be in the United States. At present, the law allows 195,000 immigrants to enter the United States on H–1B visas each year in order to take jobs that cannot be filled by workers in the United States.

We have to do more to make sure that our students are learning math and science skills. And to do so, we must improve the quality of our Nation's math and science teachers. These sentiments are echoed by the National Research Council in its 2001 ''Educating Teachers of Science, Mathematics, and Technology'' report. The Council notes: If the Nation is to make the continuous improvements needed in teaching, we need to make a science out of teacher education—using evidence and analysis to build an effective system of teacher preparation and professional development.

President Bush has taken note of the startling statistics I shared with you today, and that is why he has provided $45 million in his budget to expand loan forgiveness for math and science teachers from $5,000 to $17,500 for those teachers who commit to teach for 5 consecutive years in high-need schools. The President also provided this expansion of loan forgiveness for special education teachers in his proposal.

I wrote like to praise Senator COLLINS for following his lead and introducing a bill to provide the authorizing language to make his proposal become a reality. I am very proud to be an original cosponsor of the bill. The bill would provide that $17,500 of loans would be forgiven for those that have math, science, engineering and special education majors or graduate degrees, have been certified to teach in their states, and agree to teach in a school with a 50 percent or higher rate of poverty. The bill is very simple, but it could make a tremendous difference for many of our young students' lives.

I have had the benefit of an amazing education in my lifetime and also have had the wonderful opportunity of being inspired by tremendously talented and dedicated teachers. I want to make sure that all children have that same opportunity: to be inspired by smart, gifted and devoted teachers who actually know and understand math and science. These teachers make a difference. They can lead a child to like math, to like science, or they can

cause a child to forever stray from the life sciences and run toward the liberal arts.

Our society needs more engineers, more technicians, more doctors and more scientists. We as a society should do all we can to encourage kids to enter these professions. That means we have to start early and make sure that those individuals who have the ability to shape their knowledge actually encourage them to become future scientists, not dissuade them from ever considering it. And, having spoken with so many teachers, school board members and educators who must grapple with the demands of the special education students, no one can underestimate the need to encourage more of our best and brightest to teach special need children.

I hope others join Senator COLLINS and me in this effort to make a difference in a young child's future. Please cosponsor this initiative and help us to pass this important legislation.

By Mr. WELLSTONE:

S. 1919. A bill to amend the Employee Retirement Income Security Act of 1974 to provide for improved disclosure, diversification, account access, and accountability under individual account plans; to the Committee on Health, Education, Labor, and Pensions.

Mr. WELLSTONE. Mr. President, I rise today to introduce an extremely important bill, the Retirement Security Protection Act of 2002. I urge my colleagues to join me in pressing for its swift consideration.

As the Enron debacle continues to unfold, it exposes serious gaps in the framework of protections to shield Americans from corporate excess and irresponsibility. Perhaps nowhere is our vulnerability more apparent than in the area of retirement security.

As thousands of Enron employees saw much of their life savings vanish, the company's top executives walked off with fortunes for retirement locked in. Enron spent over $1 million to insure that Ken Lay would receive $440,000 in annual retirement income while simultaneously encouraging employees to risk their own retirement security by loading up on excessive amounts of soon-to-be worthless stock.

Unfortunately, some of the Enron circumstances are by no means unique. Similar disparities between rank-and-file employee and executive retirement security have become increasingly common in corporate America. Similarly disastrous outcomes for employees' retirement security have occurred at other companies, such as Lucent and Polaroid.

We must take steps now to address these fundamental inequities.

Nearly eight decades ago, the Federal Government established a compact with all Americans to provide a basic level of security in their retirement years. Social security became and still is the essential cornerstone of the American promise of retirement security. We must do everything in our power to protect the dignity of social security for older Americans.

In the 1970s, we recognized the need to protect what was then becoming a second lynchpin of retirement security: employer-provided pension plans, or so-called ''defined benefit'' plans. In ERISA, the Employee Retirement Income Security Act, we took steps to protect the security of such plans. We created a system for insuring them against loss, and we put into place portfolio diversification rules to help assure their solvency. No more than 10 percent of assets in a defined benefit plan, that is, in a traditional pension plan, may be held in the employer's company stock.

The Federal Government has not thus far taken steps to provide similar protections with respect to other retirement savings accounts, for example, 401(k) plans. This is because, until relatively recently, such plans were much fewer in number, and they had largely been viewed as a supplement to workers' social security and defined benefit plans.

The world of retirement security has changed, however, and it is still changing. Now, traditional defined benefit, or pension, plans have essentially given way to defined contribution plans, such as 401(k)s, as the primary retirement security vehicle after social security. These new plans have been popular with mobile younger workers, and a boon to employers who have enjoyed substantial cash and administrative savings by switching out of their traditional pension plans and into these new ones.

In 1984, there were 30 million defined benefit participants and 7.5 million participants in 401(k) plans. By 2001, this relationship was reversed, with just 20 million defined benefit participants and an estimated 42 million 401(k) participants. In a 1998 survey, 57 percent of U.S. households said that the only pension plan available to them was a 401(k) plan. That percentage undoubtedly has increased since then.

Meanwhile, measures to ensure the integrity of these 401(k) plans have not kept pace with their proliferation and importance. Such plans clearly carry considerable risks for the retirement security of millions of Americans, as the Enron and other situations have demonstrated. Unfortunately, the potential for additional disasters remains high. Recent reports indicate some 20 major corporations at which the 401(k) plan is more than 60 percent invested in company stock.

When the 401(k) portfolios of employees are overinvested in their company's stock and that company's stock crashes, the individual losses suffered by workers and retirees who see their entire retirement savings obliterated are only a piece of the story. The human and capital costs to society of such failures are multiplied many times over. Family members who themselves may be struggling will find that they are forced to pitch in to help their loved ones. Retirees will be forced to spend many additional years in the workplace to recover even a portion of what they lost. Individuals without family or savings to see them through will turn to government for support.

It's important to remember that these retirement plans come with a heavy price tag for taxpayers. Under current law, pension plans that meet certain standards net considerable tax advantages for both the companies that sponsor them and the individuals who participate in them. These provisions cost the government an estimated $100 billion per year in foregone revenue. In my view, that is money well invested. But we do our best to ensure that we are reaching our actual policy goal.

The primary policy rationale for tax favored treatment of these plans today is that they promote retirement security for millions of Americans. There is hardly a more important policy goal. But while traditional pension plans are carefully regulated to manage the level of risk involved while promoting that goal, 401(k) and similar plans currently offer no such protections. Our support for 401(k)s is not matched by adequate disclosure, portfolio diversification and accountability measures. The huge risks of individual overexposure to company stock have been demonstrated in no uncertain terms, yet the danger continues with no appropriate government response, despite the major public investment.

That is the reason that I am introducing the Retirement Security Protection Act of 2002. The legislation is designed to maximize the flexibility and benefits that retirement savings plans provide for both employers and employees, while minimizing the risk of future Enrons.

First, my proposal seeks to improve the flow of information between plan sponsors and participants, particularly for those plans with significant employer stock holdings.

Second, I am proposing that employers take steps to safeguard their employees' retirement by providing them and the government with an estimate of the extent to which their retirement is dependent on employer stock and property. Employers will be required to reduce that level of dependency across all retirement plans to 20 percent by the year 2008. Companies that sufficiently limit the amount of employer stock in their plans as a whole are deemed to meet the 20 percent standard.

While my plan uses the same, 20-percent diversification target as other proposals, it also encourages and rewards employers who sponsor traditional pension plans by allowing them to maintain higher levels of company stock in their defined contribution 401(k) plans. It also seeks to spur innovation by permitting employers to obtain a waiver from the Department of

Labor for alternative approaches that manage the risk associated with defined contribution plans.

Finally, I propose broadening the liability for plan losses resulting from illegal behavior and improving the remedies available to those who have been hurt by such behavior.

Our compact with American working families is meant to assure them the kind of security in their retirement years they have worked so hard to achieve. I urge my colleagues to join me in this urgent quest.

I ask unanimous consent that a summary of the bill be printed in the RECORD.

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

RETIREMENT SECURITY PROTECTION ACT OF 2002

The Retirement Security Protection Act of 2002 protects employees' retirement security with respect to their 401(k) retirement plans through (1) improved disclosure requirements, (2) new rules to promote plan diversification, and (3) tougher accountability rules.

FULL AND ACCURATE DISCLOSURE

1. Annual plan statements: Defined contribution plans would be required to provide annual statements highlighting the percentage of assets in company stock and any restrictions on the sale of that stock and that stress the importance of account diversification for long-term retirement security.

2. Duty to provide full and accurate information: Plan sponsors and administrators have explicit duty to provide all material investment information to plan participants and beneficiaries.

3. Fines for false disclosures: Secretary of Labor can fine employers and/or plan administrators up to $1,000 per day for making misleading statements or omitting material information about the value of employer stock or other investment options.

IMPROVED DIVERSIFICATION AND ACCOUNT ACCESS RIGHTS

1. Employer responsibility for portfolio diversification or alternative arrangements for risk management: By December 31, 2007, employers are responsible for achieving diversification across employees' entire tax qualified retirement portfolios (i.e. defined benefit and defined contribution plans) so that no more than 20% of the employee's total benefits are dependent on company stock. This allows employers sponsoring defined benefit plans to maintain higher levels of company stock in defined contribution plans. Employers will have maximum flexibility in how such diversification is achieved AND the opportunity to obtain a waiver from the Department of Labor for alternative approaches that manage the risk associated with defined contribution plans. Companies that sufficiently limit the amount of employer stock in their plans as a whole are deemed to meet the 20% standard. ESOPs of privately held companies and ESOPs that own more than 50% of the employer are exempt and the Department of Labor is directed to recommend special rules for pure, employer-funded ESOPs.

2. Ban on employer restraints: Overturns existing rules permitting employers to require employees to invest up to 10% of employee contributions in employer stock.

3. Faster diversification rights: For publicly-traded companies, permits any participant who has been with company for more than 1 year—regardless of vesting status—to transfer employer stock contributions to other funds. (Maintains the current 10-years participation requirement for employer contributions to ESOPs). The Department of Labor is directed to make recommendations on the application of diversification rights to non-publicly traded company stock within retirement plans.

4. Lockdown protections for plans with company stock: Requires 30 days advance written notice of plan ''lockdowns'', limits such events to 10 business days, and directs the Secretary of Labor to prescribe regulations to provide for exemptions in case of genuine emergency. Company executives cannot sell company stock during a lockdown period. Plan fiduciaries are liable for violations of their fiduciary duty that result in plan or participant losses during a lockdown.

STRONGER ACCOUNTABILITY

1. Expanded remedies: Expands the liability for breach of fiduciary duty to knowing participants in the breach (e.g Arthur Andersen in the Enron case) and stipulates that both the plan and the individual participants have the right to be made whole in court, including receipt of compensatory damages.

2. Fiduciary insurance: Requires all defined contribution fiduciaries to maintain sufficient insurance or bonding to cover financial losses resulting from breach of fiduciary duty.

3. Employee oversight: Requires employers that offer defined contribution pension plans to appoint an equal number of employer and employee trustees to oversee such plans.

4. No employer coercion. Makes it illegal for employers to require employees to waive their statutory pensions rights as part of any employment-related agreement (such as a termination or severance package).

5. Auditor independence: Bars company auditors from also auditing the pension plans.

6. Whistleblower protections. Expands legal protections for pension plan whistleblowers by extending existing protections to persons other than participants or beneficiaries, increasing the burden of proof on employers to explain their actions, and expanding relief available for violations of whistleblower protections.

7. Insurance feasibility study: Directs the PBGC to study and report to Congress on insurance options for defined contribution plans.

8. Labor Department assistance: The Department of Labor shall establish an office of the Participant Advocate to monitor potential abuses of employee pension plan rights and assist plan participants in preventing and resolving abuses.

By Mr. NELSON of Florida:

S. 1920. A bill to require that the Attorney General conduct a study regarding the ability of the Federal Bureau of Investigation to prevent and combat international crimes involving children, and for other purposes; to the Committee on the Judiciary.

Mr. NELSON of Florida. Mr. President, today I introduced the International Child Safety Improvement Act of 2002. This legislation is intended to improve the Federal Bureau of Investigation's ability to prevent and combat international crimes involving children.

The number of people who use the Internet to meet children and commit criminal acts, including illegal sexual acts, is on the rise. Some of these cases occur in other countries, but involve American kids.

Just over a year ago, a 15-year-old girl from Mulberry, FL disappeared only to be found in Greece living with an alleged German sex offender. The 35-year-old German man had met this young girl through the Internet and enticed her to run away from home. Law enforcement authorities were able to eventually track her down and return her to her distraught parents. The process of finding the girl exposed flaws in the FBI's ability to prevent and combat these crimes when they occur in foreign jurisdictions.

My legislation would require the Attorney General, in cooperation with the Secretary of State, to evaluate the way in which the FBI investigates international crimes involving children. The Attorney General would be required to report back to the Congress with recommendations for improving the FBI's practices and procedures for investigating international crimes involving children. The bill also directs the FBI to coordinate and share information with the International Criminal Police Organization, the world's preeminent organization whose mission is preventing or detecting international crime, whenever such an investigation starts.

I would urge my colleagues to review and pass this legislation as soon as possible. Action must be taken to improve the way in which these crimes are investigated. Our kids need better protection from predators and we need to act quickly to ensure that the FBI has the procedures in place and the resources it needs to fight these crimes effectively.

By Mrs. HUTCHISON (for herself, Mr. LOTT, and Mr. CRAIG):

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; to the Committee on Finance.

Mr. CRAIG. Mr. President, I rise in support of the Pension Plan Protection Act, being introduced today by the Senator from Texas, Mrs. HUTCHISON, and others. I am pleased to be an original cosponsor of this important bill and commend the Senator for her leadership on this issue.

This bill will help employees and protect their families and their retirement nest eggs. It will require employers to take reasonable responsibility toward employees in administering plans, increase transparency, improve information and disclosure, increase employee choice and control, treat management the same as the rank-and-file during blackout periods, and help prevent auditor conflicts of interest.

This is a bill that can and should become law quickly. It includes most of the reforms recommended by the President and representing the export judgment of a Cabinet-level, interagency

task force. It also includes additional improvements. These protections will be strong, but measured. Unlike some other ideas being floated today, these reforms are not arbitrary. They are fair and uniform, but not one-size-fits-all. They keep the focus where it belongs, on protecting, empowering, and informing workers.

I realize that other legislation may still be forthcoming, regarding accounting practices, securities management, or other issues. But that should not delay us from acting now on reforms that we all know are needed. Workers should not be left vulnerable for one unnecessary day while the Congress holds endless hearings in search of a ''perfect'' package.

I urge my colleagues to act promptly and pass this pro-worker bill.

By Mr. HUTCHINSON (for himself, Ms. MIKULSKI, and Mr. ENZI):

S. 1922. A bill to direct the Secretary of Health and Human Services to expand and intensify programs with respect to research and related activities concerning elder falls; to the Committee on Health, Education, Labor, and Pensions.

Mr. HUTCHINSON. Mr. President, today, I am pleased to introduce the Elder Fall Prevention Act of 2002, along with my colleagues Senator MIKULSKI and Senator ENZI.

Many people do not realize that over 60 percent of fall-related deaths in our country occur among persons 75 or older. Fall victims, especially the elderly, are prone to sustain hip fractures which can be devastating to their health—in fact, 25 percent of individuals who sustain hip fractures die within one year from the time the injury occurred.

In Arkansas, falls are the second leading cause of deaths from unintentional injuries. Based on data collected by the Centers for Disease Control, 91 Arkansans died because of a fall-related injury in 1998 alone.

Not only is this a serious public health issue, it is also a fiscal issue, because billions of Medicare and Medicaid dollars are spent each year to treat fall victims. It is estimated that over $32 billion will be spent by the Medicare and Medicaid programs for fall related injuries in the year 2020.

The Elder Fall Prevention Act will provide needed resources for education, research and demonstration projects aimed at reducing the risk of falls, identifying vulnerable populations, and preventing repeat falls. The congressionally chartered National Safety Council, which is a leader in fall prevention efforts, will be spearheading several of these initiatives, along with the Centers for Disease Control, the Administration on Aging, the Agency for Health Research and Quality, and other qualified organizations.

Falls are preventable. I urge my colleagues to support the Elder Fall Prevention Act of 2002 in order to make seniors, family members, caregivers, and employers more safety conscious, to prevent unnecessary deaths, and to provide seniors with peace of mind and a safe environment.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1922

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Elder Fall Prevention Act of 2002''.

SEC. 2. FINDINGS.

The Congress finds as follows:

(1) Falls are the leading cause of injury deaths among people over 65.

(2) Sixty percent of fall-related deaths occur among persons 75 and older.

(3) Twenty-five percent of elderly persons who sustain a hip fracture die within 1 year.

(4) Hospital admissions for hip fractures among the elderly have increased from 231,000 admissions in 1988 to 332,000 in 1999. The number of hip fractures is expected to exceed 500,000 by 2040.

(5) The costs to the Medicare and Medicaid programs and society as a whole from falls by elderly persons continue to climb much faster than inflation and population growth. Direct costs alone will exceed $32,000,000,000 in 2020.

(6) The Federal Government should devote additional resources to research regarding the prevention and treatment of falls in residential as well as institutional settings.

(7) A national approach to reducing elder falls, which focuses on the daily life of senior citizens in residential, institutional, and community settings is needed. The approach should include a wide range of organizations and individuals including family members, health care providers, social workers, architects, employers and others.

(8) Reducing preventable adverse events, such as elder falls, is an important aspect to the agenda to improve patient safety.

SEC. 3. PURPOSES.

The purposes of this Act are—

(1) to develop effective public education strategies in a national initiative to reduce elder falls in order to educate the elders themselves, family members, employers, caregivers, and others who touch the lives of senior citizens;

(2) to expand needed services and gain information about the most effective approaches to preventing and treating elder falls; and

(3) to require the Secretary of Health and Human Services to evaluate the effect of falls on the costs of medicare and medicaid and the potential for reducing costs by expanding services covered under these two programs.

SEC. 4. PUBLIC EDUCATION.

Subject to the availability of appropriations, the Administration on Aging within the Department of Health and Human Services shall—

(1) oversee and support a three-year national education campaign to be carried out by the National Safety Council to be directed principally to elders, their families, and health care providers and focusing on ways of reducing the risk of elder falls and preventing repeat falls; and

(2) provide grants to qualified organizations and institutions for the purpose of organizing State-level coalitions of appropriate State and local agencies, safety, health, senior citizen and other organizations to design and carry out local education campaigns, focusing on ways of reducing the risk of elder falls and preventing repeat falls.

