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## Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable ZELL MILLER, a Senator from the State of Georgia.

### PRAYER

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

God, we thank You for the power of intercessory prayer. Intercession changes our understanding of what and how to pray, changes our relationship with the people for whom we pray, and actually changes what happens in their lives because we pray. You are constantly seeking to enable deeper relationships and are delighted when, out of love, we come to You and pray about our loved ones and friends.

Today we focus our prayers on the spouses and families of the Senators. They are such a vital part of these leaders' lives. And yet, the very demands of being in the Senate cause strain and stress on marriage and the family. Family members bear the burden of high profile living with its lack of privacy and abundance of public scrutiny and criticism. Although the spouses are not elected to office, often constituencies place heavy responsibilities and demands on them. Keeping pace with schedules, the demands of the family, and the pressures of social calendars creates a formidable challenge.

Father, bless the Senators' spouses, the children, and extended families of parents, brothers, and sisters. We focus them in our mind's eye in this moment of intercessory prayer. Grant each one the healing help and hope that he or she needs today. Through our Lord and Saviour. Amen.

### PLEDGE OF ALLEGIANCE

The Honorable ZELL MILLER led the Pledge of Allegiance, as follows:

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

### APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

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

The legislative clerk read the following letter:

U.S. SENATE,  
PRESIDENT PRO TEMPORE,  
Washington, DC, May 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 ZELL MILLER, a Senator from the State of Georgia, to perform the duties of the Chair.

ROBERT C. BYRD,  
*President pro tempore.*

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

The ACTING PRESIDENT pro tempore. In my capacity as a Senator from Georgia, I suggest the absence of a quorum.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

### RECOGNITION OF THE ACTING MAJORITY LEADER

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

### SCHEDULE

Mr. REID. Mr. President, this morning the Senate will begin consideration of the farm conference report. There is a unanimous consent agreement that there will be 12 hours of debate: 6 today, 6 tomorrow. The Senate will recess from 12:30 to 2:15 today for party conferences. The leaders at this time

are trying to decide whether there will be a vote after debate is completed today.

### RESERVATION OF LEADER TIME

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

### FARM SECURITY AND RURAL INVESTMENT ACT OF 2002—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now proceed to consideration of the conference report accompanying H.R. 2646, which the clerk will report.

The legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 2646), to provide for the continuation of agricultural programs through fiscal year 2011, having met, after full and free conference have agreed to recommend and do recommend that the House recede from its disagreement to the amendment of the Senate and the House agree to the same with an amendment, and the Senate agree to the same; that the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same with an amendment and the Senate agree to the same, signed by a majority of the conferees on the part of both Houses.

The ACTING PRESIDENT pro tempore. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings of the RECORD of May 1, 2002, page H1795.)

The ACTING PRESIDENT pro tempore. Under the previous order, there will now be 6 hours of debate on the conference report, to be equally divided between the chairman and ranking member of the Committee on Agriculture, Nutrition, and Forestry.

The Senator from Indiana.

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



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Mr. LUGAR. Mr. President, I will not speak at length now because we are awaiting the presence of the distinguished chairman, Senator HARKIN, who will make an opening statement, followed by my own.

Mr. REID. I ask unanimous consent the time run equally between both Senator LUGAR and Senator HARKIN during this quorum call.

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

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

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

The legislative clerk proceeded to call the roll.

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

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

#### REMOVAL OF INJUNCTION OF SECRECY—TREATY DOCUMENT 107-4 AND TREATY DOCUMENT 107-5

Mr. REID. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the following treaties transmitted to the Senate on May 6, 2002, by the President of the United States:

Extradition Treaty with Lithuania, Treaty Document 107-4; and Stockholm Convention on Organic Pollutants, Treaty Document 107-5.

I further ask unanimous consent that the treaties be considered as having been read the first time, that they be referred with accompanying papers to the Committee on Foreign Relations and ordered to be printed, and that the President's messages be printed in the RECORD.

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

The messages of the President are as follows:

#### *To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Extradition Treaty Between the Government of the United States of America and the Government of the Republic of Lithuania, signed at Vilnius on October 23, 2001.

In addition, I transmit for the information of the Senate, the report of the Department of State with respect to the Treaty. As the report explains, the Treaty will not require implementing legislation.

The provisions in this Treaty follow generally the form and content of modern extradition treaties recently concluded by the United States and will replace the Extradition Treaty of April 9, 1924, between the two countries and the Supplementary Extradition Treaty of May 17, 1934. In conjunction with the

new U.S.-Lithuania Mutual Legal Assistance Treaty that took effect in 1999, the Treaty will, upon entry into force, enhance cooperation between the law enforcement communities of the two countries. It will thereby make a significant contribution to international law enforcement efforts against serious offenses, including terrorism, organized crime, and drug-trafficking offenses.

I recommend that the Senate give early and favorable consideration to the Treaty and give its advice and consent to ratification.

GEORGE W. BUSH.  
THE WHITE HOUSE, May 6, 2002.

#### *To the Senate of the United States:*

With a view to receiving the advice and consent of the Senate to ratification, I transmit herewith the Stockholm Convention on Persistent Organic Pollutants, with Annexes, done at Stockholm, May 22-23, 2001. The report of the Secretary of State is also enclosed for the information of the Senate.

The Convention, which was negotiated under the auspices of the United Nations Environment Program with the leadership and active participation of the United States, commits Parties to take significant steps, similar to those already taken by the United States, to eliminate or restrict the production, use, and/or release of 12 specified persistent organic pollutants (POPs). When I announced that the United States would sign the Convention, I noted that POPs chemicals, even when released abroad, can harm human health and the environment in the United States. The Convention obligates Parties to take measures to eliminate or restrict the production, use, and trade of intentionally produced POPs, to develop action plans to address the release of unintentionally produced POPs, and to use best available techniques to reduce emissions from certain new sources of unintentionally produced POPs. It also includes obligations on the treatment of POPs stockpiles and wastes, as well as a science-based procedure to add new chemicals that meet defined criteria.

The United States, with the assistance and cooperation of nongovernmental organizations and industry, plays an important international leadership role in the safe management of hazardous chemicals and pesticides. This Convention, which will bring over time, an end to the production and use of certain of these toxic chemicals beyond our borders, will positively affect the U.S. environment and public health. All relevant Federal agencies support early ratification of the Convention for these reasons, and we understand that affected industries and interest groups share this view.

I recommend that the Senate give prompt and favorable consideration to the Convention and give its advice and consent to ratification, subject to the

understanding described in the accompanying report of the Secretary of State, at the earliest possible date.

GEORGE W. BUSH.  
THE WHITE HOUSE, May 6, 2002.

#### CORRECTION IN ENROLLMENT OF H.R. 3525

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of S. Con. Res. 106 submitted earlier today by Senator KENNEDY.

The ACTING PRESIDENT pro tempore. The clerk will report the concurrent resolution by title.

The legislative clerk read as follows:  
A concurrent resolution (S. Con. Res. 106) to correct the enrollment of H.R. 3525.

There being no objection, the Senate proceeded to the consideration of the concurrent resolution.

Mr. REID. Mr. President, I ask unanimous consent that the concurrent resolution be agreed to, the motion to reconsider be laid on the table, and that any statements relating thereto be printed in the RECORD.

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

The concurrent resolution (S. Con. Res. 106) was agreed to, as follows:

#### S. CON. RES. 106

*Resolved by the Senate (the House of Representatives concurring).* That, in the enrollment of the bill (H.R. 3525) to enhance the border security of the United States, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

- (1) Strike section 205.
- (2) In the table of contents of the bill, strike the item relating to section 205.

#### FARM SECURITY AND RURAL INVESTMENT ACT OF 2002—CONFERENCE REPORT—Continued

The ACTING PRESIDENT pro tempore. The Senator from Iowa.

Mr. HARKIN. Mr. President, I understand that the conference report before the Senate is the Farm Security and Rural Investment Act of 2002. As I understand the unanimous consent agreement, there are 6 hours of debate evenly divided today and 6 hours of debate evenly divided on tomorrow.

The ACTING PRESIDENT pro tempore. The Senator is correct.

Mr. HARKIN. Mr. President, the bipartisan farm bill conference report now before us has been approved overwhelmingly in the House of Representatives by a vote of about 2 to 1, and President Bush has pledged to sign it, calling it a significant piece of legislation and, of course, touting the great efforts we made to reach agreement.

Now we have the crucial bill before us, and the Senate has the opportunity to join the House and the President with our approval of this legislation.

The President said he wants this bill on his desk promptly, and I hope we

can do that. I intend to do all I can to make sure that happens. I am sorry we could not have taken this up last week and passed it on Thursday. The President could have signed it this week. But, as I understand, the other side insisted on having a minimum of 12 hours of debate on this. If that is what they want, that is certainly their right. So we are going to have another 2 days of debate on this farm bill.

As the chairman of the Senate Agriculture Committee, I am proud to sponsor it. I am proud of all the hard work the conferees and our staff have done. I am proud of the work that the farm groups, conservation groups, anti-hunger, and others across the country have done in seeing this bill through to the end. I am proud of those who lent their ideas in support of this bill. I am especially proud of all the members of the Senate Agriculture Committee on both sides of the aisle who worked diligently last year through some very trying times—need I mention the period of time after September 11 when our attention was focused on the terrorist threat to our country? But the members of our committee, including the Presiding Officer, continued to work to make sure we met the business of our country's agriculture and to make sure we came up with a farm bill that addressed a broad variety of needs all over America.

I compliment and commend all of the members of the Senate Agriculture Committee, as I said, on both sides of the aisle who worked very hard to get this bill both through the committee and to the floor of the Senate.

I compliment all the conferees for making sure we have a good product—a product that was reached by compromise between the House and the Senate. The bill is truly a product of cooperation and collaboration across party lines—and across the Capitol between the two Houses.

I commend my colleague and ranking member, my good friend, Senator LUGAR from Indiana, for all of his courtesy and cooperation throughout the process of developing this bill.

To be sure, we have some very substantial disagreements on the conference report. But Senator LUGAR and his staff have been closely involved and have made major contributions throughout the provisions of this bill.

I also thank Chairman COMBEST and Congressman CHARLIE STENHOLM for all of their hard work and cooperation through the course of a challenging conference. I compliment publicly Congressman COMBEST for his fair and diligent leadership and for his chairmanship of the conference committee as we worked through this bill. This conference report reflects a tremendous amount of work and careful consideration by both the Senate and House of Representatives.

The House Agriculture Committee began hearings on the new farm bill in 2000. Our committee began hearings on the new farm bill, under the leadership

of Senator LUGAR, in January of 2001. When the leadership changed hands, under my chairmanship we continued to hold an aggressive schedule of hearings over the summer. We marked up the bill in November and reported it to the Senate on November 27.

Final Senate action was delayed because we were repeatedly unable to obtain cloture before the holiday recess. But we came back and passed the bill on February 13.

Since then—up until May 1—we have been in conference. We began the conference with a very large number of critical issues in disagreement between the Senate and the House on this comprehensive, complicated, and far-reaching bill. We worked long and hard and made our way through disagreements to produce this new, strong farm bill.

I will be the first to admit that this conference report is not any one person's idea of perfection. It is, however, a very good bill. It is a solid, balanced piece of legislation, a product of the crucible of rigorous debate, hard work, and tough negotiating.

The conference report also reflects the necessary give and take of the conference on a major piece of legislation and the imperative of reaching compromises and settling differences for the sake of the larger objective of getting the bill completed and passed. The bottom line is that there is far too much at stake in this bill for farm families, rural communities, and our Nation as a whole, for us to let this bill die over a stalemate or to send it back and deadlock in conference.

For anyone looking for faults to criticize, they are there. I could get points for several myself. Each of us could. But given the rigor of the negotiations and the strongly held views on each side, I can assure you that further negotiation—if this bill were to be sent back to conference—would not and cannot produce an outcome appreciably different from that which is now before the Senate. I can say that if this conference report is defeated and sent back to conference, there will not be a farm bill this year.

As I said, each of us can look and say: Well, I don't like the specifics, or, I don't like these two items which I voted for in the Senate, or which I voted for in committee, and it is not in there. Yes, we can all do that. We can pick it apart. But, again, if you look at the overall aspects of the farm bill for commodities, for nutrition, for conservation, and for rural development, when you look at it in its broad aspect, this is a bill worthy of support.

This trial by fire of going through the procedures means we have a comprehensive and forward-looking bill. This bill restores sound farm income protections. It offers predictability and stability to agricultural producers, suppliers, and others. It greatly strengthens our commitment to conservation, to investing in jobs, to economic growth, and to the overall quality of life in rural communities. And,

for the first time ever, we have an energy title in this farm bill to boost farm-based renewable energy.

Last week, President Bush said this bill has “the strongest conservation provisions of any farm bill ever passed by Congress. The final provisions of the farm bill are also consistent with America's international trade obligations, which will strengthen our ability to open foreign markets for American farm products.”

That is a quote from President Bush. (Mr. WELLSTONE assumed the chair.)

Mr. HARKIN. Rural America is waiting for this bill. I urge my colleagues to send this critical legislation to the White House without further delay.

Again, I am proud that we have got this bill through. When we look back to 1996, that farm bill was signed into law about 6 months after the previous farm bill expired. I am proud to say we have this farm bill before us 5 months before the present farm bill expires.

I would like to go through, as briefly as I can, the various titles of the farm bill.

First, I will go through the commodity programs. Then we will take up the different areas of energy and conservation, and some other aspects dealing with trade and WTO just to set the record on where we are with this conference report before us.

The conference put together a balanced package that includes three elements of support: direct payments, countercyclical payments, and marketing assistance loans.

The first chart I have in the Chamber shows the protection levels for different commodities: corn, soybeans, wheat, sorghum, and barley. This is not all of the commodities; this is just representative of many of the commodities we cover.

The income protection levels are shown in green on the chart for the present 1996 farm bill, plus the emergency payments are in kind of a purple color. What it shows is that for all these major crops, the farm bill before us will provide much higher income protection levels than the existing farm bill.

For example, on soybeans, the income protection level under the farm bill before us is \$5.80 per bushel. Under the farm bill we are now operating under—the old farm bill; the 1996 farm bill—it is \$5.04 a bushel. And going on through all the rest: for wheat, the income protection is \$3.86 a bushel under this bill. It is only \$3.24 under the previous farm bill.

The next chart shows the commodity program spending by crop-year. There has been some talk that we are somehow cheating farmers out of money, that we are spending less. But that is not true. This chart shows the spending by crop-year from 1996 on through 2002. The total includes AMTA payments, the marketing loss assistance and countercyclical payments, LDPs, marketing loan gains, and certificate

gains. We have bundled everything together to show the total income.

After enactment of the 1996 farm bill—and we had all these emergency procedures—the high water mark was \$19.73 billion in 2000. Last year—2001—that dropped to \$16.17 billion. And in 2002, we bring it back to \$17.91 billion in spending for the total amount of crops. So you may hear arguments that the total spending this year is less than before, and that simply is not true.

I have heard some talk that a typical farmer would get less this year than they got under the farm bill before, the 1996 farm bill, plus the double AMTA payments they got last year. So we took an Iowa farmer—I did not do any other State—with 1,000 acres, growing corn and soybeans. And it was assumed that the loan rate would be frozen at the current levels for the 1996 farm bill, which basically the Secretary did.

For that typical Iowa farmer, under the farm bill now before us, the payments would total about \$83,884. Under the old farm bill, it would total about \$73,987—a difference of about \$10,000. So a typical Iowa corn farmer this year is going to be a heck of a lot better off under this bill than if we were to continue with the old bill, even plus all of the double AMTA payments and the emergency payments.

This chart shows an even more drastic difference. Again, the \$83,884 is the payment to that typical Iowa farmer this year. The \$57,947 would represent the 1996 farm bill and a loan rate that was at the lowest rate. In other words, if the Secretary lowered the loan rate, that would be the payment to an Iowa farmer.

I must say, there has been a lot of talk that the Secretary has talked about lowering their loan rates. That would be \$1.67 a bushel for corn, for example, and \$4.92 for soybeans. What we did in this farm bill, Mr. President, as you well know, is we not only raised the loan rates but we removed the ability of the Secretary to lower those loan rates. That provision has been in the law, and this is how low we would go if the Secretary exercised it. In this farm bill, the Secretary does not have that discretion.

I am going to talk about the WTO aspects in a moment, but let me comment a little bit further about the present farm bill.

We continue the planting flexibility in the current farm bill. The 1996 farm bill allowed farmers to plant however they wanted to, on whatever acres they wanted. Farmers liked that, so we have continued the planting flexibility.

The producers will be eligible for direct and countercyclical payments as long as they comply with soil conservation and wetland protection, use the land for an agricultural or conserving use, and do not plant prohibited fruits and vegetables on base acres.

The countercyclical program is a major improvement over the 1996 farm bill. Owners of farmland will have a

one-time opportunity to update their crop acreage base and to partially update their payment yields for countercyclical payments. The countercyclical program is designed to supplement farm income during times when commodity prices are low.

As I said, we have rebalanced the commodity loan rates to minimize market distortions. Loan rates under the conference agreement are not as high as in the Senate-passed bill, but the loan rates in this bill will provide an adequate level of support for crop producers without stimulating surplus production. We have tried to assure that producers can choose to produce alternative crops, such as minor oilseeds, dried peas, lentils, and small chickpeas. Producers will be able to demonstrate minimal price supports for these alternative crops, which can make all the difference to their lenders.

The conference report includes allotments to limit U.S. sugar production to keep production in line with demand and ensure that the sugar program can operate without cost to the Federal Government.

The conference report also includes a major reform of the peanut program to help U.S. peanut producers and processors survive in a changing world market and trade environment.

This bill complies with all of the WTO commitments. I would refer to this chart in the Chamber. There has been some talk—and we may hear some talk in the ensuing 12 hours of debate—about the possibility that we could violate WTO. We have looked at this very carefully. Under a worst case scenario, there is only minimal possibility that we violate our WTO agreements. Right now, as you well know, we have a provision under WTO that puts things in amber boxes, green boxes—and I don't need to belabor what that is all about. Let's just say, under the green box, you can spend as much as you want. That does not violate any of our trade agreements. Under the amber box, for specific payments, we have a \$19.1 billion cap. In other words, if we go above \$19.1 billion in any year in spending, then our trade partners could, if they want, take us to a dispute settlement panel in terms of violating the WTO agreements.

So here, under the amber box, as you can see, is the \$19.1 billion, as shown on the chart, that we are allowed in a year. Right now we are spending about \$11 billion a year in that amber box. The likely effect of the bill before us—the conference report before us—is about \$12 billion a year under likely scenarios.

Under a situation with very low prices, such as we saw in 1999, when payments went up, we faced absolutely devastating circumstances and the rest of the world had strong production—under that, we get about \$16.7 billion under the amber box. So we are still nearly \$3 billion below the ceiling we are allowed under the amber box.

Under the green box, we are about \$13.3 billion. We have come up, with our conservation programs, to about \$16.3 billion under the green. That doesn't violate anything. It just means we are giving farmers more non-trade-distorting protection under the green box, which is not only allowed but encouraged under WTO. We are giving them more support under the amber but not to the extent it is very likely that we would violate our trade agreements. I will get to conservation. But before I do, I wanted to specifically talk about the fact that we will not in any way be violating our WTO agreements.

When the Senate considered this bill, it adopted stricter commodity program payment limitations. The House bill not only did not reduce payment limits, it expanded them. In conference we argued aggressively for the Senate's position of stronger payment limitations. The House conferees took an extraordinarily strong stance against lower payment limits. So it should be no surprise to anyone that the conference report contains a compromise.

Under existing law the limit is \$460,000. The House bill had a payment limit of \$550,000 for an individual or a married couple. The Senate bill contained a \$225,000 limit for an individual or \$275,000 for a couple. For the past several years, under the previous farm bill, the limit has been set at \$460,000.

So the conference agreement includes a limit of \$360,000 for an individual or a couple—well below the House bill level. Again, the present level is \$460,000. The House went to \$550,000. We reduced that down to \$360,000—much closer to the Senate-passed level of \$275,000.

I just saw a press report the other day that a Congressman, a Member of the other body, had specifically lambasted this bill because of the high payment limits. He pointed out that Ted Turner, Scottie Pippen and—I forget who else he mentioned—a couple of other wealthy people could still continue to get all these big payments. Nothing could be further from the truth, I am sorry to tell the Congressman. In the conference report, we changed one other provision, another reform in payment limits.

We include a new eligibility test that will prevent any individual or entity—that is very important, individual or entity—with an adjusted gross income of \$2.5 million or more from receiving any commodity or conservation payments—\$2.5 million. If that person is actively engaged in agriculture and their income all comes from agriculture, then that does not apply. But for someone like Scottie Pippen and Ted Turner—obviously their income comes from other places—they not only would not be eligible for the payment limits, they are not eligible for any payments, period, zero. So that was another reform we made.

In addition—this is most significant—under our compromise, the

USDA will be required to track payments through entities such as partnerships and corporations, cooperatives, so that we can determine exactly what amounts an individual is receiving. This transparency will provide much more accurate data for Congress in order to make better informed decisions about payment limit issues in the future. Again, for the first time ever we are going to have full transparency. The Secretary is required to come up with a methodology so that we can track payments through any kind of partnership, cooperative or corporation, so that we can find out exactly who is getting what. We have never had that before.

The conference report also establishes a commission to review who receives benefits and to recommend changes in the law regarding how payment limits operate. As I understand it, the Senate will get three, the House gets three, and the President appoints four. That is how the commission will be set up, if I am not mistaken.

Some will argue and will continue to argue that the Senate conferees brought back too little on payment limitations in this conference report. However, this is the reality: If we Senate conferees had issued an ultimatum on our position, we would not be here today with a conference report on the farm bill. That was clearly indicated to us by House conferees and, quite frankly, by some on our own side.

I am greatly disappointed this conference report does not contain stronger payment limitations. But failing to produce this farm bill would have been far worse for farm families, rural communities, and our country as a whole than getting the compromise we did on payment limitations. Simply put, it would have been irresponsible to walk away from this new farm bill over the failure to reach a compromise on payment limitations and thereby forfeit the desperately needed farm income protection our bill contains for farms of all sizes, including small and modest-sized farms.

As far as this Senator is concerned, this bill is far from the final word on payment limitations. We will continue to examine this issue. We will get our commission established. We will continue to look, through the transparency, at exactly who is getting these payments. At some point down the road, I am sure this committee will come up with further legislation to refine and reform payment limitations.

We made some important strides in this bill regarding specialty crops. Not only did we provide funding for farmers' market nutrition programs and for commodities for The Emergency Food Assistance Program and the School Lunch Program, a portion of which are specialty crops, we also directed USDA to increase their average spending on specialty crops by setting a floor of \$200 million annually for the amount of funds that must be devoted to the purchases of fruits and vegetables each year.

This is vitally important, both for our specialty crop producers, and for the health of our kids and low-income individuals. Before we didn't have a floor. Some years we went as low as \$100 million a year in the level of spending for fruits and vegetables. This bill sets a floor of \$200 million minimum. We can go higher than that, but we can't go lower than that. I believe that is going to be good for our fruit and vegetable farmers and also good for nutrition of all Americans.

Mr. President, on the dairy issue—this is one that always perplexes and bedevils us in this country, but I believe we have come out with a dairy provision that represents, as best as possible, all the interests across our country. I think it is a significant victory for our smaller dairy farmers. We maintain a permanent \$9.90 price support for milk. We established a new 3.5-year national dairy program to provide assistance to all U.S. producers. This national dairy program will provide a payment based on the difference between \$16.94 and certain prices in the Northeast, but I will try not get into the convoluted details of it.

Basically, we said that for up to 2.4 million pounds of production per dairy farm per year, we will support your prices up to about \$16.94. So really, this is targeted to helping our smaller dairy farmers. That 2.4 million pounds of production per dairy farm per year is about 137 cows—or 125 to 140 cows. That is really our smaller dairy farms.

The conservation section is one of which I think all of us can be proud. It is the one section that President Bush highlighted in his comments when talking about this bill. In addition to producing food and fiber, America's farmers and ranchers play a critical role as stewards of our natural resources for today and for future generations. The conservation title in the farm bill recognizes conservation as a cornerstone of sound farm policy, adding \$17.1 billion in new funding. It is an 80-percent increase above the baseline. This reflects a strong commitment to helping agricultural producers and landowners conserve and improve water, air, plants, and wildlife. The bill strikes an important balance between conservation programs that idle land, such as the Conservation Reserve Program and the Wetlands Reserve Program, and programs that focus on lands of production, such as the EQIP program—Environmental Quality Incentives Program—and the new Conservation Security Program. Together all the programs in the conservation title provide the full array of options to producers who voluntarily incorporate conservation practices on their lands.

The Conservation Reserve Program is expanded to 39.2 million acres from the current cap of 36.4 million acres. The WRP program—Wetlands Reserve Program—cap is more than doubled to 2.275 million acres. EQIP funding—so important to our livestock producers,

our dairy farmers—is increased 5.5 times, from a 10-year baseline of \$2 billion, to \$11 billion.

The Wildlife Habitat Incentives Program is so important to our sportsmen all over America for increasing and preserving wildlife habitats all over this country. Funding for the WHIP program is increased 14 times—fourteen-fold—to \$700 million, from a total of \$50 million over the life of the last farm bill.

Funding for the Farmland Protection Program, to provide protection for farmland around some of our urban areas and keep it in farmland rather than being developed—funding for the Farmland Protection Program jumps nearly thirty-fold—nearly 30 times—from the \$35 million in the last farm bill, to nearly \$1 billion in this bill.

The farm bill contains important, new programs as well as increasing funding for existing ones. To address the growing need for water conservation, the bill contains \$600 million for a national ground and surface water conservation program, including \$50 million for producers located in the Klamath Basin in California and Oregon.

The new Grassland Reserve Program will help conserve and restore 2 million acres of grassland across the country. This important new program is funded at \$254 million. The bill also contains \$275 million for the Small Watershed Dam Rehabilitation Program, to restore ailing dams across the country. Many of these dams out in Iowa, and in Missouri, Oklahoma, Texas, Arkansas, are rapidly deteriorating. This program will rebuild those dams to preserve, to protect the safety of those living near them and save our precious water.

Finally, an important, new component in our conservation bill is the new Conservation Security Program. Through the CSP, all agricultural producers who can receive payments for implementing conservation on working lands. By encouraging producers to address critical resources on their operation at a non-degradation level, CSP will lead to substantial, new environmental benefits and help maintain those gains already made.

The time has come to recognize farmers and ranchers as good stewards of the land, the basic stewards of our Nation's natural resources. The importance of maintaining the conservation achievements of the past cannot be overstated. Paying good stewards to maintain their good work is clearly the right thing to do. And now we can do that through the Conservation Security Program.

In order to ensure successful implementation of the conservation programs, we include funding for technical assistance, including for education, monitoring and assessment activities, directly from the conservation programs. Without strong technical assistance, conservation programs could not be fully implemented. This farm bill recognizes that and provides for funding for technical assistance.

Overall, the conservation title provides a balanced approach to conservation—the largest increase in a farm bill ever—and provides critically important resources for our agricultural producers.

I will point to this chart, which gives an official representation of what we have done in conservation. Under the 1996 farm bill, we have a total 10-year baseline of \$21.4 billion. That provides \$19.4 billion for land idling programs, like CRP and WRP, and only about \$2 billion for conservation programs directed toward working lands to help farmers become better stewards. The new farm bill tries to restore a balance that ensures strong land-idling and working lands programs. Of the nearly \$17.1 billion in new funds, we put \$14 billion in new funds in working land programs and \$3 billion in new funds in land idling programs. That gives us a more balanced approach.

In this farm bill, we have a total of \$38.5 billion for conservation. Of that total, there is about \$16.1 billion that will go to conservation on working lands and about \$22.4 billion that will go to land idling. Again, you get back a historical balance of what we had in the past and recognize that as farmers produce crops across our country they are stewards of the land. There are some people who seem to think that if you raise corn or soybeans or rice or cotton—whatever—if you are growing crops or raising livestock, then you are destroying the land, the soil, the water and other natural resources. Well, that could be true, depending on how you farm.

If you farm up and down the hills, in the gullies, and you don't put in grass strips or buffer strips, or you don't ridge till, perhaps, or no till, you are right; you can lose a lot of soil. If you do it in the right way, you can grow crops and you can preserve soil, water and wildlife habitat, our natural resources. That is why we directed much of the new funding toward working lands programs—to help farmers be those good conservationists, yet still produce the food and fiber we need for our country. This balance was struck while ensuring that programs like WRP and CRP remain strong.

Mr. President, as I said, we have strong spending for the existing programs: Conservation Reserve Program, Wetlands Reserve Program; Farmland Protection Program; Wildlife Habitat Incentives Program; and Environmental Quality Incentives Program. These are all the programs that are in existence in the present farm bill. We strengthened and expanded them, as you can see. The Farmland Protection Program is increased from \$35 million to nearly \$1 billion—\$985 million.

The wetlands reserve has been increased from 975,000 acres in the 1996 Farm Bill to 2.275 million acres. Even with the addition of 100,000 acres through an appropriation bill, that is still more than double the current level.

EQIP has been increased from \$2 billion to \$11 billion.

We heavily boost existing programs.

We added new programs. The Ground and Surface Water Conservation Program was not in the last farm bill. We have \$600 million in this bill for that program.

For the Conservation Security Program, there is a \$2 billion estimated cost.

For the Small Watershed Rehabilitation Program, there is \$275 million.

For the Agricultural Management Assistance Program for certain underserved States, there is \$50 million.

We have a provision that helps at-risk natural desert terminal lakes. We need to protect and preserve those lakes. There is \$200 million in the bill for that program.

I want to put up the last chart again. I heard and read some reports that because of the new conservation programs we put in this bill, especially the Conservation Security Program and others, we are taking money out of EQIP or we are hurting funding for existing conservation programs. In fact, there is a conservation group—I am sorry, I cannot remember the name now—that basically is saying that we are taking money out of these programs.

Again, the facts are just the opposite. We have increased many existing programs. As I said, the Wetlands Reserve Program has been increased from 975,000 acres to 2.275 million acres. EQIP has a 5.5-fold increase. The Wildlife Habitat Incentives Program has a fourteen-fold increase. The Farmland Protection Program has nearly a thirty-fold increase. We are not taking money away from any of these programs. We enlarged the pie. When people say we are hurting existing programs, that simply is not true. We are providing more options for producers and opening conservation programs to all those producers who are currently left out of conservation programs because they are already doing the right thing. Or, out of commodity programs because they do not grow a covered crop. The CSP reaches all of those producers—it expands the conservation programs and is money well spent.

Let me talk about trade. The trade title offers major gains to agricultural producers and agricultural export industries. The Market Access Program will be ramped up to a \$200-million-a-year program by 2006. This is the level that has been sought by supporters of the MAP program. It represents a 122-percent increase over the current funding level of \$90 million a year.

The trade title also provides additional funds for the Foreign Market Development Cooperators Program—otherwise known as the FMD Program—from \$27.5 million to \$34.5 million annually.

The trade title of the farm bill also expands use of U.S. commodities in food aid shipments both under the existing Food for Progress Program and

to continue the pilot International Food for Education Program, otherwise known as the International School Lunch Program.

The bill provides an increase in transportation spending for the Food for Progress Program from its current level of \$30 million to \$40 million and increases funds to cover administrative costs for these organizations running the projects within country from \$10 million to \$15 million.

The conference report provides \$100 million to be available next fiscal year to continue support for existing projects under the GFEI Program established in 2000.

Lastly, there are two other issues I want to mention. The nutrition title is a very strong part of this conference report. We can all be justly proud of that title. The House bill provided \$3.6 billion in new funding for nutrition. The Senate bill had \$8.4 billion, as we reported it out of the Senate. The compromise is \$6.4 billion for nutrition and food assistance. That is a level that is much closer to the Senate position and not quite as close to what the House had in their bill.

We restore food stamp benefits to legal immigrant adults who have lived in the United States for at least 5 years, and to legal immigrant children and the disabled without residency requirements. President Bush wanted the first part of the provision, and we complied with his wishes and put it in the bill. The second part of the provision restoring food stamp benefits to children and the disabled without a 5-year waiting period originated in the Senate.

We provide transitional benefits for people moving from welfare to work, and we increase the benefits for families with children.

We have simplified some food stamp program rules and have reduced the administrative burden for States.

We have increased funding for commodity purchases and distribution to these programs. The nutrition title is certainly a part of the bill we can all proudly support.

Again I thank all of the members of the committee. I especially commend Senator LUGAR for his contributions to this title, both in the committee and on the floor, and as we went through conference.

I want to remind everyone that the food and nutrition assistance programs affect our entire country. A lot of people say this is just the urban portion of the bill. Again, nothing could be further from the truth. Hungry people do not know city boundaries. They live in our small towns and communities. They live in the most rural areas in our country—in all parts of our country. In fact, ten percent of America's households face hunger. They include the working poor, single working mothers with children, seniors forced to choose between paying for food or paying for prescription drugs, families forced to choose between heating and eating.

The cornerstone of our safety net, the Food Stamp Program, is the most effective and efficient program ever for low-income families, the elderly, and the disabled. It is a critical work support program, one that boosts low-income families' wages and helps them make ends meet every month and put food on the table.

We have successfully addressed these issues head on and have produced a nutrition title that stands out in several respects: We have improved accessibility; we facilitate the transition from welfare to work; we reduce paperwork and redtape; and, as I said, we correct one of the harsh aspects of welfare reform, and that is, we restore food stamp benefits to legal immigrant children and the disabled right away and to legal immigrant adults who have been here at least 5 years.

The title includes other important provisions as well. It includes funding for The Emergency Food Assistance Program to help food banks and food pantries meet the needs they face, and it re-authorizes a number of other commodity distribution programs. It includes funding for both the WIC and the Senior Farmers Market Nutrition Programs. It provides additional money for commodities for schools with a focus on specialty crops.

Again, our bill also directs USDA to increase their average spending on specialty crops by setting a floor of \$200 million a year for the amount of funds that must be devoted to fruit and vegetable purposes.

We succeeded not only in maintaining but enhancing the nutrition safety net for families around the Nation. I say to my colleagues, yes, you may pick one or two parts of this bill you do not like, that you wish were different; but think about the families in this country who rely upon food stamps; think about those making the transition from welfare to work, the fact they need additional assistance as they provide more income for their families; think about the children and the disabled all over this country; think about the people who go to food banks and food pantries who need this just to keep food on their table every month. That is in this bill.

Do we want to vote this bill down and send it to a conference and never have it come back? Because that is what will happen. Mr. President, I say to my colleagues, when they vote on this bill, think about the tremendous work we have done and the increases in nutrition we have provided.

The credit title reauthorizes farm money programs. We provide greater access for beginning farmers and ranchers by doing a number of things, such as increasing the percentage that USDA may lend for downpayment loans for beginning farmers and extending the term of those loans. We also take the opportunity to improve a number of the administrative provisions in farm lending programs.

There is a very strong rural development title in this farm bill. Rural com-

munities really are part of the backbone of our whole agricultural structure, but they have not fully shared in our Nation's prosperity. For too long they have lagged behind. Rural America needs facilities and services that meet the standards of the 21st century from basic services such as sewer and water, to full broadband Internet access. Without them, the quality of life in rural communities will be impaired and businesses will not thrive.

One of the largest obstacles facing rural businesses and job growth is the lack of adequate equity capital. To help generate the investment needed in rural America, this bill funds a new rural business investment equity program. While many rural businesses are not directly associated with agricultural ventures to increase the value of agriculture, commodities in rural areas hold great potential as an engine for growth. When these value-added enterprises are owned by agricultural producers, there is a double benefit of economic growth and increased farm income. This bill provides \$240 million for value-added agricultural product market development grants to help develop solid new enterprises owned by producers for adding value to agricultural commodities.

This program can also be used to support farm-based renewable energy projects, an important new provision to help stimulate a wider variety of value-added enterprises owned by farmers.

The bill includes \$360 million to reduce significantly the backlog in the applications we already have on hand for drinking water and wastewater projects, crucial basic needs for rural Americans.

We also have critical provisions in this bill which will help ensure that rural America is not left behind in the information age. Currently, the Rural Utilities Service has a small pilot program that provides loans to those that want to provide broadband services to areas that do not have it. The farm bill would authorize this initiative and provide \$100 million in mandatory spending over the next 6 years. This would translate into at least \$400 million a year in direct loans for private and nonprofit entities to provide high-speed Internet service in rural America. This is a critically needed service that will not come to rural Americans anytime soon if we wait for the market to take care of it.

A recent report found less than 5 percent of towns of 10,000 or less have access to broadband technology. In Iowa, more than 50 percent of rural communities do not have access to broadband services, according to the Iowa Utilities Board. This loan program provides the incentive needed to ensure all Americans have the opportunity to be full participants in our digital economy and the information age.

I might add that this provision on broadband access was in the Senate farm bill. We provided this money for

broadband in the Senate farm bill as it was marked up in committee. We kept it through floor debate. The House farm bill did not have this provision, but were able to keep the Senate provision on broadband in conference. I feel very strongly that this is one of the most important aspects of this bill in terms of rural economic development.

We also provide a program of \$10 million per year for firefighter and first responder training. That is very important for our rural communities.

In research, the bill continues the process we began in 1998 of trying to increase the amount of money directed toward agricultural research. Over the life of the bill, funding for the Initiative for Future Agriculture and Food Systems will increase from \$125 million per year to \$200 million per year.

We have included a new title in this farm bill that began in our committee, came through the floor, and survived in conference. It is a new energy title which has never been in the farm bill. It is the first time it has ever been done. Not only do we have an energy title, but it includes over \$400 million in mandatory spending, for renewable energy, biofuels, energy efficiency, the development of biowaste programs, as well as research on climate change. The energy title will help reduce the use of oil and gas by promoting alternative energy sources on farms and in rural communities. The energy title is a major victory for our farmers and rural communities, for national security, energy independence, and the environment.

Think again about this bill and what may happen. If this goes back to conference, if the conference report is defeated, there goes the energy package and all that we have to start producing renewable forms of energy.

In competition, the conference report includes a number of provisions that address the issues of fairness and transparency in the agricultural marketplace. The measure includes two important measures affecting livestock and poultry producers. The first provision amends the Packers and Stockyards Act to provide protections from unfair practices for swine contract producers. The second provides that all livestock and poultry producers have the right to discuss contracts with close advisers and family members.

In a major victory, the agreement includes a provision that will finally provide consumers with the information on the country of origin of meat, fish, fruits, vegetables, and peanuts. This has been championed by consumers and family farmers alike. A country of origin label will provide crucial information sought by advocates for years.

After months of fighting, we were not able to retain the provision that prohibits packers from owning livestock. The House was simply intransigent on this issue. Not one House conferee indicated support for the Senate ban on packers ownership. We had our votes in the Senate, but the House would not



budge. As I could detect, not one of the House conferees on this issue supported the measure. Although we lost the ban on packer ownership, we got country of origin label and we now put swine production contract growers under the Packers and Stockyards Act. And farmers have the right to discuss their contracts with their advisers, their families, their bankers.

However, I will say for the record, the ban on packer ownership is not a conclusion; it is just the beginning. As chairman of the Senate Agriculture Committee, for however long I am privileged to have the chairmanship, we will continue to fight intensely against unfair practices in agriculture markets and, perhaps looking down the road, we will have specific legislation targeted just at this one issue of ensuring that packers cannot own livestock prior to 14 days before slaughter.

In conclusion, this is a sound, comprehensive farm bill that will benefit all Americans—rural, urban, and suburban. It restores a sound system of countercyclical income protection for our farmers. It makes the greatest investment of any farm bill in history for the conservation of our natural resources. It promotes our exports. Our nutrition provisions go a long way to keep Americans from going to bed hungry at night. We include rural development policy that will promote economic growth, jobs and a higher quality of living in small towns and rural communities. We continue our strong support of agricultural research, and for the first time ever, we include an energy title that will promote the development and use of farm-based renewable energy and other products.

All in all, this is a strong new farm bill for this new century. As I said at the beginning, I know people will say they don't agree with this or that. I have indicated some issues I don't agree with in the bill, but it has to be looked at overall. It is a product of compromise and hard work over a long period of time. We are a large country. What is best for my farmers and farm families in Iowa may differ for farm families in Washington State or Mississippi or Alabama or Florida. We don't grow citrus in Iowa; that is in Florida. We have to balance all of the interests of this country to come up with a bill that meets the legitimate needs of our farmers and farm families and our people in our small towns and communities, that provides a safety net, provides a better ability for our farmers to have a better income and a better life, yet reaches out to make sure people who need food assistance get the food assistance they need.

This conference report is on the verge of becoming law. The only thing that is needed now is a Senate vote. The President has already said that he supports it and will sign it, and that he wants it on his desk promptly.

As I said, this conference report restores predictability and stability. It will replace this ad hoc system of

emergency payments that every year we have come out here on the floor and passed.

Those who propose to send this bill back to conference are proposing to take the new stability and predictability away from America's farmers and ranchers and rural communities and throw the entire situation into turmoil and chaos. Those who would defeat this and send it back to conference will introduce a whole new dimension of uncertainty into American agriculture at just the time that farmers, ranchers, and rural America are within a hair's breadth of a new 6-year farm bill.

The conference committee has been dissolved. If this bill were to go back, we would have to reconstitute the committee. Beyond that, there is no indication that a new conference would lead to any different result than what we have before us now. It is not in the interests of our farmers and ranchers to have no new farm bill. They do not want to watch as we struggle on through the summer on the farm bill, and into the fall, to try to patch something together. They want and they need this bill now. If we delay this bill any further, we stand a high likelihood that we will lose some of the money in the budget that we used to write this bill. We would lose an important part of the \$73.5 billion that should go to agriculture.

If we do not have this in place. We will have to have yet another emergency bill, which will leave even less money to write a new farm bill. Again, if we pass this up, we forego the opportunity for better conservation, for better rural development, and a better safety net for our farmers.

Mr. President, I ask unanimous consent to have printed in the RECORD a number of letters in support of the farm bill.

First, I ask unanimous consent that the statement of the President of the United States be printed in the RECORD.

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

THE WHITE HOUSE,  
PRESIDENT GEORGE W. BUSH,  
May 2, 2002.

#### PRESIDENT TO SIGN FARM BILL

I congratulate Chairman Combest and the other House and Senate conferees for a job well done in completing the Farm Security and Rural Development Act of 2002.