SEC. 5. RESEARCH.

(a) IN GENERAL.—Subject to the availability of appropriations, the Secretary of Health and Human Services shall—

(1) conduct and support research to—

(A) improve the identification of elders with a high risk of falls;

(B) improve data collection and analysis to identify fall risk and protective factors;

(C) improve strategies that are proven to be effective in reducing subsequent falls by elderly fall victims;

(D) expand proven interventions to prevent elder falls;

(E) improve the diagnosis, treatment, and rehabilitation of elderly fall victims; and

(F) assess the risk of falls occurring in various settings;

(2) conduct research concerning barriers to the adoption of proven interventions with respect to the prevention of elder falls (such as medication review and vision enhancement); and

(3) evaluate the effectiveness of community programs to prevent assisted living and nursing home falls by elders.

(b) ADMINISTRATION.—In carrying out subsection (a), the Secretary of Health and Human Services shall—

(1) conduct research and surveillance activities related to the community-based and populations-based aspects of elder fall prevention through the Director of the Centers for Disease Control and Prevention;

(2) conduct research related to elder fall prevention in health care delivery settings and clinical treatment and rehabilitation of elderly fall victims through the Director of the Agency for Healthcare Research and Quality; and

(3) ensure the coordination of the activities described in paragraphs (1) and (2).

(c) GRANTS.—The Secretary of Health and Human Services shall award grants to qualified organizations and institutions to enable such organizations and institutions to provide professional education for physicians and allied health professionals in elder fall prevention.

SEC. 6. DEMONSTRATION PROJECTS.

Subject to the availability of appropriations, the Secretary of Health and Human Services, acting through the Director of the Centers for Disease Control and Prevention and in consultation with the Director of the Agency for Healthcare Research and Quality, shall carry out the following:

(1) Oversee and support demonstration and research projects to be carried out by the National Safety Council in the following areas:

(A) A multi-State demonstration project assessing the utility of targeted fall risk screening and referral programs.

(B) Programs targeting newly-discharged fall victims who are at a high risk for second falls, which shall include, but not be limited to modification projects for elders with multiple sensory impairments, video and web-enhanced fall prevention programs for caregivers in multifamily housing settings, and development of technology to prevent and detect falls.

(C) Private sector and public-private partnerships, involving home remodeling, home design and remodeling (in accordance with accepted building codes and standards) and nursing home and hospital patient supervision.

(2)(A) Provide grants to qualified organizations and institutions to design and carry out fall prevention programs in residential and institutional settings.

(B) Provide one or more grants to one or more qualified applicants in order to carry out a multi-State demonstration project to implement fall prevention programs targeted toward multi-family residential settings with high concentrations of elders, including identifying high risk populations, evaluating residential facilities, conducting screening to identify high risk individuals, providing pre-fall counseling, coordinating services with health care and social service providers and coordinating post-fall treatment and rehabilitation.

(C) Provide one or more grants to qualified applicants to conduct evaluations of the effectiveness of the demonstration projects in this section.

SEC. 7. REVIEW OF REIMBURSEMENT POLICIES.

(a) IN GENERAL.—The Secretary of Health and Human Services shall undertake a review of the effects of falls on the costs of the Medicare and Medicaid programs and the potential for reducing costs by expanding services covered by these two programs. This review shall include a review of the reimbursement policies of medicare and medicaid in order to determine if additional fall-related services should be covered or reimbursement guidelines should be modified.

(b) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Secretary of Health and Human Services shall submit to the Congress a report describing the findings of the Secretary in conducting the review under subsection (a).

SEC. 8. AUTHORIZATION OF APPROPRIATION.

In order to carry out the provisions of this Act, there are authorized to be appropriated—

(1) to carry out the national public education provisions described in section 4(1), $5,000,000 for each of fiscal years 2003 through 2005;

(2) to carry out the State public education campaign provisions of section 4(2), $8,000,000 for each of fiscal years 2003 through 2005;

(3) to carry out research projects described in section 5, $10,000,000 for each of fiscal years 2003 through 2005; and

(4) to carry out the demonstration projects described in section 6(1), $7,000,000 for each of fiscal years 2003 through 2005; and

(5) to carry out the demonstration and research projects described in section 6(2), $8,000,000 for each of fiscal years 2003 through 2005.

By Mr. LOTT (for Mr. MCCAIN):

S. 1923. A bill to provide for increased corporate average fuel economy standards, and for other purposes; to the Committee on Commerce, Science, and Transportation.

Mr. MCCAIN. Mr. President, today, I am introducing the ''Fuel Economy and Security Act of 2002.'' This legislation would reduce our Nation's oil consumption—and in doing so, our dependence on foreign oil, by increasing Corporate Average Fuel Economy, CAFE, standards for passenger cars and light trucks. This legislation would also expand the current CAFE credits system by allowing credit trading between automobile manufacturers, as well as other industries that emit greenhouse gases. Increasing CAFE standards, coupled with this new trading system, would strengthen our national security, while significantly reducing greenhouse gas emissions over the next decade and beyond.

The terrorist attacks waged on this country on September 11, 2001, have brought into focus the need to reduce our dependence on all foreign oil, but most importantly, oil from the Persian Gulf. Compared with the United States' daily oil production of 6 million barrels, this country imports 9 million barrels of oil per day, 2.6 million barrels of which come directly from the Persian Gulf. This bill would result in daily oil savings by 2020 that are more than what the United States currently imports from that region. The cumulative oil savings between 2007 and 2020 will be approximately 6.2 billion barrels. This savings from increased fuel economy is essential if we are to increase our energy independence and national security.

Last year, the National Academy of Sciences, NAS, issued a report that concluded that the benefits resulting from CAFE since its implementation in 1978 clearly warrant government intervention to ensure fuel economy levels beyond what may result from market forces alone. The NAS panel found that CAFE has led to marked improvements in reducing greenhouse gas emissions, fuel consumption, and dependence on foreign oil.

The debate over CAFE is complex because it requires striking a careful balance among many factors, including the environment, consumer preferences, and domestic employment. It is also important to consider the need for powerful and durable vehicles in rural America. I believe this bill would achieve a balance of many of these competing interests by providing adequate lead time to implement aggressive CAFE increases; furthering efforts to reduce greenhouse gases; and factoring in the ability of automobile manufacturers to meet annual standards based on existing technology.

This bill would increase fuel economy standards by combining the dual-fleet CAFE structure, which currently requires that manufacturers meet separate fuel economy standards for their light trucks and passenger cars. The bill requires that manufacturers' fleets average 36 miles per gallon by 2016. Combining the fleets eliminates the often-criticized ''SUV loophole'' and provides flexibility to automobile manufacturers in designing their fleets.

Reducing fuel consumption will accomplish the critical goal of reducing greenhouse gas emissions. At the recent World Economic Forum annual meeting in New York, it was reported that out of 142 nations, the U.S. ranked 51st on an environmental sustainability index that measures overall progress toward environmental sustainability for the evaluated countries. Alarmingly, the U.S. ranked 133rd out of 142 on reducing greenhouse gas emissions, one of the key indicators used to determine the sustainability index.

The Committee on Commerce, Science, and Transportation has held several hearings to address the complex issue of greenhouse gas emissions. The bill I am introducing today, focuses on one of the major industrial greenhouse gas emitters, the automotive industry. While this bill proposes significant increases in the fuel economy of vehicles, it also expands the options that a manufacturer has to meet these requirements. Title II of this legislation proposes to establish a national registry for entities to register greenhouse gas emissions reductions. The registry would support the trading of credits established in both the CAFE system, and other voluntary trading practices.

To ensure that automakers improve fuel economy and do not rely solely on purchasing credits from the registry to satisfy CAFE requirements, the bill has limited the amount of credits that can be purchased.

I believe this bill provides a realistic approach to reducing our nation's dependence on foreign oil and preserving our climate for future generations. I seek my colleagues' careful consideration of this proposal.

I ask unanimous consent that a copy of this bill be printed in the RECORD.

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

S. 1923

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Fuel Economy and Security Act of 2002''.

SEC. 2. TABLE OF CONTENTS.

The table of contents for this Act is as follows:

TITLE I—IMPROVED FUEL ECONOMY FOR VEHICLES

SEC. 101. AVERAGE FUEL ECONOMY STANDARDS FOR PASSENGER AUTOMOBILES AND LIGHT TRUCKS.

(a) INCREASED STANDARDS.—Section 32902 of title 49, United States Code, is amended—

(1) by striking ''NON-PASSENGER AUTOMOBILES.—'' in subsection (a) and inserting ''PRESCRIPTION OF STANDARDS BY REGULATION.—''; and

(2) by striking ''(except passenger automobiles)''in subsection (a) and inserting ''(except passenger automobiles and light trucks)'';

(3) by striking subsection (b) and inserting the following:

''(b) STANDARDS FOR PASSENGER AUTOMOBILES AND LIGHT TRUCKS.—

''(1) IN GENERAL.—The Secretary of Transportation, after consultation with the Administrator of the Environmental Protection

Agency, shall prescribe average fuel economy standards for passenger automobiles and light trucks manufactured by a manufacturer in each model year beginning with model year 2007 in order to achieve a combined average fuel economy standard for model year 2016 of 36 miles per gallon. In prescribing average fuel economy standards under this paragraph, the Secretary shall prescribe appropriate annual fuel economy standard increases that increase the applicable average fuel economy standard annually during the 9 model-year period beginning with model year 2007.

''(2) DEADLINE FOR REGULATIONS.—The Secretary shall promulgate the regulations required by paragraph (1) in final form no later than 24 months after the date of enactment of the Fuel Economy and Security Act of 2002.

''(3) DEFAULT STANDARDS.—If the regulations required by paragraph (1) are not promulgated in final form within the period required by paragraph (2), then the average fuel economy standard for passenger automobiles and light trucks manufactured by a manufacturer is—

''(A) for model year 2012, a standard (expressed in miles per gallon) that represents 50 percent of the difference between—

''(i) 36 miles per gallon; and

''(ii) the average fuel economy for passenger automobiles and light trucks manufactured by a manufacturer in model year 2006; and

''(B) 36 miles per gallon for model year 2016 and thereafter.'';

(4) by striking ''the standard'' in subsection (c)(1) and inserting ''a standard'';

(5) by striking the first and last sentences of subsection (c)(2); and

(6) by striking ''(and submit the amendment to Congress when required under subsection (c)(2) of this section)'' in subsection (g).

(b) DEFINITION OF LIGHT TRUCKS.—

(1) IN GENERAL.—Section 32901(a) of title 49, United States Code, is amended by adding at the end the following:

''(17) 'light truck' means an automobile that the Secretary decides by regulation—

''(A) is manufactured primarily for transporting not more than 10 individuals;

''(B) is rated at not more than 10,000 pounds gross vehicle weight;

''(C) is not a passenger automobile; and

''(D) does not fall within the exceptions from the definition of 'medium duty passenger vehicle' under section 8601-01 of title 40, Code of Federal Regulations.''.

(2) DEADLINE FOR REGULATIONS.—The Secretary of Transportation—

(A) shall issue proposed regulations implementing the amendment made by paragraph (1) not later than 1 year after the date of the enactment of this Act; and

(B) shall issue final regulations implementing the amendment not later than 18 months after the date of the enactment of this Act.

(3) EFFECTIVE DATE.—Regulations prescribed under paragraph (1) shall apply beginning with model year 2007.

(c) APPLICABILITY OF EXISTING STANDARDS.—This section does not affect the application of section 32902 of title 49, United States Code, to passenger automobiles or non-passenger automobiles manufactured before model year 2007.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary of Transportation to carry out the provisions of chapter 329 of title 49, United States Code, $25,000,000 for each of fiscal years 2003 through 2016.

SEC. 102. FUEL ECONOMY STANDARD CREDITS.

(a) IN GENERAL.—Section 32903 of title 49, United States Code, is amended by striking the second sentence of subsection (a) and inserting ''The credits—

''(1) may be applied to any of the 3 model years immediately following the model year for which the credits are earned; or

''(2) transferred to the registry established under section 201 of the Fuel Economy and Security Act of 2002.''.

(b) GREENHOUSE GAS CREDITS APPLIED TO CAFE STANDARDS.—Section 32903 of title 49, United States Code, is amended by adding at the end the following:

''(g) GREENHOUSE GAS CREDITS.—

''(1) IN GENERAL.—A manufacturer may apply credits purchased through the registry established by section 201 of the Fuel Economy and Security Act of 2002 toward any model year after model year 2006 under subsection (d), subsection (e), or both.

''(2) LIMITATION.—A manufacturer may not use credits purchased through the registry to offset more than 10 percent of the fuel economy standard applicable to any model year.''.

SEC. 103. ELIMINATION OF 2-FLEET RULE.

(a) IN GENERAL.—Section 32904 of title 49, United States Code, is amended—

(1) by striking subsection (b); and

(2) by redesignating subsections (c) through (e) as subsections (b) through (d), respectively.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to model years 2007 and later.

SEC. 104. ELIMINATION OF DUAL FUEL CREDIT.

Section 32905 of title 49, United States Code, is repealed.

SEC. 105. HIGH OCCUPANCY VEHICLE EXCEPTION.

(a) IN GENERAL.—Notwithstanding section 102(a)(1) of title 23, United States Code, a State may, for the purpose of promoting energy conservation, permit a vehicle with fewer than 2 occupants to operate in high occupancy vehicle lanes if it is a hybrid vehicle or is certified by the Secretary of Transportation, after consultation with the Administrator of the Environmental Protection Agency, to be a vehicle that utilizes only an alternative fuel.

(b) HYBRID VEHICLE DEFINED.—In this section, the term ''hybrid vehicle'' means a motor vehicle other than a light truck (as defined in section 32901(a)(17) of title 49, United States Code)—

(1) which—

(A) draws propulsion energy from onboard sources of stored energy which are both—

(i) an internal combustion or heat engine using combustible fuel; and

(ii) a rechargeable energy storage system; or

(B) recovers kinetic energy through regenerative braking and provides at least 13 percent maximum power from the electrical storage device;

(2) which, in the case of a passenger automobile—

(A) for 2002 and later model vehicles, has received a certificate of conformity under section 206 of the Clean Air Act (42 U.S.C. 7525) and meets or exceeds the equivalent qualifying California low emission vehicle standard under section 243(e)(2) of the Clean Air Act (42 U.S.C. 7583(e)(2)) for that make and model year; and

(B) for 2004 and later model vehicles, has received a certificate that such vehicle meets the Tier II emission level established in regulations prescribed by the Administrator of the Environmental Protection Agency under section 202(i) of the Clean Air Act (42 U.S.C. 7521(i)) for that make and model year vehicle; and

(3) which is made by a manufacturer.

(c) ALTERNATIVE FUEL DEFINED.—In this section, the term ''alternative fuel'' has the meaning such term has under section 301(2) of the Energy Policy Act of 1992 (42 U.S.C. 13211(2)).

TITLE II—MARKET—BASED INITIATIVES FOR GREENHOUSE GAS REDUCTION

SEC. 201. MARKET-BASED INITIATIVES.

(a) ESTABLISHMENT OF REGISTRY FOR VOLUNTARY TRADING SYSTEMS.—The Secretary of Commerce, through the Undersecretary for Technology, shall establish a national registry system for greenhouse gas trading among industry under which emission reductions from the applicable baseline are assigned unique identifying numerical codes by the registry. Participation in the registry is voluntary. Any entity conducting business in the United States may register its emission results, including emissions generated outside of the United States, on an entity-wide basis with the registry, and may utilize the services of the registry.

(b) PURPOSES.—The purposes of the national registry are—

(1) to encourage voluntary actions to reduce greenhouse gas emissions and increase energy efficiency, including increasing the fuel economy of passenger automobiles and light trucks and reducing the reliance by United States markets on petroleum produced outside the United States used to provide vehicular fuel;

(2) to enable participating entities to record voluntary greenhouse gas emissions reductions; in a consistent format that is supported by third party verification;

(3) to encourage participants involved in existing partnerships to be able to trade emissions reductions among partnerships;

(4) to further recognize, publicize, and promote registrants making voluntary and mandatory reductions;

(5) to recruit more participants in the program; and

(6) to help various entities in the nation establish emissions baselines.

(c) FUNCTIONS.—The national registry shall carry out the following functions:

(1) REFERRALS.—Provide referrals to approved providers for advice on—

(A) designing programs to establish emissions baselines and to monitor and track greenhouse gas emissions; and

(B) establishing emissions reduction goals based on international best practices for specific industries and economic sectors.

(2) UNIFORM REPORTING FORMAT.—Adopt a uniform format for reporting emissions baselines and reductions established through—

(A) the Director of the National Institute of Standards and Technology for greenhouse gas baselines and reductions generally; and

(B) the Secretary of Transportation for credits under section 32903 of title 49, United States Code.

(3) RECORD MAINTENANCE.—Maintain a record of all emission baselines and reductions verified by qualified independent auditors.

(4) ENCOURAGE PARTICIPATION.—Encourage organizations from various sectors to monitor emissions, establish baselines and reduction targets, and implement efficiency improvement and renewable energy programs to achieve those targets.

(5) PUBLIC AWARENESS.—Recognize, publicize, and promote participants that—

(A) commit to monitor their emissions and set reduction targets;

(B) establish emission baselines; and

(C) report on the amount of progress made on their annual emissions.

(d) TRANSFER OF REDUCTIONS.—The registry shall—

(1) allow for the transfer of ownership of any reductions realized in accordance with the program; and

(2) require that the registry be notified of any such transfer within 30 days after the transfer is effected.

(e) FUTURE CONSIDERATIONS.—Any reductions achieved under this program shall be credited against any future mandatory greenhouse gas reductions required by the government. Final approval of the amount and value of credits shall be determined by the agency responsible for the implementation of the mandatory greenhouse gas emission reduction program, except that credits under section 32903 of title 49, United States Code, shall be determined by the Secretary of Transportation. The Secretary of Commerce shall by rule establish an appeals process, that may incorporate an arbitration option, for resolving any dispute arising out of such a determination made by that agency.

(f) CAFE STANDARDS CREDITS.—The Secretary of Transportation shall work with the Secretary of Commerce and the implementing panel established by section 202 to determine the equivalency of credits earned under section 32903 of title 49, United States Code, for inclusion in the registry. The Secretary shall by rule establish an appeals process, that may incorporate an arbitration option, for resolving any dispute arising out of such a determination.

SEC. 202. IMPLEMENTING PANEL.

(a) ESTABLISHMENT.—There is established within the Department of Commerce an implementing panel.

(b) COMPOSITION.—The panel shall consist of—

(1) the Secretary of Commerce or the Secretary's designee, who shall serve as Chairperson;

(2) the Secretary of Transportation or the Secretary's designee; and

(3) 1 expert in the field of greenhouse gas emissions reduction, certification, or trading from each of the following agencies—

(A) the Department of Energy;

(B) the Environmental Protection Agency;

(C) the Department of Agriculture;

(D) the National Aeronautics and Space Administration;

(E) the Department of Commerce; and

(F) the Department of Transportation.

(c) EXPERTS AND CONSULTANTS.—Any member of the panel may secure the services of experts and consultants in accordance with the provisions of section 3109 of title 5, United States Code, for greenhouse gas reduction, certification, and trading experts in the private and non-profit sectors and may also utilize any grant, contract, cooperative agreement, or other arrangement authorized by law to carry out its activities under this subsection.

(d) DUTIES.—The panel shall—

(1) implement and oversee the implementation of this section;

(2) promulgate—

(A) standards for certification of registries and operation of certified registries; and

(B) standards for measurement, verification, and recording of greenhouse gas emissions and greenhouse gas emission reductions by certified registries;

(3) maintain, and make available to the public, a list of certified registries; and

(4) issue rulemakings on standards for measuring, verifying, and recording greenhouse gas emissions and greenhouse gas emission reductions proposed to the panel by certified registries, through a standard process of issuing a proposed rule, taking public comment for no less than 30 days, then finalizing regulations to implement this act, which will provide for recognizing new forms of acceptable greenhouse gas reduction certification procedures.

(e) CERTIFICATION AND OPERATION STANDARDS.—The standards promulgated by the panel shall include—

(1) standards for ensuring that certified registries do not have any conflicts of interest, including standards that prohibit a certified registry from—

(A) owning greenhouse gas emission reductions recorded in any certified registry; or

(B) receiving compensation in the form of a commission where sources receive money for the total number of tons certified;

(2) standards for authorizing certified registries to enter into agreements with for-profit persons engaged in trading of greenhouse gas emission reductions, subject to paragraph (1); and

(3) such other standards for certification of registries and operation of certified registries as the panel determines to be appropriate.

(f) MEASUREMENT, VERIFICATION, AND RECORDING STANDARDS.—The standards promulgated by the panel shall provide for, in the case of certified registries—

(1) ensuring that certified registries accurately measure, verify, and record greenhouse gas emissions and greenhouse gas emission reductions, taking into account—

(A) boundary issues such as leakage and shifted utilization; and

(B) such other factors as the panel determines to be appropriate;

(2) ensuring that—

(A) certified registries do not double-count greenhouse gas emission reductions; and

(B) if greenhouse gas emission reductions are recorded in more than 1 certified registry, such double-recording is clearly indicated;

(3) determining the ownership of greenhouse gas emission reductions and recording and tracking the transfer of greenhouse gas emission reductions among entities (such as through assignment of serial numbers to greenhouse gas emission reductions);

(4) measuring the results of the use of carbon sequestration and carbon recapture technologies;

(5) measuring greenhouse gas emission reductions resulting from improvements in—

(A) power plants;

(B) automobiles (including types of passenger automobiles and light trucks, as defined in section 32901(a)(16) and (17) respectively, produced in the same model year);

(C) carbon re-capture, storage and sequestration, including organic sequestration and manufactured emissions injection, and or storage.

(D) other sources;

(6) measuring prevented greenhouse gas emissions through the rulemaking process and based on the latest scientific data, sampling, expert analysis related to measurement and projections for prevented greenhouse gas emissions in tons including—

(A) organic soil carbon sequestration practices;

(B) forest preservation and re-forestation activities which adequately address the issues of permanence, leakage and verification; and

(7) such other measurement, verification, and recording standards as the panel determines to be appropriate.

(g) CERTIFICATION OF REGISTRIES.—Except as provided in subsection (h), a registrant that desires to be a certified registry shall submit to the panel an application that—

(1) demonstrates that the registrant meets each of the certification standards established by the panel under subsections (d) and (e); and

(2) meets such other requirements as the panel may establish.

(h) AUTOMOBILE INDUSTRY.—The Secretary of Transportation is deemed to be the certified registrant for credits earned under section 32903 of title 49, United States Code.

(i) ANNUAL REPORT.—Within 1 year after the date after the date of enactment of this Act and biennially thereafter, the panel shall report to the Congress on the status of the program established under this section. The report shall include an assessment of the level of participation in the program and amount of progress being made on emission reduction targets.

SEC. 203. DEFINITIONS.

In this title:

(1) GREENHOUSE GAS.—The term ''greenhouse gas'' includes—

(A) carbon dioxide;

(B) methane;

(C) hydro fluorocarbons;

(D) perfluorocarbons;

(E) nitrous oxide; and

(F) sulfur hexafluoride.

(2) BASELINE.—The term ''baseline'' means—

(A) the greenhouse gas emissions, determined on an entity-wide basis for the participant's most recent previous 3-year annual average of greenhouse gas emissions prior to the date of enactment of this Act; or

(B) if data is unavailable for that 3-year period, the greenhouse gas emissions as of September 30, 2002, (or as close to that date as such emission levels can reasonably be determined). In promulgating regulations under this title, the panel shall take into account greenhouse gas emission reductions or offsetting actions taken by any entity before the date on which the registry is established.

(3) CERTIFIED REGISTRY.—The term ''certified registry'' means a registry that has been certified by the panel as meeting the standards promulgated under section 202(e) and (f) and, for the automobile industry, the Secretary of Transportation.

(4) GREENHOUSE GAS EMISSIONS.—The term ''greenhouse gas emissions'' means the quantity of greenhouse gases emitted by a source during a period, measured in tons of greenhouse gases.

(5) GREENHOUSE GAS EMISSION REDUCTION.—The term ''greenhouse gas emission reduction'' means a quantity equal to the difference between—

(A) the greenhouse gas emissions of a source during a period; and

(B) the greenhouse gas emissions of the source during a baseline period of the same duration as determined by registries and entities defined as owners of emission sources.

(6) KYOTO PROTOCOL.—The term ''Kyoto protocol'' means the Kyoto Protocol to the United Nations Framework Convention on Climate Change (including the Montreal Protocol to the Convention on Substances that Deplete the Ozone Layer).

(7) PANEL.—The term ''panel'' means the implementing panel established by section 202(a).

(8) REGISTRANT.—The term ''registrant'' means a private person that operates a database recording quantified and verified greenhouse gas emissions and emissions reductions of sources owned by other entities.

(9) SOURCE.—The term ''source'' means a source of greenhouse gas emissions.

TITLE III—VEHICLE SAFETY

SEC. 301. ROOF CRUSH SAFETY STANDARD.

(a) IMPROVED CRASHWORTHINESS.—Subchapter II of chapter 301 of title 49, United States Code, is amended by adding at the end the following:

''§ 30128. Improved crashworthiness

''Within 3 years after the date of enactment of the Fuel Economy and Security Act of 2002, the Secretary of Transportation, through the National Highway Traffic Safety Administration, shall prescribe a motor vehicle safety standard under this chapter for rollover crashworthiness standards that includes—

''(1) dynamic roof crush standards;

''(2) improved seat structure and safety belt design;

''(3) side impact head protection airbags; and

''(4) roof injury protection measures.

(b) CONFORMING AMENDMENT.—The chapter analysis for chapter 301 of title 49, United States Code, is amended by inserting after the item relating to section 30127 the following:

''30128. Improved crashworthiness''.

SEC. 302. SAFETY RATING LABELS.

Section 32302 of title 49, United States Code, is amended—

(1) by redesignating paragraphs (3) and (4) of subsection (a) as paragraphs (4) and (5), respectively;

(2) by inserting after paragraph (2) of subsection (a) the following:

''(3) overall safety of the driver and passengers of the vehicle in a collision.''; and

(3) by striking subsection (b) and inserting the following:

''(b) MOTOR VEHICLE SAFETY INFORMATION.—

''(1) IN GENERAL.—In carrying out subsection (a), the Secretary shall establish test criteria for use by manufacturers in determining damage susceptibility, crashworthiness, and the overall safety of vehicles for drivers and passengers.

''(2) PRESENTATION OF DATA.—The Secretary shall prescribe a system for presenting information developed under paragraphs (1) through (3) of subsection (a) to the public in a simple and understandable form that facilitates comparison among the makes and models of passenger motor vehicles.

''(3) LABEL REQUIREMENT.—Each manufacturer of a new passenger motor vehicle (as defined in section 32304(a)(8)) manufactured after September 30, 2005, and distributed in commerce for sale in the United States shall cause the information required by paragraph (2) to appear on, or adjacent to, the label required by section 3 of the Automobile Information Disclosure Act (15 U.S.C. 1232(b).''.

By Mr. DASCHLE:

S.J. Res. 31. A joint resolution suspending certain provisions of law pursuant to section 258(a)(2) of the Balanced Budget and Emergency Deficit Control Act of 1985; to the Committee on the Budget pursuant to section 258(a)(3) of the Balanced Budget and Emergency Deficit Control Act of 1985, for not to exceed five days of session.

Mr. DASCHLE. Mr. President, I ask unanimous consent that the text of the joint resolution be printed in the RECORD.

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

S.J. RES. 31

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the Congress declares that the conditions specified in section 254(i) of the Balanced Budget and Emergency Deficit Control Act of 1985 are met and the implementation of the Congressional Budget and Impoundment Control Act of 1974, chapter 11 of title 31, United States Code, and part C of the Balanced Budget and Emergency Deficit Control Act of 1985 are modified as described in section 258(b) of the Balanced Budget and Emergency Deficit Control Act of 1985.

SUBMITTED RESOLUTIONS

SENATE RESOLUTION 205—URGING THE GOVERNMENT OF UKRAINE TO ENSURE A DEMOCRATIC, TRANSPARENT, AND FAIR ELECTION PROCESS LEADING UP TO THE MARCH 31, 2002, PARLIAMENTARY ELECTIONS

Mr. CAMPBELL (for himself, Mr. DODD, and Mr. BROWNBACK) submitted the following resolution; which was referred to the Committee on Foreign Relations:

S. RES. 205

Whereas Ukraine stands at a critical point in its development to a fully democratic society, and the parliamentary elections on March 31, 2002, its third parliamentary elections since becoming independent more than 10 years ago, will play a significant role in demonstrating whether Ukraine continues to proceed on the path to democracy or experiences further setbacks in its democratic development;

Whereas the Government of Ukraine can demonstrate its commitment to democracy by conducting a genuinely free and fair parliamentary election process, in which all candidates have access to news outlets in the print, radio, television, and Internet media, and nationally televised debates are held, thus enabling the various political parties and election blocs to compete on a level playing field and the voters to acquire objective information about the candidates;

Whereas a flawed election process, which contravenes commitments of the Organization for Security and Cooperation in Europe (OSCE) on democracy and the conduct of elections, could potentially slow Ukraine's efforts to integrate into western institutions;

Whereas in recent years, government corruption and harassment of the media have raised concerns about the commitment of the Government of Ukraine to democracy, human rights, and the rule of law, while calling into question the ability of that government to conduct free and fair elections;

Whereas Ukraine, since its independence in 1991, has been one of the largest recipients of United States foreign assistance;

Whereas $154,000,000 in technical assistance to Ukraine was provided under Public Law 107–115 (the Kenneth M. Ludden Foreign Operations, Export Financing, and Related Programs Appropriations Act, Fiscal Year 2002), a $16,000,000 reduction in funding from the previous fiscal year due to concerns about continuing setbacks to needed reform and the unresolved deaths of prominent dissidents and journalists;

Whereas Public Law 107–115 requires a report by the Department of State on the progress by the Government of Ukraine in investigating and bringing to justice individuals responsible for the murders of Ukrainian journalists;

Whereas the disappearance and murder of journalist Heorhiy Gongadze on September 16, 2000, remains unresolved;

Whereas the presidential election of 1999, according to the final report of the Office of Democratic Institutions and Human Rights (ODIHR) of OSCE on that election, was marred by violations of Ukrainian election law and failed to meet a significant number of commitments on democracy and the conduct of elections included in the OSCE 1990 Copenhagen Document;

Whereas during the 1999 presidential election campaign, a heavy proincumbent bias was prevalent among the state-owned media outlets, members of the media viewed as not in support of the president were subject to harassment by government authorities, and proincumbent campaigning by state administration and public officials was widespread and systematic;

Whereas the Law on Elections of People's Deputies of Ukraine, signed by President Leonid Kuchma on October 30, 2001, was cited in a report of the ODIHR dated November 26, 2001, as making improvements in Ukraine's electoral code and providing safeguards to meet Ukraine's commitments on democratic elections, although the Law on Elections remains flawed in a number of important respects, notably by not including a role for domestic nongovernmental organizations to monitor elections;

Whereas according to international media experts, the Law on Elections defines the conduct of an election campaign in an ambiguous manner and could lead to arbitrary sanctions against media operating in Ukraine;

Whereas the Ukrainian Parliament (Verkhovna Rada) on December 13, 2001, rejected a draft Law on Political Advertising and Agitation, which would have limited free speech in the campaign period by giving too many discretionary powers to government bodies, and posed a serious threat to the independent media;

Whereas the Department of State has dedicated $4,700,000 in support of monitoring and assistance programs for the 2002 parliamentary elections;

Whereas the process for the 2002 parliamentary elections has reportedly been affected by apparent violations during the period prior to the official start of the election campaign on January 1, 2002; and

Whereas monthly reports for November and December of 2001 released by the Committee on Voters of Ukraine (CVU), an indigenous, nonpartisan, nongovernment organization that was established in 1994 to monitor the conduct of national election campaigns and balloting in Ukraine, cited five major types of violations of political rights and freedoms during the precampaign phase of the parliamentary elections, including—

(1) use of government position to support particular political groups;

(2) government pressure on the opposition and on the independent media;

(3) free goods and services given in order to sway voters;

(4) coercion to join political parties and pressure to contribute to election campaigns; and

(5) distribution of anonymous and compromising information about political opponents:

Now, therefore, be it

Resolved, That the Senate—

(1) acknowledges the strong relationship between the United States and Ukraine since Ukraine's independence more than 10 years ago, while understanding that Ukraine can only become a full partner in western institutions when it fully embraces democratic principles;

(2) expresses its support for the efforts of the Ukrainian people to promote democracy, the rule of law, and respect for human rights in Ukraine;

(3) urges the Government of Ukraine to enforce impartially the new election law, including provisions calling for—

(A) the transparency of election procedures;

(B) access for international election observers;

(C) multiparty representation on election commissions;

(D) equal access to the media for all election participants;

(E) an appeals process for electoral commissions and within the court system; and

(F) administrative penalties for election violations;

(4) urges the Government of Ukraine to meet its commitments on democratic elections, as delineated in the 1990 Copenhagen Document of the Organization for Security and Cooperation in Europe (OSCE), with respect to the campaign period and election day, and to address issues identified by the Office of Democratic Institutions and Human Rights (ODIHR) of OSCE in its final report on the 1999 presidential election, such as state interference in the campaign and pressure on the media; and

(5) calls upon the Government of Ukraine to allow election monitors from the ODIHR, other participating states of OSCE, and private institutions and organizations, both foreign and domestic, full access to all aspects of the parliamentary election process, including—

(A) access to political events attended by the public during the campaign period;

(B) access to voting and counting procedures at polling stations and electoral commission meetings on election day, including procedures to release election results on a precinct by precinct basis as they become available; and

(C) access to postelection tabulation of results and processing of election challenges and complaints.

Mr. CAMPBELL. Mr. President, as Chairman of the Commission on Security and Cooperation in Europe, I today am introducing a resolution urging the Government of Ukraine to ensure a democratic, transparent, and fair election process leading up to the March 31, 2002 parliamentary elections. I am pleased to be joined by fellow Commissioners DODD and BROWNBACK. Several of our colleagues from the House have introduced a companion resolution.

Ukraine's success as an independent, democratic state is vital to the stability and security in Europe, and that country has, over the last decade, enjoyed a strong relationship with the United States. The Helsinki Commission has monitored closely the situation in Ukraine and has a long record of support for the aspirations of the Ukrainian people for human rights and democratic freedoms. Ukraine enjoys goodwill in the Congress and remains one of our largest recipients of assistance in the world. Clearly, there is a genuine desire that Ukraine succeed as an independent, democratic, stable and economically successful state. It is against this backdrop that I introduce this resolution, as a manifestation of our concern about Ukraine's direction at this critical juncture. These parliamentary elections will be an important indication of whether Ukraine moves forward rather than backslides on the path to democratic development.

Indeed, there has been growing cause for concern about Ukraine's direction over the last few years. Last May, I chaired a Helsinki Commission hearing: ''Ukraine at the Crossroads: Ten Years After Independence.'' Witnesses at that hearing testified about problems confronting Ukraine's democratic development, including high-level corruption, the controversial conduct of authorities in the investigation of murdered investigative journalist Heorhiy Gongadze and other human rights problems. I had an opportunity to meet Mrs. Gongadze and her daughters who attended that hearing.

While there has been progress over the last few months with respect to legislation designed to strengthen the rule of law, it is too early to assert that Ukraine is once again moving in a positive direction.

With respect to the upcoming elections, on the positive side we have seen the passage of a new elections law which, while not perfect, has made definite improvements in providing safeguards to meet Ukraine's international commitments. However, there are already concerns about the elections, with increasing reports of violations of political rights and freedoms during the pre-campaign period, many of them documented in reports recently released by the non-partisan, non-government Committee on Voters of Ukraine, CVU.

It is important for Ukraine that there not be a repeat of the 1999 presidential elections which the Organization for Security and Cooperation in Europe, OSCE, stated were marred by violations of the Ukrainian election law and failed to meet a significant number of commitments on the conduct of elections set out in the 1990 OSCE Copenhagen Document. Therefore, this resolution urges the Ukrainian Government to enforce impartially the new election law and to meet its OSCE commitments on democratic elections and to address issues identified by the OSCE report on the 1999 presidential election such as state interference in the campaign and pressure on the media.

The upcoming parliamentary elections clearly present Ukraine with an opportunity to demonstrate its commitment to OSCE principles. The resolution we introduce today is an expression of the importance of these parliamentary elections, which could serve as an important stepping-stone in Ukraine's efforts to become a fully integrated member of the Europe-Atlantic community of nations.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2826. Mr. DORGAN (for himself, Mr. GRASSLEY, Mr. HAGEL, Mr. JOHNSON, Mr. LUGAR, Mr. FITZGERALD, Mr. NELSON, of Nebraska, Mr. ENSIGN, Mr. WELLSTONE, Mr. DURBIN, Mr. TORRICELLI, Mr. KOHL, and Mr. BROWNBACK) 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 2827. Mr. LUGAR proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra.