I am pleased that the compromise agreement on the farm bill resulted in better balanced commodity loan rates; spending that is no longer front-loaded; and the strongest conservation provisions of any farm bill ever passed by Congress. The final provisions of the farm bill are also consistent with America's international trade obligations, which will strengthen our ability to open foreign markets for American farm products. While this compromise agreement did not satisfy all of my objectives, I am pleased that this farm bill provides a generous and reliable safety net for our Nation's farmers and ranchers and is consistent with the principles I outlined.

I thank the conferees for their hard work and urge Congress to send the farm bill to my desk promptly for signature to help ensure the immediate and long-term vitality of our farm economy.

Mr. HARKIN. I ask unanimous consent to enter a statement by the Secretary of Agriculture, the Honorable Ann Veneman, be printed in the RECORD.

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

STATEMENT OF SECRETARY OF AGRICULTURE  
ANN M. VENEMAN, REGARDING CONFERENCE  
COMMITTEE FARM BILL AGREEMENT, APRIL  
26, 2002

We are encouraged by the efforts of the House and Senate Conferees in reaching an agreement on the framework of a new farm bill. As President Bush said on Wednesday, "the farm bill needs to be completed quickly." With this action, farmers should soon know the details of the long-awaited farm bill, which would bring certainty in the coming years.

We commend Chairman Combest for his leadership in achieving a compromise agreement. Many objectionable provisions have been eliminated that we believe would not have been in the best interests of America's farmers and ranchers.

While details still need to be completed, the agreement appears to include more market-oriented and rebalanced loan rates as well as increased emphasis on conservation programs for working lands. However, we look forward to examining more closely the specific provisions of the agreement, including final cost estimates from the Congressional Budget Office to ensure the agreement adheres to the intent and the spirit of the Congressional Budget Resolution.

This is a most critical time in regard to farm bill implementation for the 2002 crop year. Final action must be concluded now to enable farmers and ranchers to make the necessary business decisions. While USDA has been working hard to prepare for implementation, there is no doubt that this will be a formidable task in the coming months.

Again, we are pleased that an agreement has been reached and look forward to continuing our work with the Conferees for a timely resolution to completing this important legislation.

Mr. HARKIN. I have a letter signed by 30 organizations. I will not read all of them, but I will read a couple of paragraphs.

The organizations listed below extend our gratitude to members and staff of the Farm Bill Conference Committee for their tireless efforts in achieving a workable compromise. . . . It is imperative that the Senate also take immediate action and adopt the farm bill conference report.

As I said, this is from 30 organizations, from the Agricultural Retailers Association to the American Farm Bureau Federation, American Soybean Association, the American Sugar Alliance, the American Sugarbeet Growers Association, American Sugar Cane League, Co-Bank, National Association of Wheat Growers, National Barley Growers Association, the National Corn Growers Association, the National Cotton Council, the National Farmers Union, the National Grain Sorghum Producers, the National Milk Producers Federation, the National Pork Producers Council, the National



Sunflower Association, Ocean Spray, Inc., Rice Millers' Association, South East Dairy Farmers Association, the Southern Peanuts Farmers Federation, the U.S. Canola Association, U.S. Rice Producers Association, the United Egg Producers, and the Western United Dairymen—30 broad-based farm groups supporting this bill.

I ask unanimous consent that it be printed in the RECORD.

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

MAY 7, 2002.

Hon. TOM HARKIN,  
U.S. Senate, Hart Senate Office Building,  
Washington, DC.

DEAR SENATOR HARKIN: The organizations listed below extend our gratitude to members and staff of the Farm Bill Conference Committee for their tireless efforts in achieving a workable compromise for comprehensive reform in our nation's farm policy.

In response to the critical need of farmers and their lenders to immediately know the rules and regulations under which they must operate, the House of Representatives acted swiftly to adopt the farm bill conference report to H.R. 2646, by a vote of 280-141. With farmers in their fields now planting this year's crop, it is imperative that the Senate also take immediate action and adopt the farm bill conference report. Adoption of this farm bill will assure them that they will have an adequate, long-term safety net in place now and in the future.

This farm bill has been debated in field hearings throughout the country, in House and Senate committees and on the floor of both chambers for more than two years. It is now time to end debates as well as farmers uncertainty. We urge the Senate to immediately adopt the farm bill conference report and send it without unnecessary delay to the President for his signature and implementation for the 2002 crop.

Sincerely,  
Agricultural Retailers Association.  
Alabama Farmers Federation.  
American Cotton Shippers Association.  
American Farm Bureau Federation.  
American Society of Farm Managers & Rural Appraisers.  
American Soybean Association.  
American Sugar Alliance.  
American Sugarbeet Growers Association.  
American Sugar Cane League.  
CoBank.  
Fresh Solutions.  
National Association of Wheat Growers.  
National Barley Growers Association.  
National Corn Growers Association.  
National Cotton Council.  
National Farmers Union.  
National Grain Sorghum Producers.  
National Milk Producers Federation.  
National Pork Producers Council.  
National Sunflower Association.  
Ocean Spray, Inc.  
Rice Millers' Association.  
South East Dairy Farmers Association.  
Southern Peanuts Farmers Federation.  
U.S. Canola Association.  
U.S. Rice Producers Association.  
U.S. Rice Producers Group.  
USA Dry Pea & Lentil Association.  
United Egg Producers.  
Western United Dairymen.

Mr. HARKIN. I ask unanimous consent several statements from different U.S. commodity groups and broad-based groups be printed.

I have a letter from the National Farmers Union that I ask be printed at this point in the RECORD.

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

NATIONAL FARMERS UNION,  
May 1, 2002.

U.S. SENATE,  
Washington, DC.

DEAR SENATORS: On behalf of the 300,000 family farmer and rancher members of the National Farmers Union I write to encourage your support of the conference report on "The Farm Security and Rural Investment Act of 2002", the 2002 farm bill adopted by the House and Senate conferees.

Due to depressed commodity prices and failure of the 1996 Freedom-to-Farm legislation to provide an adequate safety net for producers, approval of this legislation is of critical importance to America's farmers, ranchers and rural communities. The legislation represents meaningful progress in providing a more stable and reliable farm income for producers and greater certainty for their lenders. In addition, it makes available significant additional investments in the conservation of our natural resources, research, development and commercialization of viable renewable and bio-based energy production, enhanced rural development programs, improved domestic and international nutrition assistance and expanded consumer information concerning the origin of their food supply.

In short, it is a comprehensive measure that represents a positive step forward on many issues important not only to commodity producers but also rural communities and the population as a whole.

While we fully recognize that the legislation is not perfect, and we will seek to correct those shortcomings in the future, we believe the economic certainty the farm bill provides farmers along with its renewal investment in rural America warrants a positive vote for its adoption by the Congress.

Thank you for your consideration and support on this issue.

Sincerely,

DAVID J. FREDERICKSON,  
President.

MAY 7, 2002.

Hon. TOM HARKIN,  
U.S. Senate, Hart Senate Office Building,  
Washington, DC.

DEAR SENATOR HARKIN: The organizations listed below extend our gratitude to members and staff of the Farm Bill Conference Committee for their tireless efforts in achieving a workable compromise for comprehensive reform in our nation's farm policy.

In response to the critical need of farmers and their lenders to immediately know the rules and regulations under which they must operate, the House of Representatives acted swiftly to adopt the farm bill conference report to H.R. 2646, by a vote of 280-141. With farmers in their fields now planting this year's crop, it is imperative that the Senate also take immediate action and adopt the farm bill conference report. Adoption of this farm bill will assure them that they will have an adequate, long-term safety net in place now and in the future.

This farm bill has been debated in field hearings throughout the country, in House and Senate committees and on the floor of both chambers for more than two years. It is now time to end debate as well as farmers uncertainty. We urge the Senate to immediately adopt the farm bill conference report and send it without unnecessary delay to the President for his signature and implementation for the 2002 crop.

Sincerely,

Agricultural Retailers Association.

Alabama Farmers Federation.  
American Cotton Shippers Association.  
American Farm Bureau Federation.  
American Society of Farm Managers & Rural Appraisers.  
American Soybean Association.  
American Sugar Alliance.  
American Sugarbeet Growers Association.  
American Sugar Cane League.  
CoBank.  
Fresh Solutions.  
National Association of Wheat Growers.  
National Barley Growers Association.  
National Corn Growers Association.  
National Cotton Council.  
National Farmers Union.  
National Grain Sorghum Producers.  
National Milk Producers Federation.  
National Pork Producers Council.  
National Sunflower Association.  
Ocean Spray, Inc.  
Rice Millers' Association.  
South East Dairy Farmers Association.  
Southern Peanuts Farmers Federation.  
U.S. Canola Association.  
U.S. Rice Producers Association.  
U.S. Rice Producers Group.  
USA Dry Pea & Lentil Association.  
United Egg Producers.  
Western United Dairymen.

Mr. HARKIN. I ask unanimous consent a statement from the National Association of Conservation Districts, on behalf of the Nation's 3,000 conservation districts, urging us and our colleagues to pass the bill be printed in the RECORD. I also have letters from The Nature Conservancy, Pheasants Forever, Ducks Unlimited, the National Rifle Association, Congressional Sportsmen's Foundation, International Association of Fish and Wildlife Agencies, Quail Unlimited, The Wildlife Society and Wildlife Management Institute encouraging Senators to support final passage of this bill.

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

NATIONAL ASSOCIATION OF  
CONSERVATION DISTRICTS,  
Washington, DC, May 2, 2002.

Hon. TOM HARKIN,  
Chair, Committee on Agriculture, U.S. Senate,  
Washington, DC.

DEAR CHAIRMAN HARKIN: On behalf of the nation's 3,000 conservation districts, I applaud your efforts in crafting the Farm Security and Rural Investment Act of 2002. This new Farm Bill goes far beyond current law with an enormous investment in private lands conservation and forestry programs.

We strongly urge you and your colleagues to pass H.R. 2646 today and oppose any motion to recommit this bill.

Again, thank you for your continued support.

Sincerely,

J. READ SMITH,  
President.

Mr. HARKIN. I ask unanimous consent a letter from the Coalition for Food Aid, Adventist Development & Relief Agency International, Africare, ACDI/VOCA, CARE, Catholic Relief Services, Counterpart, Food for the Hungry International, International Relief & Development, Mercy Corp., OIC International, Save the Children, TechnoServe, and World Vision—a letter supporting this bill, asking for its immediate passage, be printed in the RECORD. That is from the Coalition for Food Aid.

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

COALITION FOR FOOD AID,  
Washington, DC, May 1, 2002.

Hon. LARRY COMBEST,

*Chairman, Committee on Agriculture, House of Representatives, Washington, DC.*

Hon. TOM HARKIN,

*Chairman, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, DC.*

DEAR CHAIRMEN COMBEST AND HARKIN: The members of the Coalition for Food Aid would like to thank you and the Conferees on the Farm Security and Rural Investment Act of 2002, H.R. 2646, for strengthening and expanding US international food aid programs. Coalition members are US private voluntary organizations and cooperatives (jointly called "PVOs") that conduct food aid programs overseas directly engaging 30 million beneficiaries each year, with collateral assistance reaching 200 million more. By providing food aid through PVO programs, the assistance is leveraged greatly through our networks in developing countries and emerging democracies. We are grateful to work in partnership with the US Government, and thank the Conferees for incorporating provisions to strengthen the cooperation between USAID and USDA with PVOs.

The Trade Title of H.R. 2646 will increase the minimum tonnage used for the PL 480 Title II program by nearly 500,000 metric tons each year. It also requires 75 percent of that tonnage to be used in programs in persuasively poor communities to improve people's health, living conditions and incomes. To help populations that suffer from chronic hunger, merely creating welfare programs of large-scale food distribution is not the answer. Thus, we appreciate the Conferees reassertion of the importance of using food aid in programs that help people help themselves. We also appreciate the increased availability of cash assistance to support program management and logistics costs.

In food deficit, import-reliant countries, monetization provides a boost to the economy and allows needed commodities to be provided through the market. The generated proceeds supports the cost of program implementation and management, and allows effective grassroots development in poor communities. Where monetization is feasible, rather than just exporting cash to support program costs, US commodities can be exported providing an additional benefit to the US agricultural sector. We appreciate the Conferees support for uniform monetization procedures at USDA and USAID, including sales for the local market price and sales for either dollars or local currencies. This will allow the use of the appropriate commodity for monetization, even if it is a hi-value product.

We are most grateful that H.R. 2646 sets a of 400,000 metric tons minimum for CCC-funded Food for Progress programs. We are greatly concerned, however, that the Administration will no longer permit nongovernmental organizations, such as PVOs, to carry out Food for Progress programs. PVOs provide effectiveness and accountability to the Food for Progress program. These organizations are required under US law to have transparent management and accounting procedures. Further, eliminating PVO participation in Food for Progress would run counter to the intent of the program, which emphasize private sector development in countries that are making economic reforms in their agricultural economies.

We applaud the Conferees decision to include report language informing the Administration that PVOs and other nongovernmental organizations should continue to

have access to this program. We are still concerned that the Administration's Food Aid Review concluded that USDA programs should no longer involve PVOs. Before the Administration finalized plans for FY 2003 Food for Progress, we ask that you continue to urge the Administration to assure that PVOs will be allowed to participate in this program.

Moreover, we believe it would be very disruptive to remove Food for Progress from the Secretary of Agriculture's authority and shift it to USAID. USDA's Foreign Agricultural Service is well-suited to manage these programs which emphasize private sector and agricultural development in emerging markets. Further, it would take a very long lead time for USAID to establish procedures for administering a new food aid program.

One of the most beneficial aspects to the legislation is its emphasis on flexibility for choosing the appropriate commodities and interventions to meet local needs and to require streamlined program management. If the flexibility and streamlining provisions are implemented within the spirit of the legislation, then the result will be more effective programming and the elimination of redundancy and unnecessary paperwork. These changes are particularly important for the PL 480 Title II program, and we pleased that the Conferees required USAID to implement changes within one year and to keep the Congress informed of progress made.

The establishment of the International Food for Education and Nutrition program will allow the continuation of pilot programs initiated under the USDA FY 2001 Global Food for Education Initiative. PVOs have a great deal of experience with food for education and look forward to participating in this expanded pilot program. The legislation sets appropriate objectives and focus for the program on young school children and mothers and infants. Further, the objectives of improving educational opportunities and food security, rather than short-term feeding programs, would allow these funds to have an impact beyond the short period in which the commodities are made available.

Overall, the legislation makes many improvements in US food aid programs and requires higher tonnage levels for PL 480 Title II and Food for Progress. As organizations that conduct food aid programs overseas, we wish to express our gratitude and support for these changes.

Sincerely,

ELLEN S. LEVINSON,  
*Executive Director.*

Mr. HARKIN. I ask unanimous consent that the American Public Human Services Association letter, on behalf of food stamp program directors around the country, asking we give immediate passage to this legislation, be printed in the RECORD. I also want to mention other letters we received in support of the nutrition title of the farm bill. These include letters from the Food Research and Action Center, America's Second Harvest, the Center on Budget and Policy Priorities, the National Conference of State Legislatures, and the American Dietetic Association.

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

AMERICAN PUBLIC  
HUMAN SERVICES ASSOCIATION,  
May 2, 2002.

Hon. THOMAS A. DASCHLE,  
*Majority Leader, U.S. Senate, Capitol Building, Washington, DC.*

Hon. TRENT LOTT,  
*Minority Leader, U.S. Senate, Capitol Building, Washington, DC.*

DEAR MAJORITY LEADER DASCHLE AND MINORITY LEADER LOTT: We write concerning the conference report filed yesterday for the Farm Security and Rural Investment Act of 2002, H.R. 2646. The American Public Human Services Association, which represents the nation's public human service administrators, is very pleased with the nutrition title of this bill and urges passage of this legislation.

The nutrition title contains significant reforms and improvements in the Food Stamp Program. These reforms are consistent with the principles contained in APHSA's 2001 policy document, *Crossroads—New Directions in Social Policy*. In *Crossroads*, we strongly advocated reforms that include simplified eligibility; streamlined application processing; restoration of benefits to legal immigrants; other benefit reforms and updates; a rational resource policy; transitional benefits and other strengthened supports for working families; administrative flexibility; and other changes that will make the program simpler and more accessible. The farm bill has achieved many of these goals and represents a milestone in the efforts to strengthen this vital safety net program.

Thank you for your consideration and for your efforts to secure passage of this critical legislation. If you have any questions, please contact me or Elaine Ryan, Director of Government Affairs, at (202) 682-0100.

Sincerely,

JERRY FRIEDMAN,  
*Executive Director.*

Mr. HARKIN. This is a letter from the Farm Credit Council asking we get this bill passed immediately. I ask unanimous consent that it be printed in the RECORD.

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

THE FARM CREDIT COUNCIL,  
Washington, DC, May 2, 2002.

Hon. TOM HARKIN,  
*Chairman, Committee on Agriculture, Nutrition and Forestry, U.S. Senate, Washington, DC.*

DEAR MR. CHAIRMAN: We are writing in support of the conference report on The Farm Security and Rural Investment Act of 2002 and to urge its speedy passage in the Senate. The conference report would provide much needed assistance to our nation's farmers, ranchers and rural communities, many of which have been suffering through the longest round of low commodity prices in memory.

We appreciate that the conference report is a product of long negotiations and commend you and your colleagues for shaping legislation that will provide a long-lasting safety net for our nation's agricultural producers. With record low commodity prices and sluggish export demand for U.S. farm products, this legislation is critical to ensuring that U.S. farmers and ranchers can continue to supply the world with the safest and most cost efficient food and fiber.

As you know, Farm Credit's mission is to maintain and improve the quality of life in rural America and on the farm. This legislation will help Farm Credit continue our mission. We especially want to commend you for

your leadership in building a strong rural development component of the bill. Specifically, the Rural Business Investment Company program, we believe, will spur needed equity investment in rural businesses, particularly value-added agricultural businesses. For too long, our rural communities have suffered from a shortage of equity capital. The RBIC program will help alleviate some of this shortage.

We also commend you and your colleagues for a sound, constructive credit title. The changes made will help Farm Credit maintain its commitment to provide reliable and competitive credit to agricultural producers, rural businesses and rural communities.

Thank you for your leadership in advocating for rural America.

Sincerely,

KENNETH E. AUER,  
*President and CEO.*

Mr. HARKIN. This letter is from the Environmental And Energy Study Institute pointing out the important energy title in this bill, asking this bill also be passed as soon as possible. I ask unanimous consent it be printed in the RECORD.

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

ENVIRONMENTAL AND  
ENERGY STUDY INSTITUTE,  
*Washington, DC, May 2, 2002.*

INNOVATIVE ENERGY TITLE INCLUDED IN 2002  
FARM BILL

The Environmental and Energy Study Institute (EESI) today congratulates the Senate and House Farm Bill conferees for including an innovative new energy title in the conference report, especially Chairman Tom Harkin and Senator Richard Lugar for their leadership in crafting this important legislation. The title provides \$201 million over the life of the bill to assist farmers and ranchers in making energy efficiency improvements and developing their renewable energy resources.

"While this small, bipartisan, non-controversial new title has not gained much media attention, it is perhaps one of the most important provisions in the Farm Bill for the future of American agriculture. The only solution to the current farm crisis is the development of new markets, new uses for crops, and new revenue streams for farmers. Renewable energy can be the new cash crop for the 21st Century," said Carol Werner, Executive Director of the Environmental and Energy Study Institute. The energy title:

Establishes federal agency purchasing preference for biobased products;

Creates a program to educate the public about the benefits of biodiesel (a renewable fuel made from vegetable oils);

Provides financial and technical assistance to farmers, ranchers and rural small businesses for the purchase of renewable energy systems and to make on-farm energy efficiency improvements;

Extends and funds the Biomass Research and Development Act through 2006; and

Establishes new authorized programs to fund energy audits and renewable energy assessments and to establish biorefineries for the production of electricity, fuels, and biobased products.

The Farm Bill also opens up existing rural development and "value-add" grant and loan programs to renewable energy projects. In addition, it would allow wind energy and bio-energy projects on Conservation Reserve Program lands where compatible with the established conservation goals of the program.

"EESI salutes the members of Congress and the diverse coalition of groups we worked with to make the energy title a reality," said Werner. "Developing our nation's on-farm renewable resources is key to diversifying our energy market, enhancing national security, protecting our environment, and revitalizing rural America by spurring development of new businesses and jobs—truly a 'win-win-win' opportunity that is good for American farmers and good for the country."

Mr. HARKIN. Mr. President, we have a broad array of producer groups supporting this bill, a broad array of human services organizations that recognize what we have done in this bill for nutrition and for food support and organizations involved in trade and export supporting this bill. We also have support from conservation and wildlife groups who work with producers participating in the conservation programs. Those involved in rural economic development broadly support this bill for the work we have done to invest in our rural towns and communities. I am not saying every single person or organization supports this bill. What I am saying is, if you look at the broad array of the groups I mentioned, you will see there is broad and deep support for passing this bill and sending it to the President as soon as possible.

I yield the floor.

The PRESIDING OFFICER (Mrs. CARNAHAN). The Senator from Indiana is recognized.

Mr. LUGAR. Madam President, I yield myself as much time as I may require.

Madam President, let me commence by thanking our distinguished chairman, Senator HARKIN, for his leadership. It is not an easy task to be chairman of a committee during a farm bill consideration, given all of the requirements for equity and forethought throughout America. Equally, the chairman of the House committee and the ranking member, Mr. COMBEST and Mr. STENHOLM, have guided a very large committee for its consideration and an equally complex conference.

Those who have served on the staffs of both the majority and minority, in both Houses, have given extraordinary service in the past few weeks. Sometimes they alone, really, have understood how comprehensive and how complex this issue is, and they have been extraordinarily helpful to Members, members of the press, and other constituent groups.

This bill comes to the floor with an extraordinary amount of work and devotion by persons who have strong motives and strong ideals. Let me point out, as I have during the debate in committee as well as on the floor, very strong achievements have occurred. The chairman has outlined a number of these in the areas of conservation and rural development and research and nutrition and energy. In the Senate committee and in our bill on the floor, Members included those items with a great deal more strength and money than our House colleagues.

One of the predicaments from the beginning was that our bill, as it left the Senate floor, as it turned out, cost \$6 billion more than the limits. So immediately a scaling back of those items in which there was strong bipartisan support had to occur, and further scaling back occurred as we tried to reach a compromise with House colleagues, who were much more focused on the commodity sections of the legislation.

Let me outline the arguments I am going to make this morning and then return to fill in the details that I think would be helpful to Senators as they consider their vote on this conference report.

I start with the thought that the Senate, in a very real sense, is a board of directors that has governing responsibilities for our country. Our responsibilities are broader than a corporate board and deal with the economic and humanitarian concerns of private firms. We really have a trusteeship regarding the funds, the security, and continuity of our country. Each of us takes that seriously. And each of our votes on this farm bill conference report we know must withstand the scrutiny of history. This is not a temporary bill; it is one of many in a long saga of developing farm bills, but it will have ramifications for millions of Americans.

Second, most Senators—perhaps all of us—take very seriously the obligations we have as a part of that trusteeship to the Social Security trust fund and to the Medicare trust fund. From time to time, we have vowed merely to protect the importance of the so-called lockbox idea; namely, that these very important social funds and safety net funds for all Americans must be protected.

That enters into this consideration because, very clearly, as this debate has continued, the estimates of the Federal deficit for the fiscal year in which we are now have grown to \$100 billion. Pessimists believe the deficit for the fiscal year that ends September 30 may in fact be more than \$100 billion. That means we are having this debate after a time in which there were budgetary assumptions—well over a year ago—that our country would have a surplus this year, in terms of our current accounts, and throughout many years. In fact, in the euphoria of those days, \$3 trillion was often mentioned in discussions of a surplus, giving ample room to Social Security reform, Medicare reform, and such items as the farm bill. But those times are gone, and the cost of the farm bill still continues to rise with each subsequent estimate by the Congressional Budget Office or by others.

I mean specifically that even as we completed our work in the Senate and believed that on a 10-year basis we were adding \$73.5 billion of additional spending, in fact the Senate farm bill cost \$6 billion more than we had been allotted by the Senate Budget Committee.

Just yesterday—the Congressional Budget Office wrote to our chairman, Senator HARKIN, indicating that, sadly enough, the conference report that we thought comprised \$73.5 billion of spending in addition to the current baseline is, as a matter of fact, \$9.5 billion over what the Budget Committee allocated for additional spending. In short, this argument we have been having about holding spending below \$73.5 billion is now rendered moot by the fact that, based on the most recent CBO estimates, we are talking about \$82.8 billion.

The Congressional Budget Office does not leave us in doubt as to what has occurred. It says essentially that the increase stems primarily from our current assumptions that prices for many commodities will be lower in 2003 and beyond than they had assumed just last year.

But, in fact, I will argue in due course that it is very probable that prices will go lower still, that the effect of this farm bill is an inevitable vast oversupply of agricultural commodities and lower prices. Therefore, given the technical way in which the bill has been put together, we are almost bound to have increasing costs for the bill each year for the duration of the farm bill.

Some would say that should this spending lead to humanitarian aspects for all Americans—better nutrition—better conservation of our natural resources, breakthroughs in terms of our energy dilemmas, opportunities for young farmers to come into agriculture—that these are important expenditures. And, as trustees for our national wealth, we have to balance them with Social Security and Medicare.

Of course, overhanging all of this discussion, since September 11 and our nation being at war, there are vastly increased financial demands regarding our national security and homeland defense.

But the moneys that are involved in this farm bill do not primarily go to considerations of conservation, nutrition, energy, and development of rural communities. This conference report costs an additional \$82.891 billion on a 10 year basis. That is an increase of almost \$9.5 billion since we finished the conference report. Of that \$82.8 billion, \$56.7 billion goes to the commodity programs—title I. That is roughly 70 percent of all of the spending. A specific area of commodity programs has almost all the additional money added to it; namely, the so-called program crops. It came out of conference at \$41 billion, and it is now about \$49.5 billion. That is where the money is, and that is where the increases are occurring because of lower price estimates and policies that are almost guaranteed to lower the prices more.

If this large expenditure for commodity prices were going in some equitable way to farmers throughout America this might be somewhat tolerable. It is estimated that there are roughly 2

million persons in agriculture, using a definition that each entity which has \$1,000 of agricultural income is certified as a farmer. In our debates, we have noted that perhaps of these 2 million farmers, approximately 150,000 produce as much as 80 percent of the value of all agricultural commodities produced.

I am not here to debate about the structure or definition of agriculture. But a lot of the rhetoric that has accompanied this bill and previous farm bills revolves around trying to save the small family farmer, or even the medium-sized family farmer, or even the very large family farmer. In fact, two-thirds of the payments under this program crop section—\$49.5 billion on a 10-year basis—are going to go to 10 percent of farmers who are in the commodity row crop business. That is a minority of the farmers in America about whom we are talking. Only 40 percent of farmers, in fact, are going to be involved in producing program crops. Sixty percent of farmers are not in that ball game at all.

So when we talk about \$49.5 billion going to program crops, we are talking about 40 percent of farmers, and we are talking about the fact that two-thirds of the money goes to 10 percent of the farmers.

Any way you look at it, this is a highly concentrated system of payments. It is not new. We did not just discover this. The evidence was very clear, as conferees looked at the figures of the past, even as they projected these payments into the future.

Therefore—and here there are winners and losers—if you are now a landowner in America, it is highly probable that your land will increase in value. Why? Because with some predictability, as the chairman pointed out, with some degree of certainty, you can count upon receiving substantially more money. If you own the land, that will be of benefit to your banker if, in fact, you borrowed to put the crop in—the banker having some certainty that the collateral, namely, the land behind the loan, will be worth more year by year.

If you are one of 42 percent of farmers in this country who rent land as opposed to owning land, you face a very tough set of circumstances. Your rents are very likely to go up each year as the value of the land goes up. Worse still, if you are a young farmer who hopes someday to own land, then your prospects of getting the money to do that, and being able to pay the price, of course, diminishes year by year. And that has been occurring in America. As a result, there are young farmers who are in farm families who are hopeful that with the reduction or, hopefully, the repeal of Federal estate taxes, that they might inherit the land. Others who are not in such situations are likely to be out of luck. So as a result, it is predictable that the average age of farmers in this country will continue to increase, as it has been increasing in

recent decades. That contributes, in part, to the consolidation in farm ownership.

In spite of all of the rhetoric and all of the attempts to talk about perpetuating the small family farm, or the medium or even the large farms, the facts are, that consolidation is increasing, and this bill will increase it by leaps and bounds.

Some have pointed out—I heard this in the conference committee—we are not discussing a welfare bill, we are not talking about everybody's plight. We are talking about agricultural policy principally for those who have some power and authority in America now and who have expressed that through farm organizations and commodity groups. Their voices have been heard, and their views are reflected in this conference report.

Word of all of this has gone abroad. Our world trading partners are already outraged. Some members of the conference have already dismissed this and said, essentially, that is simply too bad, what we are talking about are American farmers, not European farmers or South American farmers or Australian or New Zealand farmers. We are talking about Americans who need this money and need it in a hurry. They have simply indicated that already we are discriminated against by countries abroad and blocked at almost every turn as we try to export more; and, therefore, if the rest of the world is outraged, so be it.

I understand that feeling and the frustration that each one of us has in seeing the lack of success that our trade negotiators have had in recent years in this administration and the last. That frustration is very great. But it does not hide the fact we have to be successful in exporting much more agricultural produce into this world, or the surpluses that we build in this farm bill will come up around our necks with much greater tragedy not only for farm families but, I believe, for the American people as the cost of this bill continues to rise and prices continue to fall.

Perhaps worse still, I believe a pattern has been perpetuated in the consideration of this farm bill that is very serious for this body and for the American people to consider. Essentially, this bill is largely an attempt to respond politically to deeply felt economic issues in specific States and districts. It is an attempt, in a very closely divided Congress, to try to think through individual situations of Senators and Members of the House, with the thought that party control of either body may be a much more important objective than careful economic analysis or maybe even careful stewardship of the funds for which we are responsible.

Therefore, my prediction would be that this farm bill does not bring stability, certainty, or finality. The criticism has been that the last farm bill was overtaken by events and, thus, we

came to the floor for the last 4 years with supplemental farm legislation, meaning more money, supplemental funds to augment whatever was in the bill. This was followed—usually in the appropriations cycle—by our colleagues in the agriculture subcommittee noting disasters around our lands: sometimes weather disasters, sometimes disasters of whatever may have come along the pike. So at least we have become accustomed to two additional rounds of farm spending annually. It may be that I have misread the situation. If so, the history of the next few years will indicate that. But I would predict, given the highly politically competitive, sensitive aspects of this bill, and the fact that the bill is likely, in my judgment, to lead to overwhelming surpluses, continually lower prices, and expressions of agony by farmers who say, “What are you going to do to raise prices?”—that despite the thought that there is certainty involved in this, the most certain fact is that we are likely to return with proposals to spend more money on farm programs, and principally programs in the commodity areas, which are deserving of 70 percent of the attention or more in this farm bill.

Meanwhile, the bottom line is that a large transfer payment of money in this country will occur if this farm bill reaches conclusion, is passed, and signed. The money that Americans hold, on which they are taxed, the money going through the taxation process, goes from a prohibitive majority in this country to very few persons in this country.

That is important to note because if, this transfer from the many to the few produced stronger farm prices and prospects for greater trade success, perhaps one could argue that this approach is justified. What I am arguing is precisely the opposite.

This large transfer of money from ordinary taxpayers to a very few taxpayers is going to result in lower prices, overwhelming surpluses, and aggravated trade circumstances that are not going to be healthy for American agriculture, that will attract fewer young people coming into farming, and mean higher rents for those who do not own land. The value of land based upon annual, sometimes biennial appropriations by the Congress that has poured more and more money into farming situations that have the greatest loans, that have the greatest output of production. At some point there may come a year in which the public understands the farm bill situation and says: Enough. And at that point, land values will come down, as they have again and again in the history of American agriculture.

My experience on the committee spans about 25½ years. I can recall the excitement in my home State of Indiana and throughout the country as land values rose in the 1970s, in some cases doubling and tripling. I can remember likewise the terrible jolt

brought by the very high interest rates in the latter part of the 1970s and early 1980s as well as other factors that led to a decline in those very same land values by 50 and 60 percent on average and worse in some cases. Now we have noted steady accumulation of values over the course of time.

I have had the good fortune, at least with regard to my own land, of farming throughout that period and watching the prices of land go up and go down and go up again and so forth, without being hurt in the process. Most other people in agriculture have not been so fortunate.

I would simply say that we are headed for economic disaster if—for the farm bill that we are about to pass in the commodity area—high land values are based upon the political competition—as has happened in this farm bill.

Let me review quickly some arguments that buttress this general outline. First of all, we got into the farm bill debate this year with a very unusual budgetary estimate. By that I mean, in a bipartisan way, Senators and members of the administration were deeply excited over the fact that our country was beginning to run surpluses; that is, we were spending less money than we were taking in. We seemed to have stronger economic growth, much higher productivity in the entire economy.

As a result, I remember the President's State of the Union Address in which he discussed the broad objectives that might be met; namely, a strong safety net under Social Security, allaying the anxieties of middle-age and young people; even more complex, that Medicare not only might be shored up but prescription drugs for the elderly might come to pass.

There were a whole raft of other reforms that are terribly important to a population of this country that grows older, that has more people in the 60s, 70s, 80s, 90s, and that is likely to be our situation because of medical miracles and better health care. These are very expensive situations involving hundreds of billions of dollars. But nevertheless, those were days in which it appeared that those objectives were on the horizon and might be met.

We are not debating those issues in this session of the Senate, important as they are to the American people. Again and again, we are reminded, whether it is by the pollsters or by advisers and so forth, that these are the issues the American people want to talk about. We can't talk about them because we are running a deficit. That deficit continues to grow.

That was apparent in the early fall when the House of Representatives passed the farm bill. One of the reasons suggested for such early passage of that farm bill, a full year before the current farm bill runs out, was that some Members said: “Listen up, in the event you do not pass a farm bill quickly, the \$73.5 billion allocated by the Budget Committee back in the

spring of 2001 is likely to be revised, downgraded to a much smaller number.” In essence, there will be much less money to spend on a farm bill. So, therefore, get on with it. Pass it, and pass it quickly to pin down that money.

We heard the same argument on the floor of the Senate during the latter part of the fall. Something had changed in the interval that was very fundamental for our country; namely, we were at war. We were having simultaneously debates, as the Chair will recall, on upgrading the defense budget, on a loan situation to shore up the airlines so we would not lose that service, the first outlines of a huge new category, homeland defense. All of that was occurring as economists pointed out month by month, we think we may be in a recession.

By the time we finished at least last year's session and had our last debate on the farm bill in December, economists said: We are in a recession. We are experiencing recession, in addition to war.

I noted at the time we debated the farm bill, whether it was in the House or in the Senate, an almost Alice-in-Wonderland world prevailed in Congress, as if somehow the war, the recession, the problems of Medicare and Social Security were for some other group to talk about but not this Congress. We were intent upon talking about additional subsidies for farmers. We already had, as people point out, the so-called baseline of about \$100 billion for agricultural spending over 10 years. We developed a habit of having additional debates and adding to that baseline—now at \$73.5 billion over 10 years.

That situation has continued. As a matter of fact, the recession and the Government's deficit have become reality. And the assumptions that were made in the farm bill debates of last fall have all led to much higher scoring, which means the Congressional Budget Office finds that things we thought would cost X number of dollars inevitably cost a whole lot more.

Prices deteriorated further during the debates, and that led to urgency on the part of some who have said: “Don't stand there, do something about it—shore up those prices, give greater certainty to farmers.”

Madam President, the deficit is not going to go away. As we now observe on the Senate floor, we have yet to discuss a budget for this year, and some suggest we may not. This means that the appropriations committees will move ahead without at least the mild restraint that a budget resolution might give to our work. In fact, we know that in the supplemental appropriations bill that is coming up for defense expenditures of an emergency nature, we are going to spend a lot more money. We know that because of the discussion all over the country in the 50 States about the requirements for homeland defense.

Now, at some point, some Senator will arise—certainly not in a farm bill debate, but in another debate, and point out: “Whatever happened to the Social Security lockbox? How secure is Medicare? What are we going to do about prescription drugs for the elderly?”

What indeed. We are about to spend those moneys—or simply run up a deficit that is huge. That is the message of this conference report to the American people. Whatever may be the desire for some certainty that a farmer can get almost \$2 a bushel for corn, the certainty for all other Americans is that we are going to have a larger deficit; that the prospects for solving Social Security and Medicare are set back; that we as trustees for the American people either do not understand that farm bills cannot be discussed in a vacuum, divorced from the rest of the world, or that we are so deliberate about our intent to spend this money, come hell or high water, that we plunge ahead.

I mentioned some specifics, and I will not get into the program details that the distinguished chairman pointed out. Let me tell from my own anecdotal experience as a farm owner—one who participates in the management of my farm through the farm plan, through the bookkeeping, the legal work, and the other things that need to be done for a family farm situation. I am aware that, at least in Indiana, if I produced corn in the last few years, I could get \$1.89 a bushel for every bushel under the so-called loan deficiency payment. That meant simply if the market price was \$1.75, at some point I was going to get the other 14 cents through the loan program. Now, most farmers would testify that \$1.89 is a pretty low price. In fact, some have come into the Agriculture Committee and said our average cost per bushel is closer to \$2.50 a bushel. But others have mentioned that, in fact, the marginal cost—that is, the next bushel if they were to add it to their farm operation—frequently costs less than \$1.89. That is true of many of the largest, most efficient farms in the country that have the equipment and the capital to do that kind of a job. I am suggesting that even at the current \$1.89 loan rate, inadvertently—because most of us felt that, at \$1.89, this would be a floor—we have set up an incentive. Farmers were beginning to produce more and more corn because, at \$1.89, they were guaranteed a price and they went for it. I can understand that and so can you.

In this current bill, however, we have said that this is not enough. First of all, we will set the loan rate up higher, at \$1.98 for the first two years, and \$1.95 for the remaining 4 years.

Madam President, for each farmer—myself included—attempting to calculate the best interest of whether to use past history with regard to acres planted, with regard to yields and the percentage of those who were allowed into this bill, to apply the target price,

this is not an easy task. Once you make the decision, you are stuck with it.

My judgment is that a great number of farmers are going to believe they made an error, and that they are going to want relief. Every FSA office, and other groups in the country that help farmers, are going to spend a great deal of money trying to figure out what the situation is for these individual farmers long before payments can be made.

I do not fault the authors of the bill. In order to keep scaling down the costs, they had to keep making it more and more complex—almost to the point that Senators sitting around the conference table found it very difficult to calculate and to understand precisely what we were doing—quite apart from members who must vote on this conference report, and apart from farmers throughout America who must somehow figure out what it all means.

But what most farmers will think it means is that out there somewhere is \$2 loan rate for a bushel of corn. That is quite an incentive. That is well beyond \$1.89. As a matter of fact, it was interesting; last Thursday, in commodity trading in America, the futures prices of almost all farm commodities went down, largely under the assumption—which I think is correct—that if this bill passes, the prices of everything are going to go down, and stay down. Nevertheless, there was some glimmer of hope. If you were a cotton farmer taking a look at this bill on the date the bill passed the House, for early contracts on cotton, it was about 33 cents a pound. Well, the target price for cotton in this bill is 72.4 cents a pound. That is double the current market price.

How could this be? How could we have something that is so divorced from reality in terms of supply and demand in this country and in this world? Well, we can have it because there were sufficient votes on the conference committee, and in the House, to put 72.4 there as a target price and, further, on top of that, to offer subsidies to some industries that are attached to cotton.

One can say that things have not been going well for cotton farmers and for the communities and the infrastructure that support them. I understand that. One can say the same for rice farmers, wheat farmers, corn farmers, and soybean farmers. In fact, such things have been said about all five of them. But that is where the money is, that is where the trail went from the beginning.

I can remember in the Agriculture Committee, the chairman was trying to patiently conduct the markup dealing with areas in which both he and I believed we were on the threshold of doing some very important things. Some of this, in fact, was accomplished, and still is preserved. The chairman wanted to discuss conservation. He has been discussing that for some time. I share his enthusiasm. He wanted to discuss energy and young

farmer loans and community development. Before long, there got to be a rumbling around the committee table and people said: When do we get to the money? Where is the money?

Well, they were not talking about money for conservation, although the chairman pointed out some might come to farmers who did the right thing on their land; and, likewise, there might be real help for most of rural America who will not be involved in farm payments. A majority of our members, were intent upon targeting the money on commodity payments and subsidies.

Then the question was, How much does that cost? And, therefore, as some suggested, we were spending too much money and time on conservation, on nutrition for the poor, on problems of young farmers.

The House of Representatives did not have those problems. They fairly rapidly put the money in commodity supports, and filled in as afterthoughts, in my judgment, funding for other issues such as conservation, etc. I congratulate specifically Congressman DOOLEY, a Democrat on the conference committee, who held firm to a research initiative that I think is vital and that the chairman of our committee, Senator HARKIN, agrees is important.

There were a few valiant spirits. On a bipartisan basis, however, clearly those thinking about the other aspects of the farm bill were in a distinct minority. This bill was guided by how do we fill in the commodities and not do so in a way in which we keep exceeding the \$73.5 billion which I kept pointing out simply was not there. The refutation to that was by the distinguished chairman of the Budget Committee, one of the conferees, Senator CONRAD, who said, “It was there; it was in the budget a year ago.” I said all the assumptions are gone, life has changed—war, recession, homeland defense. To which the stalwarts said: “It is still there, every penny of it.”

How they dismiss the new estimate, this \$9.5 billion overage, I do not know. I simply say they will have to keep explaining this as the cost of their bill increases year after year, as lower prices, inevitable given these new loan rates target prices, just arithmetically cause it to expand.

Therefore, I come back to the initial thought I had of the Senate as stewards of our security, of our moneys, of the rights and privileges of all Americans, not specific ones that we happen to be discussing on one day or another.

It is a coincidence that on this very day the distinguished chairman of the Permanent Subcommittee on Investigations, Senator LEVIN of Michigan, is conducting a hearing in which a number of the witnesses are directors of Enron. Enron came up during all of this and so did a whole spate of articles that continue on corporate governance. Business Week has a headline across the front of it: Is Wall Street corrupt?

The question is raised: Are our boards of directors of our major firms



to be trusted, quite apart from the chief executives, who supposedly the boards supervise or oversee, quite apart from all the practices of the firms, whether it be accounting practices, which are dubious, the information that goes out to ordinary investors in the country about which many now have severe doubts? We have been having a shakeup in this country of thoughtfulness, of about telling the truth, about what is involved in governance.