SA 2828. Mr. HUTCHINSON submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2829. Mrs. FEINSTEIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2830. Mrs. CARNAHAN (for herself, Mr. HUTCHINSON, Mr. HARKIN, Mr. LEAHY, and Mr. JOHNSON) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra.

SA 2831. Mr. GREGG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2832. Mr. MILLER (for himself and Mr. CLELAND) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2833. Mr. BAUCUS submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2834. Mr. LEAHY submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2835. Mr. CRAIG proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra.

TEXT OF AMENDMENTS

SA 2826. Mr. DORGAN (for himself, Mr. GRASSLEY, Mr. HAGEL, Mr. JOHNSON, Mr. LUGAR, Mr. FITZGERALD, Mr. NELSON of Nebraska, Mr. ENSIGN, Mr. WELLSTONE, Mr. DURBIN, Mr. TORRICELLI, Mr. KOHL, and Mr. BROWNBACK) 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:

Strike section 165 and insert the following:

SEC. 165. PAYMENT LIMITATIONS; NUTRITION AND COMMODITY PROGRAMS.

(a) PAYMENT LIMITATIONS.—

(1) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended to read as follows:

''SEC. 1001. PAYMENT LIMITATIONS.

''(a) DEFINITIONS.—In this section and sections 1001A through 1001F:

''(1) BENEFICIAL INTEREST.—The term 'beneficial interest' means an interest in an entity that is at least—

''(A) 10 percent; or

''(B) a lower percentage, which the Secretary shall establish, on a case-by-case basis, as needed to achieve the purposes of this section and sections 1001A through 1001F, including effective implementation of section 1001A(b).

''(2) COUNTER-CYCLICAL PAYMENT.—The term 'counter-cyclical payment'' means a payment made under section 114 or 158D of the Federal Agriculture Improvement and Reform Act of 1996.

''(3) DIRECT PAYMENT.—The term 'direct payment' means a payment made under section 113 or 158C of the Federal Agriculture Improvement and Reform Act of 1996.

''(4) ENTITY.—

''(A) IN GENERAL.—The term 'entity' means—

''(i) an entity that (subject to the requirements of this section and section 1001A) is eligible to receive a payment under subsection (b) or (c);

''(ii) a corporation, joint stock company, association, limited partnership, charitable organization, a grantor of a revocable trust, or other similar entity (as determined by the Secretary); and

''(iii) an entity that is participating in a farming operation as a partner in a general partnership or as a participant in a joint venture.

''(B) EXCLUSION.—Except in section 1001F, the term 'entity' does not include an entity that is a general partnership or joint venture.

''(5) INDIVIDUAL.—The term 'individual' means—

''(A) a natural person, and minor children of the natural person (as determined by the Secretary), that (subject to the requirements of this section and section 1001A) is eligible to receive a payment under subsection (b) or (c); and

''(B) an individual participating in a farming operation as a partner in a general partnership, a participant in a joint venture, a grantor of a revocable trust, or a participant in a similar entity (as determined by the Secretary).

''(6) LOAN COMMODITY.—The term 'loan commodity' has the meaning given the term in section 102 of the Federal Agriculture Improvement and Reform Act of 1996.

''(7) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(b) LIMITATIONS ON DIRECT AND COUNTER-CYCLICAL PAYMENTS.—Subject to subsections (d) through (i), the total amount of direct payments and counter-cyclical payments that an individual or entity may receive, directly or indirectly, during any fiscal year shall not exceed $85,000.

''(c) LIMITATIONS ON MARKETING LOAN GAINS, LOAN DEFICIENCY PAYMENTS, AND COMMODITY CERTIFICATE TRANSACTIONS.—

''(1) IN GENERAL.—Subject to subsections (d) through (i), the total amount of the payments and benefits described in paragraph (2) that an individual or entity may receive, directly or indirectly, during any crop year shall not exceed $125,000.

''(2) PAYMENTS AND BENEFITS.—Paragraph (1) shall apply to the following payments and benefits:

''(A) MARKETING LOAN GAINS.—

''(i) REPAYMENT GAINS.—Any gain realized by a producer from repaying a marketing assistance loan under section 131 or 158G(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a lower level than the original loan rate established for the loan commodity or peanuts under section 132 or 158G(d) of that Act, respectively.

''(ii) FORFEITURE GAINS.—In the case of settlement of a marketing assistance loan under section 131 or 158G(a) of that Act for a crop of any loan commodity or peanuts, respectively, by forfeiture, the amount by which the loan amount exceeds the repayment amount for the loan if the loan had been settled by repayment instead of forfeiture.

''(B) LOAN DEFICIENCY PAYMENTS.—Any loan deficiency payment received for a loan commodity or peanuts under section 135 or 158G(e) of that Act, respectively.

''(C) COMMODITY CERTIFICATES.—Any gain realized from the use of a commodity certificate issued by the Commodity Credit Corporation, as determined by the Secretary, including the use of a certificate for the settlement of a marketing assistance loan made under section 131 or 158G(a) of that Act.

''(d) SETTLEMENT OF CERTAIN LOANS.—Notwithstanding subtitle C and section 158G of the Federal Agriculture Improvement and Reform Act of 1996, if the amount of payments and benefits described in subsection (c)(2) attributed directly or indirectly to an individual or entity for a crop year reaches the limitation described in subsection (c)(1)—

''(1) the portion of any unsettled marketing assistance loan made under section 131 or 158G(a) of that Act attributed directly or indirectly to the individual or entity shall be settled through the repayment of the total loan principal, plus applicable interest; and

''(2) the Secretary may refuse to provide to the producer for the crop year any additional marketing assistance loans under section 131 or 158G(a) of that Act.

''(e) PAYMENTS TO INDIVIDUALS AND ENTITIES.—

''(1) INTERESTS WITHIN THE SAME ENTITY.—All individuals or entities that are owners of an entity, including shareholders, may not collectively receive payments directly or indirectly that are attributable to the ownership interests in the entity for a fiscal or corresponding crop year that exceed the limitations established under subsections (b) and (c).

''(2) ALL INTERESTS OF AN INDIVIDUAL OR ENTITY.—An individual or entity may not receive, directly or indirectly, through all ownership interests of the individual or entity from all sources, payments for a fiscal or corresponding crop year that exceed the limitations established under subsections (b) and (c).

''(f) MARRIED COUPLES.—During a fiscal and corresponding crop year, the total amount of payments and benefits described subsections (b) and (c) that a married couple may receive directly or indirectly may not exceed—

''(1) the limits described in subsections (b) and (c); plus

''(2) if each spouse meets the other requirements established under this section and section 1001A, a combined total of an additional $50,000.

''(g) PUBLIC SCHOOLS.—The provisions of this section that limit payments to any individual or entity shall not be applicable to land owned by a public school district or land owned by a State that is used to maintain a public school.

''(h) TIME LIMITS.—The Secretary shall promulgate regulations that establish time limits for the various steps involved with notice, hearing, decision, and the appeals procedure in order to ensure expeditious handling and settlement of payment limitation disputes.

''(i) GOOD FAITH RELIANCE.—Notwithstanding any other provision of law, an action taken by an individual or other entity in good faith on action or advice of an authorized representative of the Secretary may be accepted as meeting the requirements of this section or section 1001A, to the extent the Secretary determines it is desirable in order to provide fair and equitable treatment.''.

(2) SUBSTANTIVE CHANGE.—Section 1001A(a) of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)) is amended—

(A) in the section heading, by striking ''**PREVENTION OF CREATION OF ENTITIES TO QUALIFY AS SEPARATE PERSONS;**'' and inserting ''**SUBSTANTIVE CHANGE;**'';

(B) by striking ''(a) PREVENTION'' and all that follows through the end of paragraph (2) and inserting the following:

''(a) SUBSTANTIVE CHANGE.—

''(1) IN GENERAL.—The Secretary may not approve (for purposes of the application of the limitations under this section) any change in a farming operation that otherwise will increase the number of individuals or entities to which the limitations under this section are applied unless the Secretary determines that the change is bona fide and substantive.

''(2) FAMILY MEMBERS.—For the purpose of paragraph (1), the addition of a family member to a farming operation under the criteria established under subsection (b)(3)(B) shall be considered a bona fide and substantive change in the farming operation.'';

(C) in the first sentence of paragraph (3)—

(i) by striking ''as a separate person''; and

(ii) by inserting '', as determined by the Secretary'' before the period at the end; and

(D) by striking paragraph (4).

(3) ACTIVELY ENGAGED IN FARMING.—Section 1001A(b) of the Food Security Act of 1985 (7 U.S.C. 1308–1(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—To be eligible to receive, directly or indirectly, payments or benefits (as described in subsections (b) and (c) of section 1001 as being subject to limitation) with respect to a particular farming operation an individual or entity shall be actively engaged in farming with respect to the operation, as provided under paragraphs (2), (3), and (4).'';

(B) in paragraph (2)—

(i) in subparagraph (A)(i), by striking subclause (II) and inserting the following:

''(II) personal labor and active personal management (in accordance with subparagraph (F));'';

(ii) by striking subparagraph (B) and inserting the following:

''(B) ENTITIES.—An entity (as defined in section 1001(a)) shall be considered as actively engaged in farming with respect to a farming operation if—

''(i) the entity separately makes a significant contribution (based on the total value of the farming operation) of capital, equipment, or land;

''(ii)(I) the stockholders or members that collectively own at least 50 percent of the combined beneficial interest in the entity make a significant contribution of personal labor or active personal management to the operation; or

''(II) in the case of a corporation or entity in which all of the beneficial interests are held by family members (as defined in paragraph (3)(B))—

''(aa) any stockholder (or household comprised of a stockholder and the spouse of the stockholder) who owns at least 10 percent of the beneficial interest and makes a significant contribution of personal labor or active personal management; or

''(bb) any combination of stockholders who collectively own at least 10 percent of the beneficial interest and makes a significant contribution of personal labor or active personal management; and

''(iii) the standards provided in clauses (ii) and (iii) of paragraph (A), as applied to the entity, are met by the entity.''; and

(iii) by adding at the end the following:

''(E) ACTIVE PERSONAL MANAGEMENT.—For an individual to be considered to be providing active personal management under this paragraph on behalf of the individual or

entity, the management provided by the individual shall be personally provided on a regular, substantial, and continuous basis through the direction supervision and direction of—

''(i) activities and labor involved in the farming operation; and

''(ii) on-site services that are directly related and necessary to the farming operation.

''(F) SIGNIFICANT CONTRIBUTION OF PERSONAL LABOR OR ACTIVE PERSONAL MANAGEMENT.—

''(i) IN GENERAL.—For an individual to be considered to be providing a significant contribution of personal labor or active personal management under this paragraph on behalf of the individual or entity, the total contribution of personal labor and active personal management shall be at least equal to the lesser of—

''(I) 1000 hours annually; or

''(II) 50 percent of the commensurate share of the total number of hours of personal labor and active personal management required to conduct the farming operation.

''(ii) MINIMUM NUMBER OF LABOR HOURS.—For the purpose of clause (i), the minimum number of labor hours required to produce each commodity shall be equal to the number of hours that would be necessary to conduct a farming operation for the production of each commodity that is comparable in size to an individual or entity's commensurate share in the farming operation for the production of the commodity, based on the minimum number of hours per acre required to produce the commodity in the State where the farming operation is located, as determined by the Secretary.'';

(C) in paragraph (3)—

(i) by striking subparagraph (A) and inserting the following:

''(A) LANDOWNERS.—An individual or entity that is a landowner contributing the owned land and that meets the standard provided in clauses (ii) and (iii) of paragraph (2)(A), if—

''(i) the landowner share rents the land;

''(ii) the tenant is actively engaged in farming; and

''(iii) the share received by the landowner is commensurate with the share of the crop or income received as rent; or

''(iv)(I) the landowner makes a significant contribution of active personal management;

''(II) the landowner formerly made a significant contribution of personal labor or active personal management on the land for which payments are received and ceased to make the contribution as a result of a disability, as determined by the Secretary; or

''(III) the landowner or spouse of the landowner formerly made a significant contribution of personal labor or active personal management on the land for which payments are received and ceased to make the contribution as a result of death or retirement, and 1 or more family members of the landowner currently make a significant contribution of personal labor or active personal management on the land.''; and

(ii) in subparagraph (B), by striking ''persons'' and inserting ''individuals and entities''; and

(D) in paragraph (4)—

(i) in the paragraph heading, by striking ''PERSONS'' and inserting ''INDIVIDUALS AND ENTITIES'';

(ii) in the matter preceding subparagraph (A), by striking ''persons'' and inserting ''individuals and entities''; and

(iii) in subparagraph (B)—

(I) in the subparagraph heading, by striking ''PERSONS'' and inserting ''INDIVIDUALS AND ENTITIES''; and

(II) by striking ''person, or class of persons'' and inserting ''individual or entity, or class of individuals or entities'';

(E) in paragraph (5)—

(i) by striking ''A person'' and inserting ''An individual or entity''; and

(ii) by striking ''such person'' and inserting ''the individual or entity''; and

(F) in paragraph (6), by striking ''a person'' and inserting ''an individual or entity''.

(4) ADMINISTRATION.—Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended by adding at the end the following:

''(c) ADMINISTRATION.—

''(1) REVIEWS.—

''(A) IN GENERAL.—During each of fiscal years 2002 through 2006, the Office of Inspector General for the Department of Agriculture shall conduct a review of the administration of the requirements of this section and sections 1001, 1001B, 1001C, and 1001E in at least 6 States.

''(B) MINIMUM NUMBER OF COUNTIES.—Each State review described in subparagraph (A) shall cover at least 5 counties in the State.

''(C) REPORT.—Not later than 90 days after completing a review described in subparagraph (A), the Inspector General for the Department of Agriculture shall issue a final report to the Secretary of the findings of the Inspector General.

''(2) EFFECT OF REPORT.—If a report issued under paragraph (1) reveals that significant problems exist in the implementation of payment limitation requirements of this section and sections 1001, 1001B, 1001C, and 1001E in a State and the Secretary agrees that the problems exist, the Secretary—

''(A) shall initiate a training program regarding the payment limitation requirements; and

''(B) may require that all payment limitation determinations regarding farming operations in the State be issued from the headquarters of the Farm Service Agency.''.

(5) SCHEME OR DEVICE.—Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308–2) is amended—

(A) by striking ''person'' each place it appears and inserting ''individual or entity''; and

(B) by striking ''paragraphs (1) and (2)'' and inserting ''subsections (b) and (c)''.

(6) FOREIGN INDIVIDUALS AND ENTITIES.—Section 1001C(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3(b)) is amended in the first sentence by striking ''considered a person that is''.

(7) EDUCATION PROGRAM.—Section 1001D(c) of the Food Security Act of 1985 (7 U.S.C. 1308–4(c)) is amended by striking ''5 persons'' and inserting ''5 individuals or entities''.

(8) REPORT TO CONGRESS.—No later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall provide a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that describes—

(A) how State and county office employees are trained regarding the payment limitation requirements of section 1001 through 1001E of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–5);

(B) the general procedures used by State and county office employees to identify potential violations of the payment limitation requirements;

(C) the requirements for State and county office employees to report serious violations of the payment limitation requirements, including violations of section 1001B of that Act to the county committee, higher level officials of the Farm Service Agency, and to the Office of Inspector General; and

(D) the sanctions imposed against State and county office employees who fail to report or investigate potential violations of the payment limitation requirements.

(b) ADJUSTED GROSS INCOME LIMITATION.—The Food Security Act of 1985 is amended by inserting after section 1001E (7 U.S.C. 1308–5) the following:

''SEC. 1001F. ADJUSTED GROSS INCOME LIMITATION.

''(a) DEFINITIONS.—In this section:

''(1) ADJUSTED GROSS INCOME.—The term 'adjusted gross income' means adjusted gross income of an individual or entity—

''(A) as defined in section 62 of the Internal Revenue Code of 1986 and implemented in accordance with procedures established by the Secretary; and

''(B) that is earned directly or indirectly from all agricultural and nonagricultural sources of an individual or entity for a fiscal or corresponding crop year.

''(2) AVERAGE ADJUSTED GROSS INCOME.—

''(A) IN GENERAL.—The term 'average adjusted gross income' means the average adjusted gross income of an individual or entity for each of the 3 preceding taxable years.

''(B) EFFECTIVE ADJUSTED GROSS INCOME.—In the case of an individual or entity that does not have an adjusted gross income for each of the 3 preceding taxable years, the Secretary shall establish rules that provide the individual or entity with an effective adjusted gross income for the applicable year.

''(b) LIMITATION.—Notwithstanding any other provision of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.), an individual or entity shall not be eligible for a payment or benefit described in subsection (b) or (c) of section 1001 if the average adjusted gross income of the individual or entity exceeds $2,500,000.

''(c) CERTIFICATION.—To comply with the limitation under subsection (b), an individual or entity shall provide to the Secretary—

''(1) a certification by a certified public accountant or another third party that is acceptable to the Secretary that the average adjusted gross income of the individual or entity does not exceed $2,500,000; or

''(2) information and documentation regarding the adjusted gross income of the individual or entity through other procedures established by the Secretary.

''(d) COMMENSURATE REDUCTION.—In the case of a payment or benefit made in a fiscal year or corresponding crop year to an entity that has an average adjusted gross income of $2,500,000 or less, the payment shall be reduced by an amount that is commensurate with the direct and indirect ownership interest in the entity of each individual who has an average adjusted gross income in excess of $2,500,000 for that fiscal year or corresponding crop year.

''(e) GENERAL PARTNERSHIPS AND JOINT VENTURES.—For purposes of this section, a joint partnership or joint venture shall be considered an entity.''.

(c) FOOD STAMP PROGRAM.—

(1) INCREASE IN BENEFITS TO HOUSEHOLDS WITH CHILDREN.—Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

''(1) STANDARD DEDUCTION.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall allow for each household a standard deduction that is equal to the greater of—

''(i) the applicable percentage specified in subparagraph (D) of the applicable income standard of eligibility established under subsection (c)(1); or

''(ii) the minimum deduction specified in subparagraph (E).

''(B) GUAM.—The Secretary shall allow for each household in Guam a standard deduction that is—

''(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

''(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

''(C) HOUSEHOLDS OF 6 OR MORE MEMBERS.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

''(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

''(i) 8 percent for each of fiscal years 2002 through 2004;

''(ii) 8.25 percent for each of fiscal years 2005 and 2006;

''(iii) 8.5 percent for each of fiscal years 2007 and 2008;

''(iv) 8.75 percent for fiscal year 2009; and

''(v) 9 percent for each of fiscal years 2010 and 2011.