We have that responsibility here. Senators can take the position that because this new farm bill is so complex, there is no conceivable way I can understand it; therefore, I will rely upon the Agriculture Committee, or at least a few people in the Senate who generally seem to have good judgment on these issues, sort of wise men. Many Senators take that position with regard to other types of legislation from time to time.

That is not going to be good enough for those who are testifying before Senator LEVIN on Enron. The questioners will say: Why didn't you know about strange practices in which assets left the balance sheet, in which strange loans were made, options were issued, and extraordinary payments?

The front page of the papers today suggest Enron, in fact, may have manipulated the power situation in California, the allegation of persons for some time. Maybe so, maybe not.

This is serious business. I am simply charging that each one of us who is going to vote on this conference report needs to at least take responsibility. We go into this with eyes wide open. Many people have pointed out, and I have given a number of speeches at every stage along the way, that the money was not there. It was not there for a long time, even though a fiction exists that \$73.5 billion over 10 years was there at one time. Nor is it \$82.8 billion over 10 years, \$9.5 billion more. It simply was never there.

Second, even if we knew it was not there, we could still have said: This has the same urgency as the war, as homeland defense, as prescription drugs for the elderly. It is so urgent and the ability we have to transform 2 million farmers and farm families and the infrastructure that supports them in America, is that imperative, if we are going to do it anyway with eyes wide open?

In fact, it has been clear that the bulk of the money goes to a very few farmers—a very few. That has been clear throughout. This is not a great humanitarian effort. Granted, the Senate finally got \$6.4 billion in the nutrition section. We started out in the Senate, in fact, with well over \$10 billion.

This is a bill that is targeted for farms in America that are large. I hope we all understand that because it is not obscure. One of the things that occurred during this debate was that a group called the Environmental Working Group—and universally despised by

many people in the agricultural community—got through the Freedom of Information Act information about the subsidies paid to farmers all over the country during the years 1996 to 2000; they published this on a Web site—ewg.org. You can find out what your neighbor received. I found out in Marion County, IN, that our farm got the 22nd largest amount of payments. There are not many farms in Marion County because it is a farm inside the city. The fact is, we now know exactly who got what. This is not obscure.

The Senate responded by saying “no farmer ought to get more than \$275,000 in any 1 year—not in 10 years, but in 1 year.” We passed that, but it went the way of all good things in this conference report.

I pointed out during the debate on the floor, that in my State of Indiana, only six farmers could possibly have exceeded the \$275,000 out of 50,000 who are receiving payments. Yet the debate on payment limits reached such a volatile situation that people claimed the South would be abnormally hit, that a good number of apparently medium-size or even large farms would be decimated in the process, this even at the time that the target price for cotton was being raised 72 cents plus with a market price of 33.

I hope as Senators we go into this with eyes wide open. We clearly must understand our responsibility. Whether we understand all the complexities of the program, we know where the money went. We know in this bill where the money will go. We even know it is money we do not have, and if we thought we had it, it has to have a priority with regard to Medicare, Social Security, homeland defense, defense of our country, and some other areas that are very vital in a year in which we have a recession and declining tax revenues.

Therefore, Madam President, I respond to my distinguished colleague who says: What if this conference report fails? My own judgment is it should. I will vote against it. I would advocate every Senator who sees his or her responsibility, vote against it.

We have a farm bill on the books now—sometimes it is dismissed—based on a \$100 billion baseline. The distinguished Senators have pointed out we could have a debate, if Senators desire, for supplemental payments that we have had for a while at much less expense than what we are about to enact, with all the rigid formulas that deliberately stomp down prices and will stomp them down for the duration of the entire bill.

I hope we understand that. It is a basic principle of supply and demand. This farm bill provides huge incentives to produce more. Regarding exports, we can see the outrage of our exporting partners. Some Senators have given the impression that: “We could not care less about them.” This conference report is a recipe for a great deal of hurt and sadness in the wake of the

huge transfer payment from the majority of Americans to a very few producers.

Finally, in committee deliberations—whether Chairman HARKIN was presiding or whether I did in the previous 6½ years—we had some very important discussions about agricultural income and the future of agriculture in this country. That means a great deal to me, to the chairman, and to the members of our committee. Not a single member around the table is not committed to trying to think through how we make the process better. Agriculture is a tough business. I have stated on this floor, that in the last 45 years of my stewardship of Lugar farms, we have had about a 4-percent return on invested capital. Many farmers have said: That sounds too high. In almost any other business meeting, people ask: Why have you stayed at it for 45 years? You could have gotten 6 percent on government bonds or 30 year treasuries without the problems of weather, risk of exports, and so forth.

We stay at it because we believe in farming, we believe in the soil, we believe in the life, in the tradition of our families. But we are going to have to improve our ability to make money. That comes down to research, development of good practices, proper conservation, a number of fundamental issues that are tough properly address, but are essential.

Unhappily, in this farm bill our farm associations and commodity groups have chosen an easy way out. They have said: Let's not worry about the market—which is always spiraling down. Just pay an arbitrarily high price for cotton, rice, corn, wheat, or soybeans. The American people will fill in the gap.

As I have illustrated, the gap will not be filled in that easily without the loss during the course of this bill of tens of thousands of farms, of the folks who will never get into the game, of those who will pay more, and of a distortion upward of land values.

I ask for Senators to give thoughtful consideration to these arguments and to a vote to reject the conference report.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. HARKIN. Madam President, I yield 20 minutes to the Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Madam President, I thank the chair of the committee.

I thank my colleague and very good friend, Senator HARKIN, for his work on this bill. I thank Senator LUGAR for his work, especially in the area dealing with nutrition, and for his thoughtful comments.

I will start out with just a practical Minnesota point of view and then review broader questions.

This coming year, Minnesota farmers will see \$1.16 billion in assistance from

this legislation—an increase of approximately \$395 million over the 1996 farm bill. Over the next 6 years, my State will see about \$5.7 billion from this farm bill. Or about a \$2 billion increase above the 1996 farm bill for the State of Minnesota.

Now, if I had my way—and I don't think my colleague would disagree with me—I would love to have higher loan rates and rely less on direct payments so that farmers would have more leverage to get a better price through the marketplace.

However, the 1996 farm bill or the "Freedom to Fail" bill was one of the worst things that ever happened to Rural America. I went home the day it was passed, and I said to my wife Sheila: This is the worst thing that has happened in the Senate. This year, without a new farm bill, the Freedom to Farm bill would give us a 20-percent drop in farm income. All that has kept farmers going is all the AMTA payments and the Government subsidy.

If Members are worried about payment limitation, which I am and which my colleague said we will come back to again, this fight is not over. A lot of these direct payments to the largest producers have been the epitome of subsidy in inverse relationship to need.

However I don't make apologies as a Senator from Minnesota for supporting this bill. I would have liked to have had the ban on packer ownership. I tried to pass that amendment in committee. We lost. Then I joined Senators JOHNSON, GRASSLEY, and HARKIN to offer a ban on packer ownership on the Senate floor. We won. Then it was knocked out in conference. Unfortunately the House conferees refused to support it. However, we will come back to it again.

In the Senate, we passed a bipartisan payment limitation amendment. The Senate bill established a reasonable limitation on payments to the very largest farming operation, that would have affected fewer than 100 farms in my State of Minnesota. My colleague from Indiana has spoken to that. It was the right thing to do, and I continue to strongly support those payment limitations. I regret what came out of conference, but again we were blocked by the House conferees. But as Senator HARKIN said, are we going to let a conference committee stop a whole farm bill and continue with "freedom to fail"? There is too much economic pain in the countryside.

I didn't like what happened with the Environmental Quality Incentives Program. I passed an amendment in the Senate that limited payments to \$30,000. The amendment, which Senators HARKIN and LUGAR supported, also said: Do not let the Smithfields of this world own six, seven, eight confined animal feeding operations and get a big subsidy for every one of them. I would preferred that EQIP, an important environmental program, be targeted to our family farmers. There are certainly some missed opportunities.

But, on the positive side, my colleague from Iowa already talked about the dairy front. This is hugely important for my State of Minnesota. This is the first really good, positive thing I have seen happen in dairy for over a decade.

In addition, while I will continue to fight for higher loan rates, in the House bill, the Secretary of Agriculture had the discretion to lower loan rates. This administration, the President in his budget proposal, went on record in support of lower loan rates. So at least the loan rates go up for the first time in a couple of decades and the effective safety net or target price is much higher. I am hoping and praying our producers can cash-flow so they will have a future. I think this legislation will give them that opportunity.

Again, for this coming year, to talk about \$394 million of addition assistance to Minnesota agriculture, I make no apologies for that as a Senator from Minnesota. Over the next 6 years, an average of \$330 million more of it is targeted to Minnesota family farmers so they can continue to farm. You better believe I support that.

An increase of net farm income averaging \$4.5 billion a year for the Nation—you better believe I support that. It is a darned sight better than "freedom to fail."

When I hear some of my colleagues say actually supporting family farmers is in competition with the Social Security trust fund or making sure we support Medicare, I just have to smile and say: Wait a minute. Where were you when you voted for these Robin-Hood-in-reverse tax cuts which bleed the economy of trillions of dollars? Where were you?

Don't be pitting family farmers in Minnesota against Medicare or against Social Security. We are not going to let you get away with that, not in this debate and not ever.

On the plus side, above and beyond arguments made already, I would like to thank the chairman, Senator HARKIN, and I am proud to be part of this effort as well. I would also like to thank the other Senate conferees—Senators DASCHLE, CONRAD, and LEAHY.

Senator HARKIN's success on this bill is irrefutable. Senator HARKIN from Iowa, with the Conservation Security Program, he led the way. The Conservation Security Program will provide assistance to producers who adopt conservation practices on working lands. I love the Conservation Reserve Program, which we were able to increase with this bill. I love the Wetlands Reserve Program, which we were also able to increase. I love working with Ducks Unlimited, Pheasants Forever, and other great conservation groups. Now, with the Conservation Security Program we will be focusing on land in production with economic incentives for farmers to utilize wise conservation practices. This is win-win-win.

I have loved seeing Senator HARKIN, the environmental community, and the

agricultural community working together. This is really a sea change for the better. It is a huge change for the better and the Senator from Iowa deserves all the credit in the world for this.

Above and beyond that we have Country of Origin Labeling, that was an amendment I did in committee. I am proud to pass that amendment. I thank the conferees for keeping it in.

I know these big conglomerates don't like it because it gives our independent producers a leg up, because these big conglomerates are shipping out and shipping in and not relying on our independent producers here in this country. In addition consumers have a right to know what they are eating and where it is from. It is hugely important. Frankly—I can say it now because the conference report is over—I am amazed it is in the conference report, but I thank the Chairman for his help.

Then for the first time ever we have an energy title. People are excited in Greater Minnesota, in rural America, about this energy section, because rural America has part of the answer. We talked about ethanol and biodiesel, but there is another part of this—it's wind, solar, and biomass. In Minnesota it is a no-brainer. We are a cold weather State at the other end of the pipeline. We import barrels of oil. We export \$11 billion a year, but we are rich in wind and biomass to electricity; we are rich in saved energy, we are rich in clean technology, small business. This is a marriage ready to be made in heaven. This bill moves us down that path—a clean energy path.

It is respectful of the environment, keeps capital in the community, it is small business intensive, jobs intensive, keeps capital in our States—this is great.

The economic development piece is hugely important. I heard my colleague, the Senator from Iowa, talking about telecommunications, that we don't want to be left out. I am so pleased my Rural Telework Initiative has been included. Again, it is my work and I am bragging about it, but setting up a telework institute is a major victory for rural communities. Information technology companies, have said: Listen, we know the work ethic of people in rural America. We want to make sure, if the Federal Government is willing to provide the grants and willing to get this going—then we have a real opportunity for people to be able, out of their homes, out of a satellite office, to work for companies halfway across the world much less halfway across our own country.

People do not have to leave our rural communities. Our young people do not have to leave. I meet so many young people in Greater Minnesota, in our rural communities. Basically they are following the advice to get ahead, get a good education, which means get out of here. That is the death knell for our communities.

One thing they are asking about is whether or not they could stay in the community. Are they going to be able to? If they farm, are they going to get a decent price, job opportunities, a small business going? Will there be good education and health care and environment?

And on the job opportunities—I love this—the Rural Telework Initiative means people in our rural communities can work for companies halfway across the world. Let's make sure this happens. We don't want rural America left behind with this information technology economy. We can be a part of it. I think there is huge bipartisan support for this.

Of course I am bragging, but I want my State of Minnesota to be the leader. I think we can.

My final point: We are going to be back on this fight on packer ownership. We are going to be back on this fight on payment limitations. I talked to the chairman and he said we are going to do additional investigative work, we are going to do additional public hearings. In addition, one of the things I can't wait to do, and albeit it is easier said than done, I want to write an anti-trust bill looking at the food industry.

In summary, this conference report perfect, but I do not want to keep going on with this "freedom to fail" bill. I want to see a change. This bill represents that change.

I agree with some of the critiquing from some of my colleagues, but all in all, this is a step forward for agriculture in Minnesota. It is a big step forward for the farm structure in Minnesota. It is a big step forward for the environment. It is a big step forward for a better energy policy. It is a big step forward for economic development. It is a big step forward for people who live in Greater Minnesota and live in our rural communities.

I am willing to come out here and debate and fight for this bill and support this bill. An finally would like to ask for a commitment from Senator HARKIN that we are not done with this battle on the reform battle on payment limitations, and on the ban on packer ownership. Let's go after some of these conglomerates. It's the right thing to do.

I yield the floor.

The PRESIDING OFFICER (Mrs. CLINTON). Who yields time?

Mr. HARKIN. I yield myself the time I consume.

First, I thank my colleague and friend from Minnesota for all of his work on this farm bill and for being such a valuable member of our committee. It was the Senator from Minnesota, Mr. WELLSTONE, who first offered the country of origin labeling in committee and won it in committee and we kept it on the floor. Consumers need to thank Senator WELLSTONE for making sure our they will have the right to know where their meat and fish, fruits and vegetables come from. And for the record, another great

champion of country of origin labeling, and he has been for years, is Senator JOHNSON. These two have fought tirelessly to bring this measure into law.

We were able to keep it in there. I think the Senator is right, this is going to be a very important provision for our producers in this country—and for our consumers. So I thank him for that.

I thank the Senator also for all his strong work on conservation and on rural development.

Again, I say without any fear of contradiction that the people in Minnesota—people in rural America, but I say Minnesota because that is the State the Senator represents—and the people who live in small towns and communities all over rural America have no better fighter for their interests and no better friend they can count on consistently than Senator WELLSTONE of Minnesota.

When it comes to the things we have in this bill that invest in rural economic development, rural equity funds, broadband access, taking care of the backlog on sewer and water grants, and providing for value-added grants for small towns and communities—all of these bear the imprint of the Senator from Minnesota, Mr. WELLSTONE.

I thank him so much for that on behalf of all who are interested in the environment and in conservation.

I say to the Senator before he leaves the Chamber that he has this Senator's ironclad commitment. As long as I am privileged to chair this committee, we are not going to give up on the fight to ban packer ownership of livestock prior to 14 days before slaughter. We are going to get to that.

We are also going to continue to fight on better payment limitations in the future.

Again, the farm bill is before us. It represents a very balanced compromise. Again, we need to get this to the President as soon as possible.

I yield the floor.

The PRESIDING OFFICER. The Senator from Wyoming.

Mr. ENZI. Madam President, Senator GRASSLEY has been waiting for an hour and a half to speak but knew there wouldn't be time for his comments before the 12:30 recess. So I ask unanimous consent that following the recess he be allowed to be the first speaker.

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

Mr. ENZI. Thank you, Madam President.

I would like to yield myself such time as I might have for comments.

The PRESIDING OFFICER. The Senator is recognized.

Mr. ENZI. President, I rise to speak in opposition to the farm bill conference report. The opportunity to write a farm bill comes along rarely in a Senator's career on Capitol Hill. It is an opportunity to survey the road and set the course for agriculture and rural America, in this case, for the next 6

years. And in the next 6 years, we will stick to that course and walk that road. In studying the conference report we have before us today, I fear that we have engineered agriculture's road through the swamp. Once in the mud, it is going to take more than a new farm bill in 6 years to unstuck our wheels, pull us out and reverse the damage to America's food and fiber policy.

We have a bill before us that ramps up the subsidies farmers are receiving to extraordinary amounts. Now, there is nothing wrong with helping our farmers and guaranteeing a safe and sufficient food supply. However, we should fairly and equitably assist all of agriculture. The House Agriculture Committee says that this bill will cost \$45.1 billion of additional spending in the next 6 years. Of that amount, \$31.2 billion is going to commodities. The largest portion is for our traditional crops: wheat, corn, cotton and rice. Now in Wyoming, agriculture means more than just farming. Producers are farmers, but they are also ranchers. And the ranchers in Wyoming don't see much benefit to this bill.

Seventy percent of the new spending is going to commodities. The rest of the money is being split between other things the farm bill funds like nutrition programs, research and conservation, all important things. I am pleased with the increase in Environmental Quality Incentives Program—EQIP—funds. However, even these are cost share funds and not the direct payments that so many farmers will receive.

Ranchers like their independence from government handouts and they usually wouldn't mind being overlooked in the farm bill, but they have a need this year. That need was ignored.

There was a proposition that would have given \$7,000 to a rancher to feed the best of his breeders from the herd throughout the drought. Talk about extreme cases, we put them at zero. Yes, my State is entering the third year of a drought. Yes, in response to the disaster in my State and other States, I, along with a majority of this body, added an amendment to the farm bill that would have provided \$500 million to livestock producers for feed shortages.

That amendment passed 69-30. Compared to the billions spent on commodities, this was a small package of assistance for an industry known for refusing Federal assistance. In this farm bill, commodities are the focus of 70 percent of the additional funding. The amount that I wanted to devote to livestock producers is a mere 1 percent of the additional spending. One percent! And the assistance was refused in this final conference report.

The conference refused ranchers assistance the same month they are being prevented from moving to their drought-stricken Federal grazing allotments. Since they can't feed their livestock, they must consider selling their

herds in a cattle market that is no longer rational and with tax benefits that have run out. The safety net and benefits of the farm bill are not being shared with the ranchers.

The producers in my State do have a reason to be thankful. Country of origin labeling is a part of the bill. This is a victory that I have been working toward since I entered this body. It is my fervent hope that the forces that rose unsuccessfully to defeat this program in the farm bill do not undermine the provision in the rulemaking process during the initial, 2-year voluntary period.

Also, the conference report does not contain the language that would have appropriated my State's water rights. We fought against this harmful provision that in my State would have allowed the Federal Government to usurp State water rights through implementation of the Endangered Species Act and done it at bargain basement prices.

For ranchers, this bill should be labeled, "Do no harm, do no good" because another provision vital to ranchers in my State was pulled from the final report. The ban on packer ownership of livestock more than 14 days before slaughter was removed. This tells my producers that the U.S. Senate is unconcerned about the impacts of market manipulation on their family ranches. Not only are we unwilling to provide them financial assistance when they need it in the third year of the worst drought, we won't give them the opportunity to extract their own livelihood from an open and fair market. They are trapped on every side. We had an opportunity to assist all of agriculture with this farm bill, but we did not take it.

I have been discussing the repercussions of this bill on my State. There also are repercussions to our national budget. I previously said that this bill is being quoted as costing \$45.1 billion in additional spending in the next 6 years. Based on the April 2001 budget resolution baseline, the Congressional Budget Office estimates that this bill would increase direct spending by \$73.5 billion in budget authority through 2011. This spending under the fanciest of accounting definitely affects the budget parameters.

However, this is 2002 and crop prices are lower this year. A CBO estimate using an April 2002 baseline would add several billion dollars over \$73.5 billion in the next 10 years, but the latest numbers are not being taken seriously. When my staff contacted the Senate Agriculture Committee to ask about the April 2002 CBO cost estimate, they were told that it did not matter. In fact, the committee staff said an estimate based on the April 2002 baseline was an "academic exercise." This is real money. This is not an academic exercise. We cannot use accounting to ignore the exorbitant cost of this legislation.

For example, I have been discussing the farm bill's additional spending. It

hasn't been heard often, but this additional spending is being added to a huge base of current spending on agriculture. When we add the \$73.5 billion of additional spending, this bill will cost us over \$180 billion throughout the next 10 years. Now that is a number that is flung around these halls flipantly, but \$180 billion in Wyoming is a big deal. I think it is probably a big deal all over the country. It is a big deal to our trading partners, too.

Madam President, \$45.1 billion, \$73.5 billion, \$180 billion, that is more than a rounding error, that is a gross misstatement of the facts. Everyone is entitled to their own opinion, but they are not entitled to their own facts.

There are repercussions to this bill that move beyond our borders to other countries and our trading partners. We have a WTO responsibility to our trading partners to keep our agricultural subsidies below \$19.1 billion. Did any of those numbers I used before sound anywhere near \$19.1 billion? I don't think so. In the past years, we have stayed far below that level, but this bill threatens to send us over the top. It will be very difficult to convince our trading partners to lower their own subsidy levels—and they are starting to talk about that—and increase our access into their markets if we so boldly ramp up our own subsidy levels. They are watching.

The Australian Agriculture Minister, Warren Truss, said our farm bill "sends an appalling signal to agricultural trade negotiators seeking a freer and fairer international trading regime."

Canada's Agriculture Minister, Lyle Vancilief, said: "The farm bill is a serious blow to the US's credibility in the current round of World Trade Organization negotiations."

Do not fool yourself, they are watching us this moment to see if we are really interested in fair trade. What signals are we going to send them?

I know what signal we will send if we accept this conference report. We are signaling that the United States really isn't interested in increasing our agricultural exports to other countries. Realizing this, I look down the road we have surveyed for agriculture. We are significantly expanding our commodity subsidies, the great incentive for overproduction. We already know we cannot possibly consume what is produced in this country. With this subsidy increase, we are systematically closing the doors on increased exports. With no outlet for their production, we are condemning our farmers to a downward spiral of prices. And countercyclical payments will not stop that spiral. In fact, they intensify the spiral.

So we have a conference report before us that will eventually harm the farmers it is trying to help and that ignores the plight of the other half of agriculture, the livestock producers. And it does it with phony and illusive numbers that will appall everyone else.

For these reasons, I am voting against this conference report. I urge

my fellow Senators to seriously consider whether this is the road they will condemn their farmers and ranchers to for the next 6 years. I urge my colleagues to vote against this bill.

Madam President, I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from California.

Mrs. FEINSTEIN. Madam President, I ask unanimous consent that I be recognized to speak as in morning business.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

(The remarks of Mrs. FEINSTEIN are printed in today's RECORD under "Morning Business.")

The PRESIDING OFFICER (Mr. HARKIN). The Senator from Vermont.

Mr. LEAHY. Mr. President, I ask unanimous consent to proceed beyond the hour of 12:30.

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

Mr. LEAHY. Mr. President, I compliment the distinguished chairman of the Senate Agriculture Committee for the farm bill before us.

As one of seven Senate conferees on the farm bill, I want to make a few initial remarks today about this major effort.

First, I urge my colleagues to vote for this conference report. This farm bill helps farmers by providing a safety net; it helps consumers by keeping our food costs low; it expands our nutritional safety net to those most in need; it will mean cleaner waterways, better soils, protected open space, and the preservation of family farms; it will make our drinking water safer, improve the environment, and will give rural America a strong economic boost.

I thank Chairman HARKIN who worked day and night on this effort.

As I know from being chairman of the committee during the 1990 farm bill, it is no easy task to balance the needs of various regions, various commodities and various other priorities within a fixed budget.

Make no mistake—this bill is great for all regions, it represents a well-balanced effort.

I enjoyed working with the chairman of the conference, LARRY COMBEST. He was fair and patient, and strove to listen to all sides of an issue and to offer helpful ideas as we sought to craft the final product.

His chief of staff, Bill O'Connor, has worked on many agriculture issues with me. He is one of the finest examples a truly professional hill staffer—smart and tough, and able to get the job done for his chairman. Also, Lance Kotschwar, the chief counsel for Chairman COMBEST, deserves a great deal of credit.

Ranking member CHARLIE STENHOLM, also an expert on farm bill details, was very helpful in trying to work through some of the complex issues. He is well served by his senior agriculture staff, including Vernie Hubert.

I will have more kind words to say about the other body, but I want to

make a couple points regarding the Senate. I will have more to say at another time about Ed Barron and his team from my office. Many parts of this bill would not be here without them.

The Democratic conferees in the Senate consisted of three chairmen of major committees, and the majority leader. That is quite a batting lineup. We had the majority leader and the chairmen of the Agriculture, Budget, and Judiciary Committees.

Leader DASCHLE, and his superb staff Bart Chilton, Jonathon Lehman and Bev Paul—did a tremendous job trying to balance everyone's interests.

Chairman CONRAD helped get us the budget to complete a farm bill—and provided the conferees with valuable insights, as did his able staff aide, Tim Galvin.

I will make more extensive remarks later in this debate but I want to focus on a few highlights today.

This farm bill provides—for the first time—strong provisions for all regions of America.

The farm bill provides regional equity—all of America will share in its benefits.

For example, for the first time, ever, we have a farm bill which provides national counter-cyclical support for dairy farmers. I have voted many times for programs which have helped cotton, rice, wheat or soybean farmers.

This farm bill continues to help them—but also creates a national safety net for all family-size dairy farmers—whether they live in Wisconsin, Minnesota, Mississippi, Louisiana, West Virginia, or Vermont.

I am pleased that we were able to forge bipartisan coalitions in the Senate and the House, from many states, and from all regions, in working out this national effort.

Dairy farm families work very hard they get up at 5 in the morning whether it is freezing cold, whether it is a Sunday or a Tuesday, whether they are feeling fine or lousy that day, whether it is a holiday or not.

They need a safety net or America may lose its fresh, local supplies of milk.

America can not afford to take the risks involved in concentrating dairy production in just a couple areas of the country.

Snowstorms, floods, earthquakes, or other emergencies could disrupt transportation or production facilities.

This farm bill is not just about farmers. It is about assisting rural towns and communities, and families in need.

The Food Research and Action Center notes that:

Given the scope of the hunger and food insecurity problem facing our nation's people, we believe that passage of the Farm Bill Conference Report with its investments in the nutrition safety net must be a very high priority for the . . . Senate.

They are right. This farm bill provides \$6.4 billion to help the neediest families. Most Americans do not real-

ize that the food stamp program is America's largest child nutrition program with the great bulk of assistance going to families with children.

In her letter of endorsement, Marian Wright Edelman points out that:

We also strongly support the improvements for working families in the Food Stamp program. Adjusting the standard deduction for cost-of-living increases and family size will help the value of food stamps keep pace with inflation. Many provisions in the nutrition title will make it easier for working families to apply for or renew benefits, and will streamline requirements on states so they will find it easier to serve working families.

Bob Greenstein, with the Center on Budget and Policy Priorities notes that: "Many of the title's provisions are targeted toward low-income families with children, particularly the working poor."

This farm bill includes President Bush's strong proposal to assist legal immigrants who—throughout history—have come to America in search of a better life, and have made America a stronger nation.

The bill also improves America's first line of defense against hunger—the Emergency Food Assistance Program.

Also, the farm bill saves two great farmers' market programs from the chopping block.

The WIC Farmers' Market Nutrition Program, and the much newer farmers' market program for seniors, has provided tremendous incentives for local communities to create local farmers' markets. Anyone shopping at these hundreds of new farmers' markets knows that these programs are great for local farmers, families on WIC, our seniors, and the local communities.

On an international theme—I am very pleased that the farm bill includes \$100 million in guaranteed funding for the McGovern-Dole Global Food for Education Initiative which I authored with Senator HARKIN and others in the Senate.

This initiative taps America's agricultural bounty to become a catalyst for lasting change in many struggling nations.

Former Senators McGovern and Dole supported this vision and pointed out that this initiative would "help our farmers while putting food in the stomachs of desperately hungry and malnourished children."

It has been pilot-tested, and enrollment by children, especially girls, has dramatically increased in the poorest areas of the world.

Clearly, the events of September 11, make this initiative even more important.

The final bill also contains an unprecedented \$1 billion in mandatory funds to assist rural areas in improving the rural infrastructure, attracting jobs, and improving high-speed internet access to businesses and homes.

Our farmers and small businesses will get a boost from \$240 million included for value-added market development grants.

Modeled after the successful pilot program currently run by USDA, this program will provide grants up to \$500,000 to help develop, promote, and market, value-added goods—to help build their wealth and expand their enterprise.

The bill reauthorizes important water programs that are critical to the infrastructure of rural America—over \$360 million will be available nationally to reduce the backlog of loan and grant applications for construction or expansion of water and wastewater systems.

Even our firefighters and emergency personnel will receive much needed assistance to help provide for critical training in rural areas. These men and women work tirelessly, often on a volunteer basis, to protect our families and our homes. I am pleased that \$50 million has been included to give these forces a boost.

Also within the package of conservation programs lies an historic increase in the Farmland Protection Program—which was first pilot-tested in Vermont under a provision which I wrote for the 1990 Farm Bill.

Previously funded at only \$35 million, and hugely oversubscribed by interested farmers, the Farmland Protection Program will now be funded at almost \$1 billion over the next 10 years.

Since 1996, the FPP program in Vermont has protected more than 80,000 acres of the State's most precious farmland. It can preserve farmland in many other states under this new farm bill.

I am very pleased that this bill sets forth several new initiatives for organic agriculture.

This coming October, the National Organic Standards Program will be fully implemented and will create tremendous possibilities for organic producers by enhancing national and international market opportunities for organic products.

This farm bill makes strides toward providing the information and resources needed to continue to grow this industry. For the first time, dedicated funding is provided for the organic research and extension initiative, which is also expanded in this bill.

In addition, in this farm bill we provided for new organic production and market data initiatives and we establish an organic certification cost-share program.

As more and more farms transition to organic production methods, there is a substantial environmental benefit. In many cases organic farming also provides sustainability to the profession of farming, and offers rewards to small farms in particular. In Vermont, the growth of the organic industry means that more farmers will be able to make a decent living doing what they love.

The New York, Washington State and Vermont delegations, among others, worked to add \$94 million to the bill for direct aid for apple growers who have suffered crop losses in recent years. National apple growers, including several

orchards in Vermont, have sustained losses totaling \$1.5 billion over the past five years, including an estimated \$500 million during the past year.

The farm bill also invests \$1.3 billion in research to help keep America's farmers competitive in world markets.

I urge my colleagues to join with me in supporting this farm bill.

The PRESIDING OFFICER. The Chair, speaking only as the Senator from Iowa, thanks the distinguished Senator from Vermont for all his great support and work on this farm bill. It is unprecedented.

#### RECESS

The PRESIDING OFFICER. Under the previous order, the Senate stands in recess until the hour of 2:15 p.m.

Thereupon, The Senate, at 12:44 p.m., recessed until 2:16 p.m. and reassembled when called to order by the Presiding Officer (Mr. DAYTON).

The PRESIDING OFFICER. The Senator from Indiana.

#### FARM SECURITY AND RURAL INVESTMENT ACT OF 2002—CONFERENCE REPORT—Continued

Mr. LUGAR. Mr. President, in a moment, I will ask that the Chair grant 35 minutes to the distinguished Senator from Iowa. Before that, I ask unanimous consent that the next Republican speaker after Senator GRASSLEY be Senator DOMENICI.

The PRESIDING OFFICER. Is there objection?

Mr. REID. Reserving the right to object, Mr. President, the manager of the bill can request whoever he wants, but I note that Senator AKAKA wants to be put in the mix. I know Senator HARKIN spoke for quite some time. I do not know if we want to try to balance out the time. Senator AKAKA also wishes to speak.

Mr. CONRAD. Will the Senator yield?

Mr. REID. Senator AKAKA only wants 5 minutes. After Senator GRASSLEY finishes, would the Senator from Indiana have any problem with Senator AKAKA speaking for 5 or 10 minutes?

Mr. LUGAR. Fine.

Mr. CONRAD. Will the Senator yield?

Mr. REID. Yes.

Mr. CONRAD. Might I get in the chain as well? I know after Senator GRASSLEY—

Mr. REID. He is going to speak for about half an hour.

Mr. CONRAD. It will be Senator AKAKA on our side, and Senator DOMENICI will be next?

Mr. REID. How long will Senator DOMENICI speak?

Mr. DOMENICI. Twenty minutes.

Mr. REID. Can we set it up so Senator CONRAD follows Senator DOMENICI, whenever that might be?

Mr. LUGAR. Mr. President, I amend my request so that Senator GRASSLEY will speak, then Senator AKAKA will be recognized, then Senator DOMENICI will be recognized, and then Senator CONRAD will be recognized.

Mr. REID. I note to my friend from Indiana that Senator AKAKA will not spend his time on the bill, but it will be counted against our time.

The PRESIDING OFFICER. Without objection, it is so ordered. The Senator from Iowa is recognized.

Mr. GRASSLEY. Mr. President, today is a very bad day for the family farmer. I am extremely disappointed by the effort that was made by the Senate conferees to maintain the provisions that were added to the Senate version of the farm bill on the floor.

A number of folks have been saying this is a good bill, and I would say those folks are part right, it's a good bill if you are a cotton and rice producer. The problem is we don't grow those commodities in my state of Iowa. I plan to vote with the family farmers from Iowa.

I'll sum it up in four words to explain why this is a bad bill for Iowa and why I'm so adamantly opposed to this conference report: competition, competition, competition, competition.

My first reference to competition pertains to competition for grain farmers. The conferees threw out my amendment on reasonable payment limits. In fact I think what they did will cause more harm than good because the Senate Democrats are calling it legitimate reform. If this is their version of "legitimate reform" they're not talking to and representing the same farmers I'm listening to and representing.

The American people recognize the importance of the family farmer to our nation, and the need to provide an adequate safety net for family farmers. In recent years, however, assistance to farmers has come under increasing scrutiny. Critics of farm payments have argued that the largest corporate farms reap most of the benefits of these payments. The reality is, 60 percent of the payments have gone to only 10 percent of our Nation's farmers.

What is more, the payments that have been designed to benefit small and medium-sized family farmers have contributed to their own demise. Unlimited farm payments have placed upward pressure on land prices and cash rents and have contributed to overproduction and lower commodity prices, driving many family farmers off the farm.

What is really disturbing though is the fact that the conference report failed to address this issue and even worse, the authors are acting like they did.

This conference report fails to address the use of generic commodity certificates which allow farmers to circumvent payment limitations. The supposed "reform" in this bill is worthless due to the lack of generic certificate reform. In recent years, we have heard news reports about large corporate farms receiving millions of dollars in payments through the use of generic certificates. Generic certificates do not benefit family farmers but allow

the largest farmers to receive unlimited payments. This bill will not even make the big corporate farmer blink.

The Senate agreed, by an overwhelming vote of 66 to 31, to a bipartisan amendment sponsored by Senator DORGAN and me to target federal assistance to small and medium-sized family farmers. The amendment would have limited direct and counter cyclical payments to \$75,000. It would have limited gains from marketing loans and LDPs to \$150,000, and generic certificates would have been included in this limit. No subterfuge. The amendment would also establish a combined payment limitation of \$275,000 for a husband and wife.

This amendment was critical to family farmers in Iowa. I feel strongly the conference report failed Iowa when it failed to effectively address the issue of payment limitations. This will do nothing to help restore public respectability for federal farm assistance by targeting this assistance to those who need it the most.

The second reference to competition refers to the independent livestock producer being almost completely ignored in this bill. Iowa's independent livestock producers had clearly made the elimination of packer ownership their number one priority. The conferees threw it out.

The president of the Iowa Pork Producers had stated: "It [the packer ban] was our number one issue for the Farm Bill and we are extremely disappointed it didn't survive."

The Iowa Cattlemen released a statement which read:

The Iowa Cattlemen's Association Executive Board . . . expressed their frustration with a missed opportunity for new legislation regarding a ban on packer ownership in the final version of the Farm Bill. . . . We believe the Farm Bill Conference committee has overlooked and ignored the family farmer and small livestock producer in failing to adopt appropriate packer limitations.

It's clear that is what Iowa's livestock producers wanted and this farm bill doesn't deliver. It's that simple!

Also, in regard to livestock producers, the bipartisan amendment I offered with Senator FEINGOLD which would have eliminated the ability of packers to force livestock producers, into mandatory arbitration was dropped in conference.

We finally had the chance to give farmers an opportunity to choose the best dispute settlement mechanism available for their individual situation. But instead of fixing the problem—and let me remind everyone that this passed by an overwhelming vote on the Senate floor—we've locked independent livestock producers into binding arbitration instead of mediation or civil action which could have given family farmers a fighting chance to succeed in a dispute with a packer.

Who wants a pat on the back from the packers for dropping these items from the conference report? I am sure the packers are really proud of you, whoever you are. Don't worry about



the independent livestock producers, they won't be around much longer anyway.

My third reference to competition pertains to competition for funds. Specifically, when the next round of payments will be made.

Sticking with current law and passing a supplemental would provide a net benefit to Iowa farmers of approximately \$662 million in the first six months if the supplemental was only equal to the levels of support offered within the last supplemental package, according to the Center for Agricultural and Rural Development at Iowa State University. If a farmer has the ability to pay down his debt earlier in a loan cycle than later in that same cycle that money goes much further for the individual producer, everyone knows this. Instead, under the bill as currently constructed, Iowa producers will be waiting till sometime between December and March for the first round of sizable payments. It won't be this fall as it has been for the last three years.

I have read in the press that some Members of this body are trying to claim that this is beneficial to farmers in short term. I guess the question is what's "short term" to those folks, but the better question is, what's short term to Iowa's family farmers?

In the next 6 months. I think it would be fair to say that Iowa farmers are concerned how they will be treated under this program for the next six months. The benefits to Iowa farmers from implementation of the new farm bill in the current fiscal year would include increased LDP rates for corn because of the increased corn loan rate. Nationally, corn farmers received less than 14 percent of a crop year's LDP payment in the same fiscal year since 1997. For Iowa, the amount is clearly less than one percent. This means that Iowa farmers would gain essentially nothing from the higher loan rates in the current fiscal year.

Iowa farmers would find that their soybean LDP rates would decrease under the new farm bill because of lower soybean loan rate. But for soybeans, less than 5 percent of LDPs were collected in the fiscal year as the crop year. Thus, Iowa farmers would not lose much at all from implementation of the lower rates in the current fiscal year.

So where is the benefit to this approach? Is there a payment hidden in the conference report I have not seen yet? I guess that those in favor of this bill could say that there is a fixed payment available to family farmers that will hopefully be made available in October, but then you have to remember to reduce that payment by the amount a family farmer has already received this year. In Iowa, that means your net benefit for the fixed payment is 1.9 cents per bushel of corn.

How can anyone defend 1.9 cents as a substantive fixed payment? How does that compare with the Robert's supple-

mental? Well, he had 33.4 cents per bushel available for cornrowers in Iowa, and there was no slight of hand to force you to reduce it, or pressure to manipulate your reportable base, to improve your payment. Does anyone actually think 1.9 cents is better for family farmers than 33.4 cents per bushel?

My fourth reference to competition is trade, specifically trade compliance. I offered an amendment during the Senate floor debate that would have reinforced the importance of ensuring that the farm bill which passes the Senate complied with our Uruguay Round trade commitments, and the conferees stripped it out.

As I have said before, our family farmers depend on foreign markets, exporting about one-quarter to one-third of the farm products they produce. For the past 25 years, the U.S. has exported far more agricultural goods than it has imported.

The Uruguay Round negotiations improved conditions of market access for American farmers. For the first time, the agreement reached during the Uruguay Round capped the level of trade-distorting support that WTO members can provide to producers. Worldwide, agricultural tariffs were reduced by an average of 36 percent over a 6-year period. The United States agreed to reduce its own amber box spending to \$19.1 billion per year.

Because agricultural domestic support commitments are now "bound" under WTO rules, the United States and its trading partners can be subjected to harmful trade retaliation if they exceed their WTO limitations.

If a WTO complaint were brought against the United States for exceeding its domestic support commitments, it is possible that many countries could become complainants in the cases and allege injury.

If the U.S. were found in violation of our trade obligations, we would be expected to change our current farm program, 'midstream'. If we were not able to, the complaining countries would receive authorization to retaliate by raising duties on U.S. goods.

Our agricultural goods would likely be the first target of retaliation as the products chosen for retaliation are often the most successful exports.

Retaliation by our trading partners would cut our exports, forcing surplus commodities onto the domestic market. An increased domestic surplus would place downward pressure on domestic prices, increasing the need for additional assistance. At the same time, we would not be allowed to provide our family farmers any support. The result is that the conference report would fail family farmers when their need is the greatest.

That is why I offered my amendment to provide reassurance that we would not have to cut the legs out from under our nation's family farmers if the funding provided by this legislation exceeds our Uruguay Round commitments. In

the event that a provision of this farm bill would have threatened to break our amber box caps, as determined by the Secretary of Agriculture, my amendment would have sunset the offending provisions after 18 months.

In order to continue funding at a level that is consistent with our Uruguay Round commitments, Congress would have been required to pass a readjustment resolution until the offending provision could be rewritten by Congress. Unlike the conference report, which gives the Secretary of Agriculture sweeping authority to reduce or suspend payments, this amendment would ensure that farmers can count on the assistance they need until Congress agrees that we will potentially violate our trade commitments.

In addition, USDA would have determined what program played a significant role in potentially violating our trade agreements and within 18 months that program would have been suspended, hopefully to be reformed in a trade compliant fashion.

But now, we wrote a new farm bill that will undercut our negotiators before the negotiations even get off the ground.

That is because this farm bill we are discussing today, has, according to its own supporters, a 19 percent chance of violating our Uruguay Round Amber Box commitments. We have never violated those commitments. And we have certainly never publicly announced an intention to violate those commitments. To violate those commitments now, or to threaten to do so, is a tremendous shift in long-standing United States agricultural trade policy.

Some of my colleagues might claim that this bill has improved from a 1 in 3 chance to a 1 in 5 chance of sabotaging our rural economy, and they might even be proud of the improvement. But even these dismal percentages get worse when we learn the details.

FAPRI—The Food and Agriculture Policy Research Institute—used their existing 2001 baseline to determine this percentage. By FAPRI's own admission, the 2001 baseline does not take into account the full impact we are seeing in the market of many commodity prices trending downward. FAPRI qualified their analysis by explaining:

Over the next few weeks, FAPRI intends to conduct an updated analysis of the bill that will incorporate more current market information. The new analysis will result in different estimates of prices, production, Government costs, farm income, and other indicators. Without prejudging results of the forthcoming analysis, please note that market prices for several commodities are currently lower than FAPRI had projected in its 2001 baseline.