''(E) MINIMUM DEDUCTION.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.''.

(2) EXCESS SHELTER EXPENSE DEDUCTION.—

(A) IN GENERAL.—Section 5(e)(7)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)(B)) is amended—

(i) in clause (v), by striking ''and'' at the end; and

(ii) by striking clause (vi) and inserting the following:

''(vi) for fiscal year 2002, $354, $566, $477, $416, and $279 per month, respectively;

''(vii) for fiscal year 2003, $390, $624, $526, $458, and $307 per month, respectively; and

''(viii) for fiscal years 2004 and each fiscal year thereafter, the applicable amount for the preceding fiscal year, as adjusted to reflect changes for the 12-month period ending the preceding November 30 in the Consumer Price Index for All Urban Consumers published by the Bureau of Labor Statistics of the Department of Labor.''.

(B) PROSPECTIVE AMENDMENTS.—Effective October 1, 2009, section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended—

(i) by striking subparagraph (B); and

(ii) by redesignating subparagraph (C) as subparagraph (B).

(3) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking '', except that the State agency may limit such reimbursement to each participant to $25 per month''.

(4) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking ''such total amount shall not exceed an amount representing $25 per participant per month for costs of transportation and other actual costs (other than dependent care costs) and'' and inserting ''the amount of the reimbursement for dependent care expenses shall not exceed''.

(5) EFFECTIVENESS OF CERTAIN PROVISIONS.—Section 413 and subsections (c) and (d) of section 433, and the amendments made by section 413 and subsections (c) and (d) of section 433, shall have no effect.

(d) LOAN DEFICIENCY PAYMENTS.—

(1) ELIGIBILITY.—Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) (as amended by section ____) is amended by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—The Secretary may make loan deficiency payments available to—

''(1) producers on a farm that, although eligible to obtain a marketing assistance loan under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the covered commodity in return for payments under this section; and

''(2) effective only for the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 131, produce a loan commodity.''.

(2) BENEFICIAL INTEREST.—Section 135(e)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(e)) (as amended by section ____) is amended by striking ''A producer'' and inserting ''Effective for the 2001 through 2006 crops, a producer''.

(e) LOAN AUTHORIZATION LEVELS.—Section 346(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)) (as amended by section ____) is amended by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund provided for in section 309 for not more than $3,796,000,000 for each of fiscal years 2002 through 2006, of which, for each fiscal year—

''(A) $770,000,000 shall be for direct loans, of which—

''(i) $205,000,000 shall be for farm ownership loans under subtitle A; and

''(ii) $565,000,000 shall be for operating loans under subtitle B; and

''(B) $3,026,000,000 shall be for guaranteed loans, of which—

''(i) $1,000,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

''(ii) $2,026,000,000 shall be for guarantees of operating loans under subtitle B.''.

(f) BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.—In addition to funds made available under the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002 (Public Law 107–76), the Secretary of Agriculture shall use $5,000,000 of funds of the Commodity Credit Corporation for fiscal year 2002 to make loans described in section 346(b)(2)(A)(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994(b)(2)(A)(i)).

(g) INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) (as amended by section ____) is amended—

(1) in subparagraph (A), by striking ''$120,000,000'' and inserting ''$130,000,000''; and

(2) in subparagraph (B), by striking ''$145,000,000'' and inserting ''$225,000,000''.

(h) SPECIALTY CROP INSURANCE INITIATIVE.—

(1) RESEARCH AND DEVELOPMENT FUNDING.—Section 522(e) of the Federal Crop Insurance Act (7 U.S.C. 1522(e)) is amended by striking paragraph (1) and inserting the following:

''(1) REIMBURSEMENTS.—Of the amounts made available from the insurance fund established under section 516(c), the Corporation may use to provide reimbursements under subsection (b) not more than—

''(A) $32,000,000 for fiscal year 2002;

''(B) $27,500,000 for each of fiscal years 2003 and 2004;

''(C) $25,000,000 for each of fiscal years 2005 and 2006; and

''(D) $15,000,000 for fiscal year 2007 and each subsequent fiscal year.''.

(2) EDUCATION AND INFORMATION FUNDING.—Section 524(a)(4) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)(4)) is amended by striking subparagraph (A) and inserting the following:

''(A) for the education and information program established under paragraph (2)—

''(i) $10,000,000 for fiscal year 2003;

''(ii) $13,000,000 for fiscal year 2004;

''(iii) $15,000,000 for each of fiscal years 2005 and 2006; and

''(iv) $5,000,000 for fiscal year 2007 and each subsequent fiscal year; and''.

(3) REPORTS.—Not later than September 30, 2002, 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—

(A) the progress made by the Corporation in research and development of innovative risk management products to include cost of production insurance that provides coverage for specialty crops, paying special attention to apples, asparagus, blueberries (wild and domestic), cabbage, canola, carrots, cherries, Christmas trees, citrus fruits, cucumbers, dry beans, eggplants, floriculture, grapes, greenhouse and nursery agricultural commodities, green peas, green peppers, hay, lettuce, maple, mushrooms, pears, potatoes, pumpkins, snap beans, spinach, squash, strawberries, sugar beets, and tomatoes;

(B) the progress made by the Corporation in increasing the use of risk management products offered through the Corporation by producers of specialty crops, by small and moderate sized farms, and in areas that are underserved, as determined by the Secretary; and

(C) how the additional funding provided under the amendments made by this section has been used.

(i) EFFECTIVE DATE.—This section and the amendments made by this section take effect 1 day after the date of enactment of this Act.

SA 2827. Mr. LUGAR 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:

Strike title I and insert the following:

TITLE I—COMMODITY PROGRAMS

SEC. 101. SHORT TITLE.

This title may be cited as the ''Equity in Farming Act''.

Subtitle A—Equity Payments to Agricultural Producers

SEC. 111. DEFINITIONS.

In this subtitle:

(1) ADJUSTED GROSS REVENUE.—The term ''adjusted gross revenue'' means the adjusted gross income for all agricultural enterprises of a producer in an applicable year, excluding revenue earned from nonagricultural sources, as determined by the Secretary—

(A) by taking into account gross receipts from the sale of crops and livestock on all agricultural enterprises of the producer, including insurance indemnities resulting from losses in the agricultural enterprises;

(B) by including all farm payments paid by the Secretary for all agricultural enterprises of the producer, including any marketing loan gains described in section 1001(3)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(3)(A)); and

(C) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on all agricultural enterprises of the producer.

(2) AGRICULTURAL COMMODITY.—

(A) IN GENERAL.—The term ''agricultural commodity'' means any agricultural commodity, food, feed, fiber, or livestock.

(B) TOBACCO.—The term ''agricultural commodity'' does not include tobacco.

(3) AGRICULTURAL ENTERPRISE.—The term ''agricultural enterprise'' means the production and marketing of all agricultural commodities (including livestock) on a farm or ranch.

(4) APPLICABLE YEAR.—The term ''applicable year'' means the year during which the producer elects to receive an equity payment under section 112.

(5) AVERAGE ADJUSTED GROSS REVENUE.—The term ''average adjusted gross revenue'' means—

(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years, as determined by the Secretary through—

(i) a certification provided by a certified public accountant or another third party that is acceptable to the Secretary; or

(ii) information and documentation regarding the adjusted gross income revenue of the producer through other procedures established by the Secretary; and

(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated adjusted gross revenue of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

(6) ENTITY.—

(A) IN GENERAL.—The term ''entity'' means—

(i) a corporation, joint stock company, association, limited partnership, charitable organization, a grantor of a revocable trust, or other similar entity (as determined by the Secretary); and

(ii) an entity that is participating in a farming operation as a partner in a general partnership or as a participant in a joint venture.

(B) EXCLUSION.—The term ''entity'' does not include an entity that is a general partnership or joint venture.

(7) INDIVIDUAL.—The term 'individual' means—

(A) a natural person, and minor children of the natural person (as determined by the Secretary); and

(B) an individual participating in a farming operation as a partner in a general partnership, a participant in a joint venture, a grantor of a revocable trust, or a participant in a similar entity (as determined by the Secretary).

(8) PRODUCER.—The term ''producer'' means an individual or entity, as determined by the Secretary for an applicable year, that—

(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;

(C) has a share of the profits or losses from the farming operation that is commensurate with the contributions of the individual or entity to the operation; and

(D)(i) has earned at least $20,000 in average adjusted gross revenue for each of the preceding 5 taxable years; or

(ii) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, has at least $20,000 in estimated adjusted gross revenue from all agricultural enterprises for the applicable year, as determined by the Secretary.

(9) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

SEC. 112. EQUITY PAYMENTS TO AGRICULTURAL PRODUCERS.

(a) IN GENERAL.—Each producer of an agricultural commodity (as determined by the Secretary) shall receive a payment that equals $7,000 for each of the 2003 through 2006 crops or, in the case of milk, the 2003 through 2006 calendar years.

(b) ADDITIONAL PAYMENTS.—Equity payments received by a producer under this section shall be in addition to any price support loan, marketing loan gain, or loan deficiency payment that the producer receives for the applicable year.

(c) INELIGIBLE ENTITIES.—An entity shall be ineligible to receive an equity payment under this section if the entity is—

(1) an agency of the Federal Government, a State, or a political subdivision of a State;

(2) an issuer of any type of security on a national securities exchange (as those terms are defined in section 3 of the Securities Exchange Act of 1934 (15 U.S.C. 78c)); or

(3) another entity, as determined by the Secretary.

(d) VERIFICATION.—The Secretary shall determine which individuals or entities are eligible for an equity payment under this section by using social security numbers or taxpayer identification numbers.

(e) PAYMENT LIMITATION.—

(1) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraph (1) and inserting the following:

''(1) EQUITY PAYMENTS.—

''(A) IN GENERAL.—An individual or entity (as defined in the Equity in Farming Act) may not receive directly or indirectly more than $7,000 in equity payments under that Act.

''(B) ADMINISTRATION.—Sections 1001A(b), 1001B, and 1001C shall apply to an individual or entity that receives a payment described in subparagraph (A).''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(i) by striking paragraph (4) and inserting the following:

''(4) PAYMENTS TO INDIVIDUALS AND ENTITIES.—

''(A) INTERESTS WITHIN THE SAME ENTITY.—All individuals or entities that are owners of an entity, including shareholders, may not collectively receive payments directly or indirectly that are attributable to the ownership interests in such entity for a fiscal or corresponding crop year that exceed the limitation established under paragraph (1).

''(B) ALL INTERESTS OF AN INDIVIDUAL OR ENTITY.—An individual or entity may not receive, directly or indirectly, through all ownership interests of the individual or entity from all sources, payments for a fiscal or corresponding crop year that exceed the limitations established under paragraph (1).'';

(ii) in paragraph (5)—

(I) by striking subparagraphs (A), (B), (C), and (E); and

(II) in subparagraph (D), by striking ''(D)'';

(iii) by striking paragraph (6); and

(iv) by redesignating paragraph (7) as paragraph (6).

(B) Section 1009 of the Food Security Act of 1985 (7 U.S.C. 1308a) is amended—

(i) in subsection (a), by striking ''subsection (c), (d), or (e)'' and inserting ''subsection (c) or (d)'';

(ii) by striking subsection (d); and

(iii) by redesignating subsections (e) and (f) as subsections (d) and (e), respectively.

(g) CROP AND CALENDAR YEARS.—This section and the amendments made by this section apply to each of the 2003 through 2006 crop or calendar years, as applicable.

Subtitle B—Phase Out of Commodity Programs

SEC. 121. PROHIBITION ON AGRICULTURAL PRICE SUPPORT AND PRODUCTION ADJUSTMENT.

(a) IN GENERAL.—Notwithstanding any other provision of law, except as otherwise provided in this subtitle and effective beginning with the 2003 crop or the 2003 marketing, fiscal, or calendar year (as applicable) for each agricultural commodity, the Secretary of Agriculture and the Commodity Credit Corporation may not provide loans, purchases, payments, or other operations or take any other action to support the price, or adjust or control the production, of an agricultural commodity by using the funds, facilities, and authorities of the Commodity Credit Corporation or under the authority of any law.

(b) EXCEPTIONS.—Subsection (a) shall not apply to—

(1) any activities under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Act of 1937;

(2) section 32 of the Act of August 24, 1935 (7 U.S.C. 612c; 49 Stat. 774, chapter 641);

(3) part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.); and

(4) sections 106, 106A, and 106B of the Agricultural Act of 1949 (7 U.S.C. 1445, 1445–1, 1445–2).

SEC. 122. AGRICULTURAL MARKET TRANSITION ACT.

(a) REPEALS.—

(1) 2003 AND SUBSEQUENT CROPS.—Effective beginning with the 2003 crop, the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) is repealed, other than the following:

(A) Subtitle A (7 U.S.C. 7201 et seq.).

(B) Sections 131, 132, and 133 (7 U.S.C. 7231, 7232, 7233).

(C) Subsections (a) through (d) of section 134 (7 U.S.C. 7234).

(D) Section 135 (7 U.S.C. 7235).

(E) Sections 141 and 142 (7 U.S.C. 7251, 7252).

(F) Chapter 2 of subtitle D (7 U.S.C. 7271 et seq.).

(G) Sections 161 through 165 (7 U.S.C. 7281 et seq.).

(H) Subtitle H (7 U.S.C. 7331 et seq.).

(2) 2003 AND SUBSEQUENT CALENDAR YEARS.—Effective January 1, 2003, sections 141 and 142 of the Agricultural Market Transition Act (7 U.S.C. 7251, 7252) are repealed.

(3) 2006 AND SUBSEQUENT CROPS.—Effective beginning with the 2006 crop, the following provisions of the Agricultural Market Transition Act (7 U.S.C. 7231 et seq.) are repealed:

(A) Subtitle C (7 U.S.C. 7231 et seq.).

(B) Chapter 2 of subtitle D (7 U.S.C. 7271 et seq.), other than section 156(f) (7 U.S.C. 7272(f)).

(b) AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS.—Section 131 of the Agricultural Market Transition Act (7 U.S.C. 7231) is amended —

(1) in subsection (a) by striking ''2002'' and inserting ''2005''; and

(2) by striking subsection (b) and inserting the following:

''(b) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under subsection (a) for any quantity of a loan commodity produced on the farm.''.

(c) LOAN RATES FOR MARKETING ASSISTANCE LOANS.—Section 132 of the Agricultural Market Transition Act (7 U.S.C. 7232) is amended to read as follows:

''SEC. 132. LOAN RATES FOR MARKETING ASSISTANCE LOANS.

''(a) WHEAT.—The loan rate for a marketing assistance loan under section 131 for wheat shall be 90 percent for the 2003 crop, 85

percent for the 2004 crop, and 80 percent for the 2005 crop, of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

''(b) FEED GRAINS.—

''(1) CORN.—The loan rate for a marketing assistance loan under section 131 for corn shall be 90 percent for the 2003 crop, 85 percent for the 2004 crop, and 80 percent for the 2005 crop, of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

''(2) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan under section 131 for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

''(c) UPLAND COTTON.—The loan rate for a marketing assistance loan under section 131 for upland cotton shall be 90 percent for the 2003 crop, 85 percent for the 2004 crop, and 80 percent for the 2005 crop, of the simple average price received by producers of upland cotton, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of upland cotton, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

''(d) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan under section 131 for extra long staple cotton shall be 90 percent for the 2003 crop, 85 percent for the 2004 crop, and 80 percent for the 2005 crop, of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of extra long staple cotton, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

''(e) RICE.—The loan rate for a marketing assistance loan under section 131 for rice shall be 90 percent for the 2003 crop, 85 percent for the 2004 crop, and 80 percent for the 2005 crop, of the simple average price received by producers of rice, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of rice, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

''(f) OILSEEDS.—

''(1) SOYBEANS.—The loan rate for a marketing assistance loan under section 131 for soybeans shall be 90 percent for the 2003 crop, 85 percent for the 2004 crop, and 80 percent for the 2005 crop, of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

''(2) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan under section 131 for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be 90 percent for the 2003 crop, 85 percent for the 2004 crop, and 80 percent for the 2005 crop, of the simple average price received by producers of sunflower seed, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, individually, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

''(3) OTHER OILSEEDS.—The loan rates for a marketing assistance loan under section 131 for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.''.

(d) RECOURSE LOAN PROGRAM FOR SILAGE.—Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e–1) is repealed.

(e) PEANUT PROGRAM.—Section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) is amended—

(1) in subsection (g), by striking ''2002'' each place it appears and inserting ''2005''; and

(2) by striking subsections (h) and (i) and inserting the following:

''(h) PHASED REDUCTION OF LOAN RATE.—For each of the 2003, 2004, and 2005 crops of quota and additional peanuts, the Secretary shall lower the loan rate for each succeeding crop in a manner that progressively and uniformly lowers the loan rate for quota and additional peanuts to $0 for the 2006 crop.

''(i) CROPS.—This section shall be effective only for the 1996 through 2005 crops.''.

(f) SUGAR PROGRAM.—Section 156 of the Agricultural Market Transition Act (7 U.S.C. 7272) is amended—

(1) in subsection (e), by striking paragraph (1) and inserting the following:

''(1) LOANS.—The Secretary shall carry out this section through the use of recourse loans.'';

(2) in subsection (f), by striking ''2003'' each place it appears and inserting ''2005'';

(3) by redesignating subsection (i) as subsection (j);

(4) by inserting after subsection (h) the following:

''(i) PHASED REDUCTION OF LOAN RATE.—For each of the 2003, 2004, and 2005 crops of sugar beets and sugarcane, the Secretary shall lower the loan rate for each succeeding crop in a manner that progressively and uniformly lowers the loan rate for sugar beets and sugarcane to $0 for the 2006 crop.''; and

(5) in subsection (j) (as redesignated), by striking ''2002'' and inserting ''2005''.

SEC. 123. AGRICULTURAL ADJUSTMENT ACT OF 1938.

(a) REPEALS.—

(1) 2003 AND SUBSEQUENT MARKETING YEARS AND CROPS.—Effective beginning with the 2003 marketing or crop year (as applicable), the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) is repealed, other than the following:

(A) The first section (7 U.S.C. 1281).

(B) Section 301 (7 U.S.C. 1301).

(C) Part I of subtitle B of title III (7 U.S.C. 1311 et seq.).

(D) Part VI of subtitle B of title III (7 U.S.C. 1357 et seq.).

(E) Subtitle C of title III (7 U.S.C. 1361 et seq.).