So get ready folks, when the 2002 baseline is completed and the analysis is run later this month we could very

likely see a huge swing in the wrong direction. The percentage of non-compliance could very possibly be upward of 35-40 percent. We will not have solid figures until the next baseline is completed though because of the enormous impact the LDPs will have on 2002 projections.

We seem to be rushing to milk the Federal cow before anyone checks the breed, or much less the gender of the cattle. This is not how you establish prudent, or even satisfactory policy, but it doesn't seem like many Senators care about that right now.

We have achieved a great deal at the negotiating table in the past 50 years because we have credibility. Our trading partners respect the fact that we stick to our guns and do what we say we are going to do. In turn, we expect them to do the same.

But passing a non-trade compliant farm bill seriously damages our credibility.

And it does so right at the time when we are poised to launch new, comprehensive global trade talks largely built around our own agricultural negotiating objectives.

I cannot think of a more effective way to undermine everything we have worked for, and everything we hope to accomplish at the negotiating table during the next 3 years, than to pass a farm bill that we know might break our WTO obligations.

The advocates of this approach might say, well, it is only a one-in-five chance that we will not be trade-compliant under this farm bill.

But would we accept that argument in discussing, say, education policy, and go forward with an education program that had a one-in-five chance of failure? Or a defense program?

I do not think we would. And it does not make any more sense to go forward on that basis here, especially if those odds might actually be much worse than we realize.

Competition is and for a very long time will be the number one issue for family farmers. We should all think back to Secretary Veneman's confirmation hearing. During the question and answer period before the Senate Agriculture Committee she said something that a few of my colleagues have seemingly already forgotten. She said that the one topic she had heard the most about while visiting Senators and House members was the issue of competition. It was the most mentioned issue and the issue that we generating the most concern in rural America.

What did we leave out of this conference report? Competition, competition, competition, competition. The glaring lack of strong provisions regarding competition is why The Organization for Competitive Markets, and the Center for Rural Affairs oppose this legislation. These groups supported the legislation when family-farmer-friendly provisions were added on the Senate floor, but they are now opposed because they support family farmers and

independent livestock producers and this bill does not do that.

As I look at the conference report before us I have to admit I have lost a little bit of faith in the process. We put a good bill together on the Senate floor. It came out of committee with ridiculously high payment limits, nothing on livestock competition, a complete disregard for trade compliance, deficiencies in the nutrition title, etc.

But on the floor of the Senate we all worked together to make it a bill that was acceptable, and I would say that bill was very good for Iowa's family farmers because it had in it the issues Iowans wanted us to address, specifically payment limits and packer ownership. This bill does not do what Iowans wanted it to do, plain and simple. It skipped Iowa's top priorities.

In addition, let's not forget about the administrative nightmare that this conference report will create. Everyone should be well aware of how difficult implementation will be for USDA. Don't blame the Bush administration if payments don't get out time. I hope that the Senators that are more interested in immediate implementation, than passing a supplemental are not going to be disingenuous in the future and attack the administration because implementation takes awhile to accomplish.

Let there be no question that if there is fault to assign regarding implementation it lies with the authors of the bill, not the bureaucrats required to decipher the intent of the authors. This will not be an easy task.

So I hope that Senator DASCHLE's comments yesterday in the Daily Monitor ring true. He was quoted as saying, "you're not going to see these disastrous supplemental requests in the future." But then I wonder what "future" means because the next sentence reads, "We'd still like to get one for 2001, but in the future you're not going to see them."

The thing I just cannot understand is why, if you just had the money and the willingness of Republicans to write a supplemental that would be beneficial to family farmers, why did you forsake the opportunity to put money in farmers hands right now, and trade that benefit for immediate implementation? It's a risk that family farmers should not have to take.

To conclude, I would agree with those that claim this is a historic farm bill, but in my opinion it might be historic for all the wrong reasons. We are losing support in the urban sectors for future farm bills by not reforming the existing abuses that have been made abundantly clear by media. Even farmers want us to fix the payment problems by implementing reasonable, legitimate payment limits, but instead the conferees ignored this issue.

This bill will do nothing to restore integrity to the programs, reduce pressure on rents and land prices, dampen overproduction, and help maintain family farms and the culture that sur-

rounds our rural communities, isn't that our goal? Why is this conference report "good enough" to some when it does very little for our family farmers?

Has anyone read the New York Times, Washington Post, Wall Street Journal, or the San Francisco Chronicle? These are urban newspapers and they are up in arms over this farm bill. What happens if urban folks decide they cannot hold their noses regarding the subsidy abuse down the road?

But, I guess I am assuming there will be a rural community to serve in 6 years. There is a possibility we will not have a rural community to serve due to the consolidation, concentration, increased land prices, and cash rents.

When I was in the well for the final vote I told my colleague I was going to support the Senate bill and I did. I said if those provisions were maintained, the provisions Iowa's family farmers wanted in this bill, I would support the conference report. But those provisions are not in this conference report, so I will not support it.

This bill does not accomplish Iowa family farmers' highest priorities so I am opposing the conference report. Anyone representing Iowa's interests should. We can do better, we must do better if we want family farmers and independent livestock producers to survive.

The PRESIDING OFFICER. The Senator from Hawaii is recognized.

Mr. AKAKA. I thank the Chair.

(The remarks of Mr. AKAKA pertaining to the submission of S. Res. 262 are located in today's RECORD under "Submission of Concurrent and Senate Resolutions.")

The PRESIDING OFFICER. Under the previous order, the Senator from New Mexico is recognized.

Mr. DOMENICI. Mr. President, we are now debating the farm bill conference report. I have some serious concerns about the policies embodied in this conference report. I will speak to those concerns shortly, but, first, I want to address another concern. My concern is, where is the budget? Where is the budget that we will use to judge not only whether we can afford this farm bill, but other legislation that might come before the Senate during the remainder of Congress?

Interestingly, the tortuous path that this farm bill has taken to get to a final vote tomorrow began exactly 1 year ago this week when we adopted the fiscal year 2002 budget resolution. That budget resolution was adopted prior to us knowing that we had an economic downturn and obviously, prior to the September 11 attacks on the United States of America.

At the time the budget resolution was adopted, the projections indicated there would be a general budget surplus of \$5.6 trillion over the next decade, and that after the tax cuts there would still be a very large surplus. We now know that the economic downturn, increased emergency defense, homeland security spending that followed the September 11 attacks, and

the Job Creation and Worker Assistance Act enacted last winter to assist workers impacted by the economic slowdown, have all combined to lower the general surplus outlook to about \$1.7 trillion over a comparable 10-year period.

This farm bill agreement that is before us today seems to be blissfully ignorant of the events over the last year. It embodies commodity policies that return us to business as usual, high subsidies, distorting trade provisions, and increasing Government costs.

Those who do not follow the intricacies of the budget process might say: This makes no sense. Don't we have a budget by which to judge this legislation?

Yes, the one we adopted 1 year ago this week. It is not the budget resolution for the year 2003; it is the budget resolution for 2002, adopted when Republicans were still in control of the Senate by one vote. Yes, that budget provided for increases in agricultural spending and other spending, such as prescription drugs. Specifically, that budget that authorized the chairman of the Budget Committee to allocate \$73.5 billion to the Agriculture Committee, so long as it did not come out of the Social Security or Medicare trust fund.

Can anybody stand on the floor and honestly say that the expenditures in this farm bill will not come out of the Social Security trust fund or the Medicare trust fund? I have not been raising this issue, but it is interesting that the current chairman of the Budget Committee, who usually raises this issue while trying to ensure we do not spend the Medicare and Social Security trust fund is not raising it now.

And now we see the bigger, more serious problem. The problem will not be just with this farm bill; it will be with the other spending and tax legislation we consider in the remaining days of this Congress. These measures will be judged against an outdated budget plan, one adopted last year when the Republicans were in control of this body, not one for current allocations and current needs, which has not been adopted on the floor of the Senate as of this date.

The question is asked again, Where is the budget? Where is the budget against which we are going to judge this farm bill and other legislation that I have just iterated that are certainly going to come before the Senate?

Until we agree to a new updated budget that reflects the dramatic changes that have occurred over the last 12 to 18 months, the old budget, the one I was responsible for getting adopted by the Senate and conferenced—that budget remains in effect until replaced by an updated budget. And until that time, any Budget Act points of order, any allocations to authorizing committees, any reserve fund releases, such as prescription drug spending or health insurance for the uninsured, will be judged not by what

is reality today but by what we thought it would be before the economic downturn and before the terrorist attacks on the United States just prior to mid-September.

Some may wonder, why have a budget resolution? I do not have to wonder. I only have to see what is happening on the floor of the Senate. Anyone can predict what is going to happen in the next few months—not years, the next few months—in fact, some of which has already happened prior to taking up this conference report on agriculture.

We cannot, and we should not, legislate, in my opinion, without a budget blueprint. Every year, since the Budget Act became law in 1974, the Senate has adopted a budget resolution, as required, and in some years more than one. In some years we missed the deadline, but we always adopted a budget resolution in the Senate.

Only once in the nearly 28-year history of the act has the House of Representatives and the Senate failed to conference their budget resolutions. In 1998, the year following the balanced budget agreement of 1997, Chairman John Kasich and I were unable to bridge the differences in the two resolutions. Rather amazing—we were both Republicans, and that was the one year we could not bridge the differences. All other years, regardless of the makeup of the two bodies, we did arrive at a conclusion.

Let me repeat, the Senate has passed a budget resolution every year. There was one time when we did not have a conferenced budget blueprint, and we agreed here in the Senate to follow the Senate-passed resolution as our blueprint for spending and taxing. But, we had what would amount to a budget by concurrence of the Senate.

I have been on that Budget Committee for 27 years. I was not a member in the first organizing meeting in 1974, when Senator Muskie was chairman, though there was a Senator Peter Dominick who was Senator Muskie's ranking member that year, and some historians get me confused with him. In those 27 years, my colleagues have honored me by allowing me to serve as committee chairman for 12½ years and as its ranking member for 9.

In all those years, we adopted a Senate budget resolution. It was not easy. Sometimes I thought we would fail, but we stuck with it, and many times on a bipartisan basis we prevailed and the blueprint to guide fiscal policy was achieved. A budget resolution takes care of many things automatically and with precision. Right now there is no precision, there is no decision, and we are flying essentially by the seat of our pants on many issues.

Every year under the leadership of Chairman Muskie, Chairman Chiles, and Chairman Sasser, the Senate has adopted a budget resolution. Today the House of Representatives has passed a budget resolution for next year. Today the President of the United States has submitted a budget to Congress for

next year. Today we do not have a budget in the Senate.

Beginning today, we legislate a major spending bill, a farm bill, that is based on a budget I admittedly helped craft last year, but also I freely admit is outdated and needs to be revised. It is time that be done. It is obvious that the Senate thinks it should be done. I truly doubt that we have been as omniscient as one may think. Had we been able to foresee the events of last year when we were crafting that budget, we would not have allocated the level of spending we did to the farm bill; of that I am almost certain. That is why we need a new budget, and that is why this decision we make tomorrow can send a signal to the country and our trading partners throughout the world that we know it is not business as usual. We need to craft a new budget for these new times.

For just a few moments, I will talk about a couple of New Mexico-specific concerns. In addition to my objections to this conference report on budget and trade grounds, I must note that this legislation is especially harmful to one of the most important parts of the agricultural economy of my State of New Mexico—dairy farmers. New Mexico's milk producers are hurt more by this bill's provisions in my State than any other State in the Union. Our producers will lose between \$4 and \$5 million a year compared to current law. And that is a conservative estimate.

Just today, there is a FAPRI estimate that indicates the losses would be as high as \$51.2 million over the life of this program. Regardless, this means that at least \$30,000 per dairy farm in New Mexico will be lost because of this bill. New Mexico, which has climbed to the seventh largest milk-producing State in the Union, will see minimum losses over the life of the program of at least \$125,000 per farm, and most will likely suffer larger losses.

My dairy farmers want a market-driven system. They can compete on quality and efficiency with any other dairy farming group in this Nation. If we just let them do their job under a free market. These producers will supply plenty of milk and it will be of the highest quality.

My dairy producers are opposed to direct payments. They also oppose the caps in this bill. And they are punished because this legislation contains both—direct payments and caps. And neither is predicated upon large dairy farms but, rather, is predicated upon the small milk farms. Most of our farms are 1,500 head or more and are becoming more efficient every year. They welcome competition from anywhere. They are efficient. They are innovative. They do great things. Yet, they are punished. We come along and say this is not the American way for the farm bill. We are going to punish you because you are efficient, because you produce, because you are highly innovative.

Instead of saying: You are going to get as good a deal as you deserve, as

fine a return as you deserve in the American market, we are going to tell you what you get. In this instance, we are going to take away from you between \$4 and \$5 million a year, perhaps as much as \$125,000 per farm during the time this bill exists.

The dairy industry in my State—and we are a small State in terms of business—has revitalized large parts of the New Mexico economy. Nearly 4,000 New Mexicans earn a living directly from dairy, with payrolls in excess of \$90 million a year. New Mexico's dairies and producers spend nearly \$400 million annually for labor and feed. For our State, which lags near the bottom of per capita income statistics, this conference report is a direct attack. I cannot support such a conference report. I will not.

I know there are predictions of how bad it would be if this did not pass. I have studied it all. I think I know as much as anyone here about it. It would be a great signal if it did not pass. Then we could produce a budget and decide how much money should be put in for the agricultural community under a budget that is current.

This wrongheaded agricultural policy promoted by this conference report is especially tragic in light of the real progress that was made in this bill in the area of nutrition. Many do not know that this bill called agriculture is also the principal nutrition legislation for our country. The bill retains the Domenici-Durbin amendment to restore food stamp benefits to eligible legal immigrants who have been in our country for 5 years. This policy will help feed an estimated 360,000 people per month.

In addition, the bill simplifies and streamlines the application process for food stamps. It increases funding for the Emergency Food Assistance Program and makes it easier for nonprofit participation in the Commodity Supplemental Food Program to feed the elderly and small children. In total, the legislation provides for \$6.4 billion in food stamps and other nutrition programs. This amount falls short of the \$8.9 billion provided in the Senate-passed version of the farm bill. At least we are making some progress toward eliminating involuntary hunger in America.

So this Senator finds himself in an unusual position of voting no on this farm bill. The good things in nutrition fail to outweigh the bad agricultural policy positions envisioned by this bill. I will remind my colleagues that we have spent an enormous amount of money in the last 2 years on agriculture with the "emergency" funding for \$27.3 billion, as well as \$5.5 billion in new agriculture commodity support payments just last July.

I am fully aware of that. I understand the threats—veiled or otherwise—that if we don't get this bill now, we will have a repetition of what I have described in the last paragraph of my comments. I don't believe so. I believe

we understand clearly where we are, and I do believe that now is the time to say no to legislation that clearly doesn't fit a budget—at least we don't know that it does—and has the kind of policies adopted that I think are as counterproductive as they can be.

I yield the floor.

The PRESIDING OFFICER (Mr. JOHNSON). The Senator from North Dakota is recognized.

Mr. CONRAD. Mr. President, I have been listening to the Senator from New Mexico, the ranking member of the Budget Committee, former chairman of the Budget Committee, and a very valued member of that committee. But I must say I disagree with his conclusions about this farm bill. Let me just enumerate the reasons.

First of all, while it is true a new budget resolution has not yet passed, it is also true under the rules of this body that the previous budget resolution guides our actions until the new budget resolution is passed. The budget resolution under which we are operating provides for the amount of money that is in this farm bill. This farm bill is entirely within the budget requirements under which we are operating.

No. 2, every budget that has been presented for the next year includes this same amount of money. The budget the President has presented, the budget the House presented, the budget that has passed the Senate Budget Committee—each and every one of them has the same amount of money for a new farm bill that was in last year's budget resolution. So the question of what the budget resources are is not in doubt.

The fact is, the Congressional Budget Office has provided an estimate of cost. That is always the case when the Senate and the House are considering legislation. They do an estimate of the cost. We operate under that cost until the job is finished. We don't change the estimates in the middle of the effort. We don't change the rules in the middle of the game. They made an estimate, and we are living with it today. We don't change estimates in the middle of a legislative agenda because to do so would make the work of Congress virtually impossible. If we changed the estimates every time the Congressional Budget Office made a new estimate, the committees would never know what resources they had to deal with. So this is a longstanding practice of the Senate and the Senate Budget Committee.

Once the action has been taken in the Senate and in the House, as it has been, we don't change the estimates in the conference committee. That would create chaos. So the fact is, the estimates we were operating under when the bill was considered in the House, and then considered in the Senate, were the same estimates used in the conference committee, the same estimates being used today, and the reason there is no budget point of order against the farm bill that is being considered.

Those are the facts. These budget estimates that were done by the Congressional Budget Office and were used by the Senate and House as they worked up a farm bill were made in good faith. Now, with later information, they may alter them somewhat, but we have to follow the assumptions that were made at the time the legislation was considered. We certainly don't change the estimates in the middle of legislative activity or in the conference committee to resolve the differences between the Senate and House farm bills.

Let's lay the budget issue to rest. There is no budget point of order against this bill. This bill is in full compliance with the requirements of the Budget Act. That is No. 1.

No. 2, why is this farm bill necessary? I read the eastern press, and they are panning this bill almost on a daily basis. I submit to you that many of these newspaper writers, editorial writers, have never set foot in my State. They clearly have not paid much attention to what our farmers are up against in this international environment. We are not an island unto ourselves in the United States. We are up against very tough, determined competition from countries all around the world that are doing much more for their producers than we are doing for ours. Let me repeat that. Our major competitors are doing much more for their producers than we are doing for ours. To abandon our producers is to put them on an unlevel playing field. To create a circumstance in which they cannot fairly compete would be a profound mistake for this country, for our producers and, ultimately, for our economy.

Let me just direct people's attention to this chart, which says it very clearly and very well. Our major competitors are the Europeans. Their supports are far higher than U.S. supports for farmers. The most recent data available show the average support level in Europe is \$313 per acre. That is how much assistance the Europeans give their farmers—\$313 an acre. Here is the comparable level of support in the United States: \$38 an acre. It is \$38 an acre in the United States and \$313 an acre in Europe.

It is no wonder there are hard times in rural America. It is no wonder there are hard times up and down the main streets of every rural city and town. It is no wonder if you go to the European countryside, it is prosperous. Why? Because our European friends have decided they are willing to put out a lot of money to have a prosperous rural countryside so everybody doesn't go to town. They don't want everybody to go to town. They want people out across the land. What else? They want to have an assured source of supply. The Europeans have been hungry twice. They never want to be hungry again, and they are willing to pay to make certain the productive capacity is out across their countryside and to make certain they are never hungry again.

It doesn't end there. These are not KENT CONRAD's numbers or Budget Committee numbers; these are from the Organization for Economic Cooperation and Development's analyses of the different support levels in different parts of the world. These are the numbers of the official scorekeepers internationally. They are the ones who do the determinations of actual support in various regions of the world.

As I have indicated, it doesn't end there because if we look at export support, export subsidies, we find the European Union floods the world with agricultural export subsidies. This pie shows the amount of export support in the world. The blue part of this pie is Europe's share. Europe accounts for 84 percent of all the world's agricultural export subsidy—84 percent.

Here is the United States' share: Less than 3 percent. Less than 3 percent of the United States; 84 percent in Europe. They are outgunning us almost 30 to 1. That is what our competitors are up to.

By the way, they have gone from being the biggest importing region in the world to being nearly the biggest exporting region in the world in 20 years, and they did it the old-fashioned way: They bought the markets. They bought markets that were traditionally ours.

Some of our opponents on the other side would say to American farmers: You go out there and compete against the French farmer and the German farmer, and while you are at it, you take on the French Government and the German Government as well. That is not a fair fight. Our farmers are ready, willing, and able to compete against anybody any time, but it is not fair to put them up against the treasuries of European nations. It is not fair to put them up against the Treasury of the Government of France and the Government of Germany and the Government of England. That leaves the playing field tilted badly against them. That puts American farmers in a circumstance in which they cannot possibly compete and succeed, through no fault of their own.

To do something other than to try to level the playing field is to abandon our farmers. It is to wave the white flag of surrender and say to the Europeans: You just take it, take it all; take the agricultural base, and while you are at it, take the 20 million jobs that go with it; take the jobs in distribution, in transportation, in marketing; take them all. Because that is what they would like to do, and that is why they are spending so much to achieve that very result.

We do not have to look very far to see what is occurring in world agriculture. All we have to do is study the annual statistics, and we can see very clearly the pattern and plan of the Europeans. We can either decide to wave the white flag of surrender, engage in what I call a unilateral surrender, or we can fight back.

That is a fundamental question before this body as we consider this farm bill: Are we going to fight back, or are we going to roll over and surrender? That is a fundamental question for this country. Do we want to maintain the capacity to produce food in this country, or do we want to be dependent on foreign countries for our sources of food? That is a fundamental issue before this body in considering this farm bill.

I pray this country makes the decision that we are going to try to level the playing field; that we are going to fight back; that we are going to give our farmers a fair, fighting chance. To do otherwise is to abandon them in this international competition.

This farm bill has improved countercyclical support. That was a key failure of the last farm bill. The last farm bill said: The market is going to work even though other countries are not following it, even though other countries have these massive programs to intercede, to maintain a network of family farms across their countries. We know it did not work. How do we know? Because we had to pass economic disaster bills in each of the last 4 years, economic disaster bill after economic disaster bill because the previous farm bill was a disaster itself. This is an attempt to provide a stronger structure under agriculture so we do not have to repeatedly come back to our colleagues to ask for economic disaster assistance.

Let me make clear, we may have to come back for natural disasters; indeed, I think we will because none of us can predict when a hurricane might strike, when we might have a tornado, when a part of the country might be hit by drought or overly wet conditions. Natural disasters often require a response. None of us can predict when they might strike, what their effects might be. But economic disasters, which were created in part by the last farm bill, hopefully we can prevent.

We do it with higher loan rates, and with optional updating of bases and yields—those are the determinations of what a farmer's base is for support. We do it with a new marketing loan program for pulse crops: dry peas, lentils, and small chickpeas, which are important in crop rotations in part to break the disease cycles we have seen and that have contributed the need for disaster programs in recent years. There is the repeal of the sugar loan forfeiture penalty, a penalty that should never have been imposed in the first place.

The bill has country of origin labels for imported meat, fish, produce, and peanuts. This is critically important. Have we learned nothing from what has happened in the rest of the world? Europe has been hit by mad cow disease and by hoof and mouth disease, and they have responded by creating a system that will allow them to know where each animal came from, the specific farm the animal came from, be-

cause they know they need to have that information.

I had the Ambassador from Uruguay in my office just last week. They are creating a system to know the origin of the food they eat. In Uruguay, they are going to be able to track an animal back to the farm it came from, so if there is a problem, they can trace it and isolate it and prevent an expansion. That is just common sense.

Think of how many times we have heard on the news that there is a recall of food products, and they provide you the listing of the number on the can so we know what to look for. What would they do if there were no numbers on the cans of processed foods and we did not know what to look for? What would we do when they found there was a problem of tainted product and they had no way to track it? We would either have to throw it all away or take our chances.

There is a better way. We have found that better way. It is to know the source of the food. That is what we are doing in this bill. Yet there are people who are still railing against doing what anybody with any common sense knows we need to do. We need to know the origin of the food we are eating. That is basic. That is basic to dealing with foot and mouth disease, that is fundamentally important to dealing with mad cow disease, that is fundamentally important to dealing with possible terrorist threats, so that if any problem develops, we can trace the source of our food, we can isolate it, and we can eliminate the threat. That is common sense, and this bill provides it.

This conference report also includes a strengthened commitment to rural development, conservation, trade, and, yes, nutrition programs.

In conservation alone, I was amazed to read an editorial that suggested that somehow the commitment to conservation in this farm bill was inadequate. What farm bill are they talking about? This bill has increased the commitment to conservation by 80 percent, and yet they said it was insufficient. Mr. President, an 80-percent increase is insufficient?

We need to do a better job of conserving our soil. We need to do a better job of conserving our precious water resources. This bill makes major strides in that direction.

One of the key elements of the bill is the signature piece of the chairman of the Agriculture Committee, Senator HARKIN of Iowa, who authored the conservation security program which is part of this bill. He has said something that I think is going to resonate in history because he has declared: We are not going to just continue conservation programs the same old way, we are going to make a departure. We are not going to just have the Federal Government pass laws that become regulations and then, if people do not follow them, we penalize them. Instead, he says: With the conservation security

initiative, we are going to establish what national priorities are in conservation, and then we are going to provide an incentive program for farmers to comply. That is a profound difference in the relationship between the Federal Government and agricultural producers. It is a profound change. It is precisely the right change. It says to farmers, when we identify a national priority, we will respond; we will respond with an incentive to encourage you to adopt that practice.

That is important. That is important to the environment. That is important to producers. That is important to the Nation. That will provide a template for future Government relations with the people for whom we work. He has made an enormous contribution. This is a \$2 billion program that fundamentally changes the relationship between the Federal Government and producers across this country.

This bill also includes a renewed commitment to rural development: \$1 billion in new funding to encourage and strengthen economic development in the rural parts of this country. It is badly needed. Certainly, in my part of the country, we continue to lose population.

We also have the trade title. We are facing tough competition and we need to fight back. One billion dollars in additional funds is in the trade title. We will have an aggressive outreach to other countries to buy American products from American producers. That is what an American farm bill ought to be about.

I saw with great interest what the Republican chairman of the Agriculture Committee in the House of Representatives said about this bill. He said this is not a bill for France. This is not a bill for Canada. This is a bill for American farmers and American consumers. This is an American farm bill.

Chairman COMBEST has that exactly right. This is a bill for America. It is a bill that deserves our support. I was proud to work with the conferees on this bill. Chairman COMBEST, a member I developed great respect for in all the hours of negotiation, is truly an outstanding leader for American farmers, American consumers, and American taxpayers. He was concerned about them all in this conference.

So was Congressman STENHOLM, the ranking member of the House Agriculture Committee. No one would want to meet a tougher negotiator than Congressman STENHOLM. He was very tough. He knew there was a lot at stake for this country, for our producers, for our consumers.

To our own conferees, I want to say thank you. Thanks especially to Senator HARKIN, who day after day after day stayed and negotiated and fought for a strong farm bill because he knew what would happen if we failed. If you are ever in trouble, you want someone like TOM HARKIN fighting for you in the Senate because he is determined and he

will not give up. This farm bill is a great testimony to his leadership.

I could not leave out our own leader, Senator DASCHLE, who at key times came into the negotiations to help us over the rough spots. He showed great wisdom, great patience, and great leadership. We thank him for all he contributed. He represents a farm State. He knew what was at stake.

Considerable thanks as well to Senator LEAHY. I have never seen anyone more determined on behalf of his constituents than Senator LEAHY. We listened to a lot of detailed debate on the merits of the dairy provisions of the bill. This bill was improved because of that determination.

Now a word about those on the other side. Senator LUGAR, the ranking member of the Agriculture Committee, disagrees with what we have produced. He has made that clear. I have enormous respect for DICK LUGAR. He is one of the most knowledgeable Members of this Chamber on a wide range of issues. On foreign policy questions, there is nobody I would rather talk to or listen to before reaching a conclusion than DICK LUGAR. He is an extraordinarily intelligent man, a person of great character. He speaks against this bill out of principle. I respect that. I don't agree with him in this case. I think I have outlined some of my reasons for disagreement, but he makes a very strong case, an intellectually honest case. I disagree with him. However, his argument is intellectually honest, and he has been very clear and forthright throughout the entire procedure. He made very clear he wasn't for this, every step of the way. I admire Senator LUGAR. My respect for him has done nothing but grow, although I disagree with his fundamental conclusion.

Others say this costs too much money, and I understand that. I am chairman of the Budget Committee. I wish we didn't have to spend this kind of money. Friends, our competitors are spending much, much more. To spend less is to say to our people, tough luck; you are out of business. That would be a profound mistake.

Let me close by urging my colleagues to support this bill. It deserves their support. It is a balanced bill. It is within the budget. It is a bill that will make a difference for our country over time. Not immediately, no. It will not solve all the problems immediately.

To our colleagues who say this bill costs way too much, we ought to present it in context. In the year 2000, we spent \$32 billion helping our producers. In 2001, we spent \$22 billion. This is on a fiscal year basis. That is different than on a crop-year basis. On a fiscal year basis, these are the numbers: \$32 billion in 2000 and \$22 billion in 2001. In 2002, it will be \$14.2 billion. In 2003, it will be \$19.1 billion. The red bars are the amount added over the current farm bill. So for 2002, without this legislation, it would still cost \$12.7 billion in that fiscal year. In the year 2003, it would cost \$12.3. This bill adds

\$6.8 billion to take us up to \$19.1 billion for fiscal year 2003, which will start October 1.

Remember we are coming from much higher levels of expenditures when you count the underlying farm bill plus the economic disaster payments we have enacted. This chart shows that, although we have healthy levels of expenditures in this new farm bill—more than \$70 billion more than we would have had under the old farm bill—we actually have less than was paid out by the Federal Government under the old farm bill plus the economic disaster payments made in each of the last 4 years.

I conclude by reminding those who are listening that we are up against fierce competition from our major competitors in Europe who are spending much more than we are, providing much higher levels of support for their producers than we provide for ours, and on top of that, are spending much more to promote their exports than we spend to promote our agricultural exports. Those are the facts. I hope our colleagues will remember when we reach a conclusion that this is a bill that is critically important to American agriculture.

A major farm group leader in my State responded tellingly when I posed the question, What happens without this bill? His reaction was immediate and strong: Senator, without this bill there will be a race to the auctioneer.

That is exactly right. This bill is all that stands between a race to the auctioneer in every farm community in this country and the continuing viability of the family farm network that has served this country so well.

Mr. HARKIN. Will the Senator yield?

Mr. CONRAD. I am happy to yield.

Mr. HARKIN. I thank the Senator for his kind words. I thank my friend and my colleague from North Dakota for two things: First, for his great leadership as head of our Budget Committee and for giving the guidance and direction and providing the budget for what we need to do; and for being on the Agriculture Committee and providing his expertise on budget matters as we work through the farm bill, both in the committee, on the Senate floor, and in conference. He has been great. I compliment the Senator.

I can say without fear of contradiction that many times we might have been persuaded to go in a different direction—let's say on the farm bill in the conference—had it not been for the Senator from North Dakota, whose expertise and knowledge of the budget came to the forefront and carried the day for us so we got the bill that we got.

I thank my friend from North Dakota for, again, being there every day. The Senator said I was there every day. He knows because he was there every day that I was, on the farm bill conference. I thank him for that. I also thank the Senator for always pointing out in these negotiations, when we are talking about trade, what the Europeans



are doing compared to us. We cannot ever forget that. This farm bill that we passed, this is for our farmers, for our ranchers. This is not for the European farmers and the European ranchers and the South American farmers. This is for our farmers. We ought to make no excuse for it, none whatsoever. We are sticking up for our producers in this country.

I have one last thing to say to the Senator from North Dakota about the chart he had up recently about the money we are spending on agriculture. I think I read an editorial, maybe it was in the *Wall Street Journal*—or someplace else—going after how much money we are spending on agriculture. I asked to get a run here from CBO on their baseline projections from now for the 10 years of this farm bill compared to the total outlays of the Federal Government. If you take the outlays of the Federal Government for the next 10 years, CBO says that comes to \$22.245 trillion. Add up all the spending on agriculture for everything; that comes to \$206.2 billion—.93 percent of all the spending the Federal Government is going to do in the next 10 years goes for agriculture.

That is a small price to pay, I say to my friend from North Dakota, for having the best food supply, the most productive capacity in the world, the cheapest food, and the safest food anywhere in the world. I think when the American people see that, they will say: Yes, this is the kind of farm bill we need. Ninety-three percent? I say to my friend from North Dakota, I believe the average American will say that less than a penny out of every dollar to keep our farmers in business is a very small price to pay.

I thank the Senator from North Dakota, again, for his wisdom, guidance, and judgment on these matters as we work through this farm bill.

Mr. CONRAD. Mr. President, I conclude by thanking my colleague, Senator HARKIN, the chairman of the committee, who really did an outstanding job getting this bill through the committee, through the Senate, and through the conference. Certainly, thanks also go to our colleague on the other side of the aisle, Senator LUGAR, for his passionate position and his wisdom. Even when he disagreed, he would provide us with observations that guided us in terms of altering what would otherwise have been a weaker bill. So I thank him and recognize his very professional staff as well.

Senator LUGAR, we thank you and your staff.

On Senator HARKIN's staff, I want to thank Mark Halverson. Mark, who is the staff director of the Agriculture Committee, showed enormous diplomacy going through this process. This is tough stuff. It is extraordinarily complicated. There were hundreds and hundreds of hours of deliberation. I thank Mark Halverson for always keeping his cool and for his wisdom in keeping a focus on the ultimate goal.

I also thank Susan Keith as well, who worked so hard on this bill. We appreciate all that she meant to its conclusion.

On my staff, I thank Tim Galvin and Scott Stofferahn. Tim Galvin and Scott Stofferahn were an extraordinary team. They played a key role throughout this process.

Tim Galvin, who used to be on the staff of former Senator Bob Kerrey of Nebraska, who served as head of the Foreign Agricultural Service in the Clinton administration, joined my Budget Committee staff more than a year ago. I could not have chosen better. He has been absolutely outstanding.

Scott Stofferahn, who is on my State staff, commuted—and this was truly a case of long distance commuting—to participate in the deliberations on this bill because he headed the Farm Services Agency in North Dakota under the previous administration for 8 years and knew the details of farm programs backwards and forwards. He was really indispensable to our efforts. So special thanks to Tim and Scott, to the staff members of Senator HARKIN and the staff members of Senator LUGAR, and certainly to our colleagues on the House side.

There were times we had very deep disagreements in the conference committee, but one thing you never questioned was that each and every Member was doing his or her level best for the farmers of this country, for the taxpayers of this country, for the consumers of this country. We had different ideas about what that represented, but I never questioned the good faith of any member of that conference committee, including those who disagreed with us.

Certainly to Congressman COMBEST and Congressman STENHOLM, we appreciate your patience. The patience of each of us was tried at times, but it was an important effort.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, earlier today I asked unanimous consent to have some letters printed in the RECORD, letters of support for the bill.

I have three others I would like to have printed. The first is a letter from the Iowa Farm Bureau Federation saying they urge strong passage of the conference report for the 2002 farm bill. I ask unanimous consent the letter from the Iowa Farm Bureau be printed in the RECORD.

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

IOWA FARM BUREAU,  
May 1, 2002.

Hon. TOM HARKIN,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR HARKIN: On behalf of the 150,000 plus members of the Iowa Farm Bureau Federation, the Iowa Farm Bureau Board of Directors urges you to support passage of the conference report for the 2002

farm bill. We are generally pleased with the provisions in the conference committee report including a stronger safety net for our producers and an increase in conservation spending. Iowa farmers will benefit from the additional safety net features and are seeking your support for this legislation.

The conference committee report contains many of the features of the current farm program and improves upon the safety net by instituting a counter-cyclical payment when prices fall below certain levels. It provides for a strong commitment to trade, rural economic development and conservation. In particular, the \$9 billion in additional spending for the environmental quality incentive cost-share assistance program will mean that Iowa farmers have access to the much-needed resources to address environmental concerns. We are particularly pleased that the conferees agreed to fund the Conservation Security Program. This new conservation program will be important to compensate farmers for the ongoing costs of conservation practices.

In addition, we are pleased that the conference committee included the Senate's version of the energy title and provisions designed to enhance protections for livestock producers. The conference committee agreed to prohibit confidentiality provisions in production contracts. These provisions have limited the ability of producers to seek legal and financial advice about the terms of a contract before entering into it. This provision does not preempt stricter state laws; thus, Iowa's law will not be negatively impacted. In addition, hog producers with production contracts will have additional protections under the Packers and Stockyards Act.

Despite our disappointment that a ban on packer ownership was not included in the final version, we are pleased that the committee included country of origin labeling. This provision will ensure that consumers have an opportunity to choose between domestically produced beef, fruits and vegetables and those produced overseas. We believe that U.S. consumers will choose to purchase products produced by our farmers if this information is made available to them.

The farm bill conference committee report is a consensus document that balances the needs of the program crops and other agricultural commodities. It provides the additional safety net that producers have been seeking and maintains the strengths of the current farm program. Thank you for your consideration.

Sincerely,

CRAIG LANG,  
President.

Mr. HARKIN. Next, a letter from the Iowa Farmers Union. They also sent a letter of support urging passage of the bill. I ask unanimous consent that letter be printed in the RECORD.

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

IOWA FARMERS UNION,  
Ames, IA, May 1, 2002.

IOWA FARMERS UNION REACTS TO THE FARM SECURITY AND RURAL INVESTMENT ACT OF 2002

AMES, IA.—Over the past few years, Iowa Farmers Union (IFU) has been working intently with our elected officials to vastly improve farm legislation. Now, after weeks of deliberations, the farm bill conferees have reached an agreement on a new farm bill entitled "The Farm Security and Rural Investment Act of 2002"

"We are still waiting for the final details, but what we have seen so far indicates the new farm bill provisions will be a definite

improvement over the former 'Freedom to Farm' program that was a disaster for farmers and taxpayers alike," said Gary Hoskey, IFU President.

The agreement, while short on specifics, should provide certainty to farmers and lenders because of the new safety net provisions of the law. Under the old program, farmers and lenders were forced to make production decisions that would not cash flow, in hopes that Congress would pass emergency supplemental aid legislation long after the crops were planted.

"The Iowa Farmers Union joins all Iowans in extending our thanks to Senate Agriculture Chairman Tom Harkin for his efforts in this new farm legislation," said Hoskey. "Not only did Senator Harkin succeed in getting a much improved safety net for family farmers, he was also successful in getting significant increases in conservation programs and rural development funding."

"And, for the first time ever, there is an Energy title in the farm program that will encourage research and development of renewable and bioenergy resources. Hopefully our country will now look more to agriculture for renewable energy sources instead of imported oil from the Middle East."

"We are also glad to see Country of Origin Labeling included in this law. It is something we have worked on for a long time," added Hoskey.

"We are disappointed that the payment limitations were not lowered more and the packer ban on owning and feeding livestock was not passed," said Hoskey. "We will continue to work with Senator Harkin and our other legislators on these and other important issues."

Mr. HARKIN. And the Iowa Soybean Association in applauding the completion of the bill and urging its passage and signature by the President.

I ask unanimous consent the letter from the Iowa Soybean Association be printed in the RECORD.

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

IOWA SOYBEAN ASSOCIATION,  
*Urbandale, IA, April 30, 2002.*

THE IOWA SOYBEAN ASSOCIATION APPLAUDS THE COMPLETION OF THE 2002 FARM BILL BY U.S. SENATE AND HOUSE CONFEREES

URBANDALE, IOWA.—The Iowa Soybean Association (ISA) applauds the completion of the 2002 Farm Bill by the U.S. Senate and House conferees today.

ISA President John Hoffman said, "Soybeans are treated more equitably in relation to other program crops in this legislation, and Iowa soybean farmers are provided better income protection. ISA is pleased with the inclusion of expanded conservation programs, an energy title, which increases opportunities for soy biodiesel, and increased funding for important trade title programs in the Bill."

"On behalf of ISA, let me thank Chairmen Tom Harkin and Larry Combest and their colleagues on completing this demanding process in time for programs to be effective for 2002 crops," Hoffman added.

The completion of the bill comes after much diligent work by both ISA and American Soybean Association (ASA) directors on behalf of Iowa soybean producers with key legislators. Good farm policy is the goal of the lobbying efforts by members of both ISA and ASA. ISA will continue to be a leader in efforts such as these to ensure equitable treatment in the 2002 Farm Bill and other soybean policy issues.

Mr. HARKIN. These three farm groups in Iowa all support this farm bill.

I listened to the debate on the floor. I listened to my colleague from Iowa earlier. This is the first opportunity I have had to respond.

My colleague and I have been friends for 28 years now, I guess it is, since we both came to the House in 1974. We worked very strongly together on issues of concern to our State and Nation. We do not always agree on things, I understand that, but we do work together.

I think we have a pretty big disagreement on this farm bill. I say to my colleague from Iowa—he went on about the trade portions of the bill and whether or not it is going to violate WTO. I want to set the record straight one more time. This bill will strengthen our position in the WTO negotiations. It will strengthen it. If we go down towards zero in amber box payments, that weakens our bargaining position. The closer we get to \$19 billion, that strengthens our position. It strengthens it basically because of what Senator CONRAD from North Dakota was talking about—how much the European Union supports its agriculture.

Second, my colleague from Iowa said there was a one in five chance that we would violate the WTO. That is a statistic that has come from the Food and Agriculture Policy Research Institute. That said they estimated about a 19-percent chance, I guess, of this violating the WTO.

FAPRI also said the present law, the law we have been under since 1996, has a 14-percent chance of violating WTO. So the present law is 14 percent, this is 19 percent; that is a very modest change, a very modest amount difference. So we should not be worried about that. We are well within the bounds of WTO.

I reaffirm that this farm bill is for our farmers. We stick up for our farmers. We stick up for our ranchers. We stick up for our people in rural America. Through the process of our committee and the House process and the conference committee process, we work out what we believe is best for our producers, our farmers, and our ranchers—not what is best for Germany, France, Brazil, or China. That is their business. As long as they do it within the WTO, it is their business. How we seek to address our problems and to help our producers is our business. It is not the business of France, Germany, Italy, England, Brazil, China, or Japan. That is our business.

I hope people understand and recognize that, yes, we have a WTO, but our first obligation, as we held up our hand and swore our oath of office here, our first obligation is to our people, to make sure we take care of our people first.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, I yield time to my distinguished colleague from Montana.

Mr. KENNEDY. Mr. President, will the Senator yield for a consent request?

Mr. LUGAR. I am happy to yield.

Mr. KENNEDY. I ask unanimous consent that I be allowed to follow the remarks of the Senator from Montana.

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

Mr. LUGAR. Mr. President, how many minutes does the Senator request?

Mr. BURNS. Mr. President, I am going to keep it as short as I possibly can. I want to make a couple of comments, and then I will fade away into the past. How is that?

The PRESIDING OFFICER. The Senator from Montana.

Mr. BURNS. Mr. President, I thank