(F) Subtitle F of title III (7 U.S.C. 1381 et seq.).

(G) Title V (7 U.S.C. 1501 et seq.).

(2) 2006 AND SUBSEQUENT MARKETING YEARS AND CROPS.—Effective beginning with the 2006 marketing year or crop year (as applicable), part VI of subtitle B of title III (7 U.S.C. 1357 et seq.) is repealed.

(b) PEANUT QUOTA.—

(1) EXTENSION.—Sections 358–1, 358b(c), 358c(d), and 358e(i) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1, 1358b(c), 1358c(d), 1359a(i)) are amended by striking ''2002'' each place it appears and inserting ''2005''.

(2) PEANUT QUOTA.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) is amended by adding at the end the following:

''SEC. 358f. PHASED INCREASE IN QUOTA.

''For each of the 2003, 2004, and 2005 crops of quota peanuts, the Secretary shall increase the marketing quota and allotment for each succeeding marketing year in a manner that progressively and uniformly increases the marketing quota to anticipate the elimination of the marketing quota for the 2006 crop.''.

SEC. 124. COMMODITY CREDIT CORPORATION CHARTER ACT.

(a) IN GENERAL.—Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) is amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) through (g) as subsections (a) through (f), respectively.

(b) CONFORMING AMENDMENT.—Section 619 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738r) is amended by striking ''section 5(f) of the Commodity Credit Corporation Charter Act'' and inserting ''section 5(e) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(e))''.

(c) CROPS.—The amendments made by this section apply beginning with the 2006 crop.

SEC. 125. AGRICULTURAL ACT OF 1949.

The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is repealed, other than the following:

(1) The first section (7 U.S.C. 1421 note).

(2) Sections 106, 106A, and 106B (7 U.S.C. 1445, 1445–1, 1445–2).

(3) Section 416 (7 U.S.C. 1431).

SEC. 126. AGRICULTURAL ADJUSTMENT ACT.

Effective January 1, 2003, section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

''(M) MILK CLASSES.—

''(i) IN GENERAL.—Notwithstanding any other provision of this subsection, the Secretary shall establish—

''(I) 1 class of milk for fluid milk; and

''(II) 1 class of milk for other uses of milk.

''(ii) COMPONENT PRICES.—The classes of milk established under clause (i) shall be used to determine the prices of milk components.''.

SEC. 127. CROP.

This subtitle and the amendments made by this subtitle apply beginning with the 2003 crop of each agricultural commodity or the 2003 marketing, reinsurance, fiscal, or calendar year, as applicable.

Subtitle C—Effective Date

SEC. 141. EFFECT OF TITLE.

(a) IN GENERAL.—Except as otherwise specifically provided in this title and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out an agricultural market transition, price support, or production adjustment program for any of the 1996 through 2002 crops, or for any of the 1996 through 2002 marketing, reinsurance, fiscal, or calendar years, as applicable, under a provision of law in effect immediately before the enactment of this title.

(b) LIABILITY.—A provision of this title or an amendment made by this title shall not

affect the liability of any person under any provision of law as in effect immediately before of enactment of this title.

SA 2828. Mr. HUTCHINSON submitted an amendment intended to be proposed 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 the farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, add the following:

SEC. . PERMANENT REENACTMENT OF CHAPTER 12.

(a) REENACTMENT.—

(1) IN GENERAL.—Chapter 12 of title 11, United States Code, as reenacted by section 149 of division C of the Omnibus Consolidated and Emergency Supplemental Appropriations Act, 1999 (Public Law 105–277, 112 Stat. 2681–610), is reenacted.

(2) EFFECTIVE DATE.—Subsection (a) shall deemed to have taken effect on October 1, 2000.

(b) CONFORMING AMENDMENT.—Section 302 of the Bankruptcy, Judges, United States Trustees, and Family Farmer Bankruptcy Act of 1986 (28 U.S.C. 581 note) is amended by striking subsection (f).''.

SA 2829. Mrs. FEINSTEIN submitted an amendment intended to be proposed 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 the farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

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.''.

SA. 2830. Mrs. CARNAHAN (for herself, Mr. HUTCHINSON, Mr. HARKIN, Mr. LEAHY, and Mr. JOHNSON) 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:

At the appropriate place, insert the following:

SEC. . REENACTMENT OF FAMILY FARMER BANKRUPTCY PROVISIONS.

(a) REENACTMENT.—Notwithstanding any other provision of law, chapter 12 of title 11, United States Code, is hereby reenacted.

(b) CONFORMING REPEAL.—Section 303(f) of Public Law 99–554 (100 Stat. 3124) is repealed.

(c) EFFECTIVE DATE.—This section shall be deemed to have taken effect on October 1, 2001.

SA 2831. Mr. GREGG submitted an amendment intended to be proposed 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; which was ordered to lie on the table; as follows:

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

SEC. 1___. TERMINATION OF TOBACCO PRICE SUPPORT PROGRAM.

(a) PARITY PRICE SUPPORT.—Section 101 of the Agricultural Act of 1949 (7 U.S.C. 1441) is amended—

(1) in the first sentence of subsection (a), by striking ''tobacco (except as otherwise provided herein), corn,'' and inserting ''corn'';

(2) by striking subsections (c), (g), (h), and (i);

(3) in subsection (d)(3)—

(A) by striking '', except tobacco,''; and

(B) by striking ''and no price support shall be made available for any crop of tobacco for which marketing quotas have been disapproved by producers;''; and

(4) by redesignating subsections (d) and (e) as subsections (c) and (d), respectively.

(b) TERMINATION OF TOBACCO PRICE SUPPORT AND NO NET COST PROVISIONS.—Sections 106, 106A, and 106B of the Agricultural Act of 1949 (7 U.S.C. 1445, 1445–1, 1445–2) are repealed.

(c) DEFINITION OF BASIC AGRICULTURAL COMMODITY.—Section 408(c) of the Agricultural Act of 1949 (7 U.S.C. 1428(c)) is amended by striking ''tobacco,''.

(d) REVIEW OF BURLEY TOBACCO IMPORTS.—Section 3 of Public Law 98–59 (7 U.S.C. 625) is repealed.

(e) POWERS OF COMMODITY CREDIT CORPORATION.—Section 5 of the poration Charter Act (15 U.S.C. 714c) is amended by inserting ''(other than tobacco)'' after ''agricultural commodities'' each place it appears.

(f) TRANSITION PROVISIONS.—

(1) LIABILITY.—The amendments made by this section shall not affect the liability of any person under any provision of law as in effect before the effective date of this section.

(2) TOBACCO STOCKS AND LOANS.—The Secretary shall issue regulations that require—

(A) the orderly disposition of tobacco stocks; and

(B) the repayment of all tobacco price support loans by not later than 1 year after the effective date of this section.

(g) CROPS.—This section and the amendments made by this section shall apply with respect to the 2002 and subsequent crops of the kind of tobacco involved.

SEC. 1___. TERMINATION OF TOBACCO PRODUCTION ADJUSTMENT PROGRAMS.

(a) DECLARATION OF POLICY.—Section 2 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1282) is amended by striking ''tobacco,''.

(b) DEFINITIONS.—Section 301(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)) is amended—

(1) in paragraph (3)—

(A) by striking subparagraph (C); and

(B) by redesignating subparagraph (D) as subparagraph (C);

(2) in paragraph (6)(A), by striking ''tobacco,'';

(3) in paragraph (7), by striking the following:

''tobacco (flue-cured), July 1—June 30;

''tobacco (other than flue-cured), October 1–September 30;'';

(4) in paragraph (10)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B);

(5) in paragraph (11)(B), by striking ''and tobacco'';

(6) in paragraph (12), by striking ''tobacco,'';

(7) in paragraph (14)—

(A) in subparagraph (A), by striking ''(A)''; and

(B) by striking subparagraphs (B), (C), and (D);

(8) by striking paragraph (15);

(9) in paragraph (16)—

(A) by striking subparagraph (B); and

(B) by redesignating subparagraph (C) as subparagraph (B); and

(10) by redesignating paragraphs (16) and (17) as paragraphs (15) and (16), respectively.

(c) PARITY PAYMENTS.—Section 303 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1303) is amended in the first sentence by striking ''rice, or tobacco,'' and inserting ''or rice,''.

(d) MARKETING QUOTAS.—Part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.) is repealed.

(e) ADMINISTRATIVE PROVISIONS.—Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking ''tobacco,''.

(f) ADJUSTMENT OF QUOTAS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) is amended—

(1) in the first sentence of subsection (a), by striking ''peanuts, or tobacco'' and inserting ''or peanuts''; and

(2) in the first sentence of subsection (b), by striking ''peanuts or tobacco'' and inserting ''or peanuts''.

(g) REPORTS AND RECORDS.—Section 373 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373) is amended—

(1) by striking ''peanuts, or tobacco'' each place it appears in subsections (a) and (b) and inserting ''or peanuts''; and

(2) in subsection (a)—

(A) in the first sentence, by striking ''all persons engaged in the business of redrying, prizing, or stemming tobacco for producers,''; and

(B) in the last sentence, by striking ''$500;'' and all that follows through the period at the end of the sentence and inserting ''$500.''.

(h) REGULATIONS.—Section 375(a) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1375(a)) is amended by striking ''peanuts, or tobacco'' and inserting ''or peanuts''.

(i) EMINENT DOMAIN.—Section 378 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1378) is amended—

(1) in the first sentence of subsection (c), by striking ''cotton, tobacco, and peanuts'' and inserting ''cotton and peanuts''; and

(2) by striking subsections (d), (e), and (f).

(j) BURLEY TOBACCO FARM RECONSTITUTION.—Section 379 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1379) is amended—

(1) in subsection (a)—

(A) by striking ''(a)''; and

(B) in paragraph (6), by striking '', but this clause (6) shall not be applicable in the case of burley tobacco''; and

(2) by striking subsections (b) and (c).

(k) ACREAGE-POUNDAGE QUOTAS.—Section 4 of the Act entitled ''An Act to amend the Agricultural Adjustment Act of 1938, as amended, to provide for acreage-poundage marketing quotas for tobacco, to amend the tobacco price support provisions of the Agricultural Act of 1949, as amended, and for other purposes'', approved April 16, 1965 (Public Law 89–12; 7 U.S.C. 1314c note), is repealed.

(l) BURLEY TOBACCO ACREAGE ALLOTMENTS.—The Act entitled ''An Act relating to burley tobacco farm acreage allotments under the Agricultural Adjustment Act of 1938, as amended'', approved July 12, 1952 (7 U.S.C. 1315), is repealed.

(m) TRANSFER OF ALLOTMENTS.—Section 703 of the Food and Agriculture Act of 1965 (7 U.S.C. 1316) is repealed.

(n) ADVANCE RECOURSE LOANS.—Section 13(a)(2)(B) of the Food Security Improvements Act of 1986 (7 U.S.C. 1433c–1(a)(2)(B)) is amended by striking ''tobacco and''.

(o) TOBACCO FIELD MEASUREMENT.—Section 1112 of the Omnibus Budget Reconciliation Act of 1987 (Public Law 100–203) is amended by striking subsection (c).

(p) LIABILITY.—The amendments made by this section shall not affect the liability of any person under any provision of law as in effect before the effective date under subsection (q).

(q) CROPS.—This section and the amendments made by this section shall apply with respect to the 2002 and subsequent crops of the kind of tobacco involved.

SEC. 1___. PROHIBITION OF FEDERAL INSURANCE, REINSURANCE, OR NONINSURED CROP DISASTER ASSISTANCE FOR TOBACCO.

(a) CROP INSURANCE.—

(1) DEFINITION OF AGRICULTURAL COMMODITY.—Section 518 of the Federal Crop Insurance Act (7 U.S.C. 1518) is amended—

(A) by striking the section heading and all that follows through ''as used in this title, means'' and inserting the following:

''SEC. 518. DEFINITION OF AGRICULTURAL COMMODITY.

''(a) DEFINITION.—In this title, the term 'agricultural commodity' means'';

(B) by striking ''tobacco,''; and

(C) by adding at the end the following:

''(b) EXCEPTION.—In this title, the term 'agricultural commodity' does not include tobacco. The Corporation may not insure, provide reinsurance for insurers of, or pay any part of the premium related to the coverage of a crop of tobacco.''.

(2) CONFORMING AMENDMENTS.—Section 508(a)(2) of the Federal Crop Insurance Act (7 U.S.C. 1508(a)(2)) is amended in the first sentence by striking ''cases of tobacco and'' and inserting ''case of''.

(b) NONINSURED CROP DISASTER ASSISTANCE.—Section 196(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333(a)(2)) is amended by adding at the end the following:

''(D) CROPS SPECIFICALLY EXCLUDED.—The term 'eligible crop' does not include tobacco. The Secretary may not make assistance available under this section to cover losses to a crop of tobacco.''.

(c) APPLICATION OF AMENDMENTS.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by this section shall apply with respect to the 2002 and subsequent crops of tobacco.

(2) EXISTING CONTRACTS.—The amendments made by this section shall not apply to a contract of insurance of the Federal Crop Insurance Corporation, or a contract of insurance reinsured by the Corporation, in existence on the date of enactment of this Act.

SA 2832. Mr. MILLER (for himself and Mr. CLELAND) submitted an amendment intended to be proposed 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; which was ordered to lie on the table; as follows:

On page 120, line 3, strike ''$0.10'' and insert ''$0.12''.

SA 2833. Mr. BAUCUS submitted an amendment intended to be proposed 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; which was ordered to lie on the table; 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 2834. Mr. LEAHY submitted an amendment intended to be proposed 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; which was ordered to lie on the table; as follows:

On page 985, strike line 1 and insert the following:

Subtitle D—Organic Products Promotion

SEC. 1081. SHORT TITLE.

This subtitle may be cited as the ''Organic Products Promotion, Research, and Information Act of 2002''.

SEC. 1082. DEFINITIONS.

In this subtitle:

(1) AGRICULTURAL COMMODITY.—The term ''agricultural commodity'' means—

(A) agricultural, horticultural, viticultural, and dairy products;

(B) livestock and the products of livestock;

(C) the products of poultry and bee raising;

(D) the products of forestry;

(E) other commodities raised or produced on farms, as determined appropriate by the Secretary; and

(F) products processed or manufactured from products specified in the preceding subparagraphs, as determined appropriate by the Secretary.

(2) BOARD.—The term ''Board'' means the National Organic Products Board established under section 1084(b).

(3) COMMODITY PROMOTION LAW.—The term ''commodity promotion law'' has the meaning given the term in section 501(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401(a)).

(4) CONFLICT OF INTEREST.—The term ''conflict of interest'' means a situation in which a member or employee of the Board has a direct or indirect financial interest in a person that performs a service for, or enters into a contract with, the Board for anything of economic value.

(5) DEPARTMENT.—The term ''Department'' means the Department of Agriculture.

(6) FIRST HANDLER.—The term ''first handler'' means—

(A) the first person that buys or takes possession of an organic product from a producer for marketing; and

(B) in a case in which a producer markets an organic product directly to consumers, the producer.

(7) IMPORTER.—The term ''importer'' means any person that imports an organic product from outside the United States for sale in the United States as a principal or as an agent, broker, or consignee of any person.

(8) INFORMATION.—The term ''information'' means information and programs that are designed to increase—

(A) efficiency in processing; and

(B) the development of new markets, marketing strategies, increased marketing efficiency, and activities to enhance the image of organic products on a national or international basis.

(9) MARKET.—The term ''market'' means to sell or to otherwise dispose of an organic product in interstate, foreign, or intrastate commerce.

(10) ORDER.—The term ''order'' means the order issued by the Secretary under section 1083 that provides for a program of generic promotion, research, and information regarding organic products designed to—

(A) strengthen the position of organic products in the marketplace;

(B) maintain and expand existing domestic and foreign markets and uses for organic products;

(C) develop new markets and uses for organic products; or

(D) assist producers in meeting conservation objectives.

(11) ORGANICALLY PRODUCED.—The term ''organically produced'', with respect to an agricultural product, means produced and handled in accordance with the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

(12) ORGANIC PRODUCT.—The term ''organic product'' means an agricultural product that is organically produced.

(13) ORGANIC PRODUCTS INDUSTRY.—The term ''organic products industry'' includes nonprofit and other organizations representing the interests of producers, first handlers, and importers of organic products.

(14) PERSON.—The term ''person'' means any individual, group of individuals, partnership, corporation, association, cooperative, or any other legal entity.

(15) PRODUCER.—The term ''producer'' means any person that is engaged in the production and sale of an organic product in the United States.

(16) PROMOTION.—The term ''promotion'' means any action taken by the Board under the order, including paid advertising, to present a favorable image of organic products to the public to improve the competitive position of organic products in the marketplace and to stimulate sales of organic products.

(17) RESEARCH.—The term ''research'' means any type of test, study, or analysis designed to advance the image, desirability, use, marketability, production, product development, or quality of an organic product.

(18) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(19) STATE.—The term ''State'' means—

(A) a State;

(B) the District of Columbia;

(C) the Commonwealth of Puerto Rico; and

(D) any other territory or possession of the United States.

(20) SUSPEND.—The term ''suspend'' means to issue a rule under section 553 of title 5, United States Code, to temporarily prevent the operation of the order during a particular period of time specified in the rule.

(21) TERMINATE.—The term ''terminate'' means to issue a rule under section 553 of title 5, United States Code, to cancel permanently the operation of the order beginning on a date certain specified in the rule.

(22) UNITED STATES.—The term ''United States'', when used in a geographical sense, means all of the States.

SEC. 1083. ISSUANCE OF ORDERS.

(a) ORDER.—

(1) IN GENERAL.—To effectuate the purpose of this subtitle, the Secretary may issue, and amend from time to time, an order applicable to—

(A) producers of organic products;

(B) the first handlers of organic products (and other persons in the marketing chain, as appropriate); and

(C) the importers of organic products.

(2) NATIONAL SCOPE.—The order shall be national in scope.

(b) PROCEDURE FOR ISSUANCE.—

(1) DEVELOPMENT OR RECEIPT OF PROPOSED ORDER.—A proposed order with respect to organic products may be—

(A) prepared by the Secretary at any time on or after January 1, 2004; or

(B) submitted to the Secretary on or after January 1, 2004 by—

(i) an association of producers of organic products; or

(ii) any other person that may be affected by the issuance of the order with respect to organic products.

(2) CONSIDERATION OF PROPOSED ORDER.—If the Secretary determines that a proposed order is consistent with and will effectuate the purpose of this subtitle, the Secretary shall—

(A) publish the proposed order in the Federal Register; and

(B) give due notice and opportunity for public comment on the proposed order.

(3) PREPARATION OF FINAL ORDER.—After notice and opportunity for public comment under paragraph (2) regarding a proposed order, the Secretary shall—

(A) take into consideration the comments received in preparing a final order; and

(B) ensure, to the maximum extent practicable, that the final order is in conformity with the terms, conditions, and requirements of this subtitle.

(c) ISSUANCE AND EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), if the Secretary determines that the order is consistent with and will effectuate the purpose of this subtitle, the Secretary shall issue the final order.

(2) EXCEPTION.—Paragraph (1) shall not apply in a case in which an initial referendum is conducted under section 1087(a).

(3) EFFECTIVE DATE.—The final order shall be issued and shall take effect not later than 270 days after the date of publication of the proposed order that was the basis for the final order.

SEC. 1084. REQUIRED TERMS IN ORDER.

(a) IN GENERAL.—The order shall contain the terms and conditions specified in this section.

(b) BOARD.—

(1) ESTABLISHMENT.—The order shall establish a National Organic Products Board to carry out a program of generic promotion, research, and information relating to organic products that effectuates the purposes of this subtitle.

(2) BOARD MEMBERSHIP.—

(A) NUMBER OF MEMBERS.—

(i) IN GENERAL.—The Board shall consist of the number of members determined by the Secretary, in consultation with the organic products industry.

(ii) ALTERNATE MEMBERS.—In addition to the members described in clause (i), the Secretary may appoint alternate members of the Board.

(B) APPOINTMENT.—

(i) IN GENERAL.—The Secretary shall appoint members of the Board (including any alternate members) from among producers, first handlers, and importers of organic products that elect to pay the assessment described in section 1086, and others in the marketing chain, as appropriate.

(ii) MEMBERS OF THE PUBLIC.—The Secretary may appoint 1 or more members of the general public to the Board.

(C) NOMINATIONS.—The Secretary may make appointments from nominations made in accordance with the method described in the order.

(D) GEOGRAPHICAL AND INDUSTRY REPRESENTATION.—To ensure fair and equitable representation of organic producers and others covered by the order, the composition of the Board shall reflect—

(i) the geographical distribution of the production of organic products in the United States;

(ii) the quantity or value of organic products covered by the order imported into the United States; and

(iii) the variations in the United States in the scale of organic production operations.

(3) REAPPORTIONMENT OF BOARD MEMBERSHIP.—In accordance with rules issued by the Secretary, at least once in each 4-year period, the Board shall—

(A) review the geographical distribution in the United States of the production of organic products in, variations in the scale of organic production operations in, and quantity or value of organic products imported into, the United States; and

(B) as necessary, recommend to the Secretary the reapportionment of the Board membership to reflect changes in that geographical distribution of production, variations in scale of organic production operations, or quantity or value imported.

(4) NOTICE.—

(A) VACANCIES.—The order shall provide for notice of Board vacancies to the organic products industry.

(B) MEETINGS.—

(i) IN GENERAL.—The Board shall provide prior notice of meetings of the Board to—

(I) the Secretary, to permit the Secretary, or a designated representative of the Secretary, to attend the meetings; and

(II) the public.

(ii) ATTENDANCE.—A meeting of the Board shall be open to the public.

(5) TERM OF OFFICE.—

(A) IN GENERAL.—The members and any alternate members of the Board shall each serve for a term of 3 years, except that the members and any alternate members initially appointed to the Board shall serve for terms of not more than 2, 3, and 4 years, as specified by the order.

(B) LIMITATION ON CONSECUTIVE TERMS.—A member or alternate member may serve not more than 2 consecutive terms.

(C) CONTINUATION OF TERM.—Notwithstanding subparagraph (B), each member or alternate member shall continue to serve until a successor is appointed by the Secretary.

(D) VACANCIES.—A vacancy arising before the expiration of a term of office of an incumbent member or alternate of the Board shall be filled in a manner provided for in the order.

(6) COMPENSATION.—

(A) IN GENERAL.—Members and any alternate members of the Board shall serve without compensation.

(B) TRAVEL EXPENSES.—If approved by the Board, members or alternate members shall be reimbursed for reasonable travel expenses, which may include a per diem allowance or actual subsistence incurred while away from their homes or regular places of business in the performance of services for the Board.

(c) POWERS AND DUTIES OF BOARD.—The order shall specify the powers and duties of the Board established under the order, including the power and duty—

(1) to administer, and collect assessments under, the order in accordance with the terms and conditions of the order;

(2) to develop and recommend to the Secretary for approval—

(A) such bylaws as are necessary for the functioning of the Board;

(B) such rules as are necessary to administer the order; and

(C) such activities as are authorized to be carried out under the order;

(3) to meet, organize, and select from among the members of the Board a chairperson, other officers, and committees and subcommittees, as the Board determines to be appropriate;

(4) to employ persons, other than the members, as the Board considers necessary to assist the Board in carrying out the duties of the Board (and to determine the compensation and specify the duties of those persons);

(5) subject to subsection (e), to develop and carry out generic promotion, research, and information activities relating to organic products;

(6) to prepare and submit for the approval of the Secretary, before the beginning of each fiscal year—

(A) rates of assessment under section 1086; and

(B) an annual budget of the anticipated expenses to be incurred in the administration of the order, including the probable cost of each promotion, research, and information activity proposed to be developed or carried out by the Board;

(7) to borrow funds necessary for the start-up expenses of the order;

(8) subject to subsection (f), to enter into contracts or agreements to develop and carry out generic promotion, research, and information activities relating to organic products;

(9) to pay the cost of the activities with—

(A) assessments collected under section 1086;

(B) earnings from invested assessments; and

(C) other funds;

(10)(A) to keep records that accurately reflect the actions and transactions of the Board;

(B) to keep and report minutes of each meeting of the Board to the Secretary; and

(C) to furnish the Secretary with any information or records the Secretary requests;

(11) to receive, investigate, and report to the Secretary complaints of violations of the order; and

(12) after providing public notice and an opportunity to comment, to recommend to the Secretary such amendments to the order as the Board considers appropriate.

(d) PROHIBITED ACTIVITIES.—The Board may not engage in, and shall prohibit the employees and agents of the Board from engaging in—

(1) any action that would be a conflict of interest;

(2) using funds collected by the Board under the order, any action carried out for the purpose of influencing any legislation or governmental action or policy (other than recommending to the Secretary amendments to the order); and

(3) any advertising (including promotion, research, and information activities authorized to be carried out under the order) that may be false or misleading or disparaging to another agricultural commodity.

(e) ACTIVITIES AND BUDGETS.—

(1) ACTIVITIES.—The order shall require the Board established under the order to submit to the Secretary for approval plans and projects for promotion, research, or information relating to organic products.

(2) BUDGETS.—

(A) SUBMISSION TO SECRETARY.—

(i) IN GENERAL.—The order shall require the Board established under the order to submit to the Secretary for approval a budget of the anticipated annual expenses and disbursements of the Board to be paid to administer the order.

(ii) SUBMISSION.—The budget shall be submitted—

(I) before the beginning of a fiscal year; and

(II) as frequently as is necessary after the beginning of the fiscal year.

(B) REIMBURSEMENT OF SECRETARY.—The order shall require that the Secretary be reimbursed for all expenses incurred by the Secretary in the implementation, administration, and supervision of the order.

(3) INCURRING EXPENSES.—The Board may incur the expenses described in paragraph (2) and other expenses for the administration, maintenance, and functioning of the Board as authorized by the Secretary.

(4) PAYMENT OF EXPENSES.—

(A) IN GENERAL.—Expenses incurred under paragraph (3) shall be paid by the Board using—

(i) assessments collected under section 1086;

(ii) earnings obtained from assessments; and

(iii) other income of the Board.

(B) BORROWED FUNDS.—Any funds borrowed by the Board shall be expended only for startup costs and capital outlays.

(5) LIMITATION ON SPENDING.—For fiscal years beginning 3 or more years after the date of the establishment of the Board, the Board may not expend for administration (except for reimbursements to the Secretary required under paragraph (2)(B)), maintenance, and functioning of the Board in a fiscal year an amount that exceeds 15 percent of the assessment and other income received by the Board for the fiscal year.

(f) CONTRACTS AND AGREEMENTS.—

(1) IN GENERAL.—The order shall provide that, with the approval of the Secretary, the Board established under the order may—

(A) enter into contracts and agreements to carry out generic promotion, research, and information activities relating to organic products, including contracts and agreements with producer associations or other entities as considered appropriate by the Secretary; and

(B) pay the cost of approved generic promotion, research, and information activities using—

(i) assessments collected under section 1086;

(ii) earnings obtained from assessments; and

(iii) other income of the Board.

(2) REQUIREMENTS.—Each contract or agreement shall provide that any person that enters into the contract or agreement with the Board shall—

(A) develop and submit to the Board a proposed activity together with a budget that specifies the cost to be incurred to carry out the activity;

(B) keep accurate records of all of transactions of the person relating to the contract or agreement;

(C) account for funds received and expended in connection with the contract or agreement;

(D) make periodic reports to the Board of activities conducted under the contract or agreement; and

(E) make such other reports as the Board or the Secretary considers relevant.

(g) RECORDS OF BOARD.—

(1) IN GENERAL.—The order shall require the Board—

(A)(i) to maintain such records as the Secretary may require; and

(ii) to make the records available to the Secretary for inspection and audit;

(B) to collect and submit to the Secretary, at any time the Secretary may specify, any information the Secretary may request;

(C) to account for the receipt and disbursement of all funds in the possession, or under the control, of the Board; and

(D) to make public to the participants in the order the minutes of Board meetings and actions of the Board.

(2) AUDITS.—The order shall require the Board to have—

(A) its records audited by an independent auditor at the end of each fiscal year; and

(B) a report of the audit submitted directly to the Secretary.

(h) PERIODIC EVALUATION.—

(1) IN GENERAL.—In accordance with section 501(c) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401(c)), the order shall require the Board to provide for the independent evaluation of all generic promotion, research, and information activities carried out under the order.

(2) RESULTS.—The results of an evaluation described in paragraph (1), with any confidential business information expunged, shall be made available for public review by producers, first handlers, importers, and other participants in the order.

(3) CONFORMING AMENDMENT.—Section 501(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7401(a)) is amended—

(A) in paragraph (17), by striking ''or'' at the end;

(B) in paragraph (18), by striking the period at the end and inserting ''; or''; and

(C) by adding at the end the following:

''(19) section 1084(h) of the Organic Products Promotion, Research, and Information Act of 2002.''.

(i) BOOKS AND RECORDS OF PERSONS COVERED BY ORDER.—

(1) IN GENERAL.—The order shall require that producers, first handlers and other persons in the marketing chain, as appropriate, and importers covered by the order shall—

(A) maintain records sufficient to ensure compliance with the order and regulations;

(B) submit to the Board any information required by the Board to carry out the responsibilities of the Board under the order; and

(C) make the records described in subparagraph (A) available, during normal business hours, for inspection by employees or agents of the Board or the Department, including any records necessary to verify information required under subparagraph (B).

(2) TIME REQUIREMENT.—Any record required to be maintained under paragraph (1) shall be maintained for such time period as the Secretary may prescribe.

(3) OTHER INFORMATION.—The Secretary may use, and may authorize the Board to use under this subtitle, information regarding persons subject to the order that is collected by the Department under any other law.

(4) CONFIDENTIALITY OF INFORMATION.—

(A) IN GENERAL.—Except as otherwise provided in this subtitle, all information obtained under paragraph (1) or as part of a referendum under section 1087 shall be kept confidential by all officers, employees, and agents of the Department and of the Board.

(B) DISCLOSURE.—Information referred to in subparagraph (A) may be disclosed only if—

(i) the Secretary considers the information relevant; and

(ii) the information is revealed in a judicial proceeding or administrative hearing—

(I) brought at the direction or on the request of the Secretary; or

(II) to which the Secretary or any officer of the Department is a party.

(C) OTHER EXCEPTIONS.—This paragraph shall not prohibit—

(i) the issuance of general statements based on reports or on information relating to a number of persons subject to the order if the statements do not identify the information furnished by any person; or

(ii) the publication, by direction of the Secretary, of—

(I) the name of any person violating any order; and

(II) a statement of the particular provisions of the order violated by the person.

(D) PENALTY.—Any person that willfully violates this subsection shall be subject, on conviction, to a fine of not more than $1,000 or to imprisonment for not more than 1 year, or both.

(5) WITHHOLDING INFORMATION.—This subsection shall not authorize the withholding of information from Congress.

SEC. 1085. PERMISSIVE TERMS IN ORDER.

(a) EXEMPTIONS.—The order may contain—

(1) authority for the Secretary to exempt from the order any de minimis quantity of organic products otherwise covered by the order; and

(2) authority for the Board to require satisfactory safeguards against improper use of the exemption.

(b) DIFFERENT PAYMENT AND REPORTING SCHEDULES.—The order may contain authority for the Board to designate different payment and reporting schedules to recognize differences in organic product industry marketing practices and procedures used in different production and importing areas.

(c) ACTIVITIES.—

(1) IN GENERAL.—The order may contain authority to develop and carry out research, promotion, and information activities designed to expand, improve, or make more efficient the marketing or use of organic products in domestic and foreign markets.

(2) APPLICABLE AUTHORITY.—Section 1084(e) shall apply with respect to activities authorized under this subsection.

(d) RESERVE FUNDS.—The order may contain authority to reserve funds from assessments collected under section 1086 to permit an effective and continuous coordinated program of research, promotion, and information in years in which the yield from assessments may be reduced, except that the amount of funds reserved may not exceed the greatest aggregate amount of the anticipated disbursements specified in budgets approved under section 1084(e) by the Secretary for any 2 fiscal years.

(e) GENERIC ACTIVITIES.—The order may contain authority to provide credits of assessments in accordance with section 1086(d) for those individuals that contribute to other similar generic research, promotion, and information programs at the State, regional, or local level.

(f) OTHER AUTHORITY.—The order may contain authority to take any other action that—

(1) is not inconsistent with the purpose of this subtitle, any term or condition specified in section 1084, or any rule issued to carry out this subtitle; and

(2) is necessary to administer the order.

SEC. 1086. ASSESSMENTS.

(a) IN GENERAL.—A producer, first handler, or importer of an organic product may elect to pay an assessment under the order.

(b) PAYMENT.—If a first handler or importer of an organic product elects to pay an assessment, the assessment shall be, as appropriate—

(1) paid by first handlers with respect to the organic product produced and marketed in the United States; and

(2) paid by importers with respect to the organic product imported into the United States, if the imported organic product is covered by the order under section 1085(f).

(c) COLLECTION.—Any assessment collected under the order shall be remitted to the Board at the time and in the manner prescribed by the order.

(d) LIMITATION ON ASSESSMENTS.—Not more than 1 assessment may be collected on a first handler or importer under subsection (a) with respect to any organic product.

(e) INVESTMENT OF ASSESSMENTS.—Pending disbursement of assessments under a budget approved by the Secretary, the Board may invest assessments collected under this section in—

(1) obligations of the United States or any agency of the United States;

(2) general obligations of any State or any political subdivision of a State;

(3) interest-bearing accounts or certificates of deposit of financial institutions that are members of the Federal Reserve System; or

(4) obligations fully guaranteed as to principal and interest by the United States.

(f) CREDITS.—Notwithstanding any other provision of law or any order issued under any commodity promotion law, the Secretary shall permit a producer, first handler, or importer of an organic product that pays an assessment to the Board to receive a credit for the assessment against any assessment that would otherwise be paid by the producer, first handler, or importer under an order issued under another commodity promotion law.

SEC. 1087. REFERENDA.

(a) INITIAL REFERENDUM.—

(1) IN GENERAL.—For the purpose of ascertaining whether the persons to be covered by the order favor the order going into effect, the Secretary shall conduct an initial referendum among persons that, during a representative period determined by the Secretary, engaged in—

(A) the production or handling of organic products; or

(B) the importation of organic products.

(2) PROCEDURE.—The results of the referendum shall be determined in accordance with subsection (e).

(b) SUBSEQUENT REFERENDUM.—Not later than 3 years after the date on which assessments were first carried out under the order, and at least once every 4 years thereafter, for the purpose of ascertaining whether the persons covered by the order favor the continuation, suspension, or termination of the

order, the Secretary shall conduct a referendum among persons that, during a representative period determined by the Secretary, have engaged in—

(1) the production or handling of organic products; or

(2) the importation of organic products.

(c) ADDITIONAL REFERENDA.—For the purpose of ascertaining whether persons covered by the order favor the continuation, suspension, or termination of the order, the Secretary shall conduct additional referenda—

(1) at the request of the Board; or

(2) at the request of 10 percent or more of the number of persons eligible to vote under subsection (b).

(d) OPTIONAL REFERENDA.—The Secretary may conduct a referendum at any time to determine whether the continuation, suspension, or termination of the order or a provision of the order is favored by persons eligible to vote under subsection (b).

(e) APPROVAL OF ORDER.—The order may provide for the approval of the order in a referendum by a majority of persons voting in the referendum.

(f) MANNER OF CONDUCTING REFERENDA.—

(1) IN GENERAL.—A referendum conducted under this section shall be conducted in the manner determined by the Secretary to be appropriate.

(2) ADVANCE REGISTRATION.—If the Secretary determines that an advance registration of eligible voters in a referendum is necessary before the voting period to facilitate the conduct of the referendum, the Secretary may institute the advance registration procedures—

(A) by mail;

(B) in person through the use of national and local offices of the Department; or

(C) by such other means as may be prescribed by the Secretary.

(3) VOTING.—Eligible voters may vote in the referendum—

(A) by mail ballot;

(B) in person; or

(C) by such other means as may be prescribed by the Secretary.

(4) NOTICE.—

(A) IN GENERAL.—Not later than 30 days before the date on which a referendum is conducted under this section with respect to the order, the Secretary shall notify the organic product industry, in such manner as determined to be appropriate by the Secretary, of the period during which voting in the referendum will occur.

(B) CONTENTS.—The notice shall explain any registration and voting procedures established under this subsection.

(g) RESULTS OF REFERENDA.—The results of referenda conducted under this section shall be made available to the public.

SEC. 1088. PETITION AND REVIEW OF ORDERS.

(a) PETITION.—

(1) IN GENERAL.—A person subject to the order may file with the Secretary a petition—

(A) stating that the order, any provision of the order, or any obligation imposed in connection with the order, is not established in accordance with law; and

(B) requesting a modification of the order or an exemption from the order.

(2) HEARING.—The Secretary shall give the petitioner an opportunity for a hearing on the petition, in accordance with regulations promulgated by the Secretary.

(3) RULING.—

(A) IN GENERAL.—After the hearing, the Secretary shall make a ruling on the petition.

(B) FINALITY.—The ruling shall be final, subject to review in accordance with subsection (b).

(4) LIMITATION ON PETITION.—Any petition filed under this subsection challenging the order, any provision of the order, or any obligation imposed in connection with the order, shall be filed not later than 2 years after the effective date of the order, provision, or obligation subject to challenge in the petition.

(b) REVIEW.—

(1) COMMENCEMENT OF ACTION.—The district court of the United States for any district in which a person that is a petitioner under subsection (a) resides or carries on business shall have jurisdiction to review the final ruling on the petition of the person, if a complaint for that purpose is filed not later than 20 days after the date of the entry of the final ruling by the Secretary under subsection (a)(3).

(2) PROCESS.—Service of process in a proceeding may be made on the Secretary by delivering a copy of the complaint to the Secretary.

(3) REMANDS.—If the court determines that the ruling is not in accordance with law, the court shall remand the matter to the Secretary with directions—

(A) to make such ruling as the court determines to be in accordance with law; or

(B) to take such further action as, in the opinion of the court, the law requires.

(c) EFFECT ON ENFORCEMENT PROCEEDINGS.—The pendency of a petition filed under subsection (a) or an action commenced under subsection (b) shall not operate as a stay of any action authorized by section 1089 to be taken to enforce this subtitle, including any rule, order, or penalty in effect under this subtitle.

SEC. 1089. ENFORCEMENT.

(a) JURISDICTION.—The district courts of the United States shall have jurisdiction specifically to enforce, and to prevent and restrain a person from violating, the order issued, or any regulation promulgated, under this subtitle.

(b) REFERRAL TO ATTORNEY GENERAL.—A civil action authorized to be brought under this section shall be referred to the Attorney General for appropriate action, except that the Secretary shall not be required to refer to the Attorney General a violation of this subtitle if the Secretary believes that the administration and enforcement of this subtitle would be adequately served by—

(1) providing a suitable written notice or warning to the person that committed the violation; or

(2) conducting an administrative action under this section.

(c) CIVIL PENALTIES AND ORDERS.—

(1) CIVIL PENALTIES.—A person that willfully violates the order or regulation promulgated by the Secretary under this subtitle may be assessed by the Secretary a civil penalty of not less than $1,000 and not more than $10,000 for each violation.

(2) SEPARATE OFFENSE.—Each violation and each day during which there is a failure to comply with the order, or with any regulation promulgated by the Secretary, shall be considered to be a separate offense.

(3) CEASE-AND-DESIST ORDERS.—In addition to, or in lieu of, a civil penalty, the Secretary issue an order requiring a person to cease and desist from violating—

(A) the order; or

(B) any regulation promulgated under this subtitle.

(4) NOTICE AND HEARING.—No order assessing a penalty or cease-and-desist order may be issued by the Secretary under this subsection unless the Secretary provides notice and an opportunity for a hearing on the record with respect to the violation.

(5) FINALITY.—An order assessing a penalty, or a cease-and-desist order issued under this subsection by the Secretary, shall be final and conclusive unless the person against whom the order is issued files an appeal from the order with the United States court of appeals, as provided in subsection (d).

(d) REVIEW BY COURT OF APPEALS.—

(1) IN GENERAL.—A person against whom an order is issued under subsection (c) may obtain review of the order by—

(A) filing, not later than 30 days after the person receives notice of the order, a notice of appeal in—

(i) the United States court of appeals for the circuit in which the person resides or carries on business; or

(ii) the United States Court of Appeals for the District of Columbia Circuit; and

(B) simultaneously sending a copy of the notice of appeal by certified mail to the Secretary.

(2) RECORD.—The Secretary shall file with the court a certified copy of the record on which the Secretary has determined that the person has committed a violation.

(3) STANDARD OF REVIEW.—A finding of the Secretary under this section shall be set aside only if the finding is found to be unsupported by substantial evidence on the record.

(e) FAILURE TO OBEY CEASE-AND-DESIST ORDERS.—

(1) IN GENERAL.—A person that fails to obey a valid cease-and-desist order issued by the Secretary under this section, after an opportunity for a hearing, shall be subject to a civil penalty assessed by the Secretary of not less than $1,000 and not more than $10,000 for each offense.

(2) SEPARATE VIOLATIONS.—Each day during which the failure continues shall be considered to be a separate violation of the cease-and-desist order.

(f) FAILURE TO PAY PENALTIES.—

(1) IN GENERAL.—If a person fails to pay a civil penalty imposed under this section by the Secretary, the Secretary shall refer the matter to the Attorney General for recovery of the amount assessed in the district court of the United States for any district in which the person resides or carries on business.

(2) REVIEWABILITY.—In the action, the validity and appropriateness of the order imposing the civil penalty shall not be subject to review.

(g) ADDITIONAL REMEDIES.—The remedies provided in this section shall be in addition to, and not exclusive of, other remedies that may be available.

SEC. 1090. INVESTIGATIONS AND POWER TO SUBPOENA.

(a) INVESTIGATIONS.—The Secretary may make such investigations as the Secretary considers necessary—

(1) for the effective administration of this subtitle; or

(2) to determine whether any person subject to this subtitle has engaged, or is about to engage, in any action that constitutes or will constitute a violation of this subtitle or any order or regulation issued under this subtitle.

(b) SUBPOENAS, OATHS, AND AFFIRMATIONS.—

(1) IN GENERAL.—For the purpose of any investigation under subsection (a), the Secretary may administer oaths and affirmations, subpoena witnesses, compel the attendance of witnesses, take evidence, and require the production of any records or documents that are relevant to the inquiry.

(2) SCOPE.—The attendance of witnesses and the production of records or documents may be required from any place in the United States.

(c) AID OF COURTS.—

(1) IN GENERAL.—In the case of contumacy by, or refusal to obey a subpoena issued to, any person, the Secretary may invoke the aid of any court of the United States within the jurisdiction of which the investigation or proceeding is carried on, or where the person

resides or carries on business, in order to require the attendance and testimony of the person or the production of records or documents.

(2) ACTION BY COURT.—The court may issue an order requiring the person to appear before the Secretary to produce records or documents or to give testimony regarding the matter under investigation.

(d) CONTEMPT.—Any failure to obey the order of the court may be punished by the court as a contempt of the court.

(e) PROCESS.—Process in any case under this section may be served—

(1) in the judicial district in which the person resides or carries on business; or

(2) wherever the person may be found.

SEC. 1091. SUSPENSION OR TERMINATION.

(a) MANDATORY SUSPENSION OR TERMINATION.—The Secretary shall suspend or terminate an order or a provision of an order if the Secretary determines that—

(1) an order or a provision of an order obstructs or does not tend to effectuate the purpose of this subtitle; or

(2) an order or a provision of an order is not favored by persons voting in a referendum conducted under section 1087.

(b) IMPLEMENTATION OF SUSPENSION OR TERMINATION.—If, as a result of a referendum conducted under section 1087, the Secretary determines that an order is not approved, the Secretary shall—

(1) not later than 180 days after making the determination, suspend or terminate, as the case may be, collection of assessments under the order; and

(2) as soon as practicable, suspend or terminate, as the case may be, activities under the order in an orderly manner.

SEC. 1092. AMENDMENTS TO ORDERS.

The provisions of this subtitle applicable to an order shall be applicable to any amendment to an order, except that section 1087 shall not apply to an amendment.

SEC. 1093. EFFECT ON OTHER LAWS.

Except as otherwise expressly provided in this subtitle, this subtitle shall not affect or preempt any other Federal or State law authorizing promotion or research relating to an organic product.

SEC. 1094. REGULATIONS.

The Secretary may promulgate such regulations as are necessary to carry out this subtitle and the power vested in the Secretary under this subtitle.

SEC. 1095. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this subtitle.

(b) LIMITATION ON EXPENDITURES FOR ADMINISTRATIVE EXPENSES.—Funds made available to carry out this subtitle may not be expended for the payment of expenses incurred by the Board to administer the order.

Subtitle E—Administration

SA 2835. Mr. CRAIG 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:

At the appropriate place, insert the following:

SEC. 1022. STUDY OF PROPOSAL TO PROHIBIT PACKERS FROM OWNING, FEEDING, OR CONTROLLING LIVESTOCK.

(a) IN GENERAL.—Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall complete a study to determine the impact that prohibiting packers described in subsection (b) from owning, feeding, or controlling livestock intended for slaughter more than 14 days prior to slaughter would have on—

(1) livestock producers that market under contract, grid, basis contract, or forward contract;

(2) rural communities and employees of commercial feedlots associated with a packer;

(3) private or cooperative joint ventures in packing facilities;

(4) livestock producers that market feeder livestock to feedlots owned or controlled by packers;

(5) the market price for livestock (both cash and future prices);

(6) the ability of livestock producers to obtain credit from commercial sources;

(7) specialized programs for marketing specific cuts of meat;

(8) the ability of the United States to compete in international livestock markets; and

(9) future investment decisions by packers and the potential location of new livestock packing operations.

(b) PACKERS.—The packers referred to in subsection (a) are packers that slaughter more than 2 percent of the slaughter of a particular type of livestock slaughter in the United States in any year.

(c) CONSIDERATION.—In conducting the study under subsection (a), the Secretary of Agriculture shall—

(1) consider the legal conditions that have existed in the past regarding the feeding by packers of livestock intended for slaughter; and

(2) determine the impact of those legal conditions.

(d) EFFECTIVE OF OTHER PROVISION.—The section entitled

PROHIBITION ON PACKERS OWNING, FEEDING, OR CONTROLLING LIVESTOCK. amending section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192), shall have no effect.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. DORGAN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, February 7, 2002, at 9:30 a.m., in open and closed session to receive testimony on the Conduct of Operation Enduring Freedom.

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

COMMITTEE ON ARMED SERVICES

Mr. DORGAN. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Thursday, February 7, 2002, at 4:30 p.m. in executive session to meet with members of the United Kingdom's House of Commons Defence Committee.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. DORGAN. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Thursday, February 7, 2002, at 10 a.m., to conduct an oversight hearing on ''Analysis of the Failure of Superior Bank, FSB, Hinsdale, Illinois.''

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

COMMITTEE ON FOREIGN RELATIONS

Mr. DORGAN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Thursday, February 7, 2002, at 10:45 p.m., to hold a hearing titled, ''What's Next in the War on Terrorism.''

Agenda

Witnesses: Mr. Samuel R. Berger, Former National Security Advisor, Washington, DC; Gen. George A. Joulwan (Ret.), Former NATO Supreme Allied Commander, Arlington, VA; and Mr. William Kristol, Editor, The Weekly Standard, Chairman, Project for the New American Century, McLean, VA.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. DORGAN. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Thursday, February 7, 2002, at 10:30 a.m., to hold a hearing entitled ''S. 1867, a Bill To Establish the National Commission on Terrorist Attacks Upon the United States.''

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

COMMITTEE ON HEALTH, EDUCATION, LABOR, AND PENSIONS

Mr. DORGAN. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions be authorized to meet for a hearing on ''Protecting America's Pensions: Lessons From the Enron Debacle,'' during the session of the Senate on Thursday, February 7, 2002, at 10 a.m.

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

COMMITTEE ON INDIAN AFFAIRS

Mr. DORGAN. Mr. President, I ask unanimous consent that the Committee on Indian Affairs be authorized to meet on Thursday, February 7, 2002, at 10 a.m., in room 485, Russell Senate Building to conduct an oversight hearing on legislative proposals relating to the statute of limitations on claims against the United States related to the management of Indian tribal trust fund accounts.

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

COMMITTEE ON THE JUDICIARY

Mr. DORGAN. Mr. President, I ask unanimous consent that the Committee on the Judiciary be authorized to meet to conduct a markup on Thursday, February 7, 2002, at 10 a.m., in SD226.

Agenda

Nominations

Michael Melloy, of Iowa, to be U.S. Court of Appeals Judge for the Eighth

Circuit; Robert Blackburn to be U.S. District Court Judge for the District of Colorado; David L. Bunning to be U.S. District Court Judge for the Eastern District of Kentucky; James Gritzner to be U.S. District Court Judge for the Southern District of Iowa; Cindy Jorgenson to be U.S. District Court Judge for the District of Arizona; Richard Leon to be U.S. District Court Judge for the District of Columbia; and Jay Zainey to be U.S. District Court Judge for the Eastern District of Louisiana.

To Be United States Attorney: Thomas P. Colantuono for the District of New Hampshire and James K. Vines for the Middle District of Tennessee.

To Be United States Marshal: James D. Dawson for the Southern District of West Virginia; Brian Michael Ennis for the District of Nebraska; Nehemiah Flowers for the Southern District of Mississippi, Arthur Jeffrey Hedden for the Eastern District of Tennessee; Johnny Lewis Hughes for the District of Maryland; William C. Jenkins for the Middle District of Louisiana; Randy Merlin Johnson for the District of Alaska; David Glenn Jolley for the Western District of Tennessee; Chester Martin Keely for the Northern District of Alabama; John William Loyd for the Eastern District of Oklahoma; Ronald R. McCubbin for the Western District of Kentucky; David R. Murtaugh for the Western District of Indiana; Michael Wade Roach for the Western District of Oklahoma; Eric Eugene Robertson for the Western District of Washington; David Donald Viles for the District of Maine; and Larry Wade Wagster for the Northern District of Mississippi.

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

COMMITTEE ON THE JUDICIARY

Mr. DORGAN. Mr. President, I ask unanimous consent the Committee on the Judiciary be authorized to meet to conduct a hearing on ''The Nomination of Charles W. Pickering to be U.S. Court of Appeals Judge for the Fifth Circuit,'' on Thursday, February 7, 2002 at 2 p.m., in Dirksen room 226 or, if possible, Hart room 216.

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

SELECT COMMITTEE ON INTELLIGENCE

Mr. DORGAN. Mr. President, I ask unanimous consent that the Select Committee on Intelligence be authorized to met during the session of the Senate on Thursday, February 7, 2002 at 3 p.m. to hold a closed business meeting.

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

PRIVILEGE OF THE FLOOR

Mrs. LINCOLN. I ask unanimous consent Dr. Phillip Owens, a fellow from my staff who is from Aurora, AR, be granted the privilege of the floor during the remainder of the farm debate.

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

RADIO FREE AFGHANISTAN ACT

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the immediate consideration of Calendar No. 293, S. 1779.

The ACTING PRESIDENT pro tempore. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (S. 1779) to authorize the establishment of ''Radio Free Afghanistan,'' and for other purposes.

There being no objection, the Senate proceeded to consider the bill, which had been reported from the Committee on Foreign Relations, with an amendment to insert the part printed in italic.

S. 1779

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the ''Radio Free Afghanistan Act''.

SEC. 2. ESTABLISHMENT OF RADIO FREE AFGHANISTAN.

(a) REQUIREMENT OF A DETAILED PLAN.—Not later than 15 days after the date of enactment of this Act, RFE/RL, Incorporated, shall submit to the Broadcasting Board of Governors a report setting forth a detailed plan for the provision by RFE/RL, Incorporated, of surrogate broadcasting services in the Dari and Pashto languages to Afghanistan. Such broadcasting services shall be known as ''Radio Free Afghanistan''.

(b) GRANT AUTHORITY.—

(1) IN GENERAL.—Effective 15 days after the date of enactment of this Act, or the date on which the report required by subsection (a) is submitted, whichever is later, the Broadcasting Board of Governors is authorized to make grants to support Radio Free Afghanistan.

(2) SUPERSEDES EXISTING LIMITATION ON TOTAL ANNUAL GRANT AMOUNTS.—Grants made to RFE/RL, Incorporated, during the fiscal year 2002 for support of Radio Free Afghanistan may be made without regard to section 308(c) of the United States International Broadcasting Act of 1994 (22 U.S.C. 6207(c)).

(c) AVAILABLE AUTHORITIES.—In addition to the authorities in this Act, the authorities applicable to carry out United States Government broadcasting activities under the United States Information and Educational Exchange Act of 1948, the United States International Broadcasting Act of 1994, the Foreign Affairs Reform and Restructuring Act of 1998, and other provisions of law consistent with such purpose may be used to carry out the grant authority of subsection (b).

(d) STANDARDS; OVERSIGHT.—Radio Free Afghanistan shall adhere to the same standards of professionalism and accountability, and shall be subject to the same oversight mechanisms, as other services of RFE/RL, Incorporated.

SEC. 3. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—In addition to such amounts as are otherwise available for such purposes, the following amounts are authorized to be appropriated to carry out United States Government broadcasting activities under the United States Information and Educational Exchange Act of 1948, the United States International Broadcasting Act of 1994, the Foreign Affairs Reform and Restructuring Act of 1998, and this Act, and to carry out other authorities in law consistent with such purposes:

(1) For ''International Broadcasting Operations'', $8,000,000 for the fiscal year 2002.

(2) For ''Broadcasting Capital Improvements'', $9,000,000 for the fiscal year 2002.

(b) AVAILABILITY OF FUNDS.—Amounts appropriated pursuant to subsection (a) are authorized to remain available until expended.

SEC. 4. REPEAL OF BAN ON UNITED STATES TRANSMITTER IN KUWAIT.

Section 226 of the Foreign Relations Authorization Act, Fiscal Years 1994 and 1995 (Public Law 103–236; 108 Stat. 423), is repealed.

Mr. REID. Mr. President, I ask unanimous consent that the committee amendment be agreed to and the bill, as amended, be read a third time; the Foreign Relations Committee be discharged from further consideration of H.R. 2998 and that the Senate turn to its immediate consideration; that all after the enacting clause be stricken; the text of S. 1779, as amended, be inserted in lieu thereof, the bill, as amended, be read a third time and passed, the motion to reconsider be laid upon the table, that any statements related thereto be printed in the RECORD, and that S. 1779 be returned to the calendar.

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

The committee amendment was agreed to.

The bill (H.R. 2998), as amended, was read the third time and passed.

ORDERS FOR FRIDAY, FEBRUARY 8, 2002

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m. tomorrow, Friday, February 8; that following the prayer and 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 the Senate resume consideration of S. 1731.

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

Mr. REID. Mr. President, as indicated, we do have a list of finite amendments. As a result of that agreement, there will be no rollcall votes tomorrow. However, there will be amendments offered. We have a tentative list of individuals who will offer amendments tomorrow. It should go into the early afternoon. The next rollcall vote will occur Monday at about 5:45 p.m.

ADJOURNMENT UNTIL 9:30 A.M. TOMORROW

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 7:21 p.m., adjourned until Friday, February 8, 2002, at 9:30 a.m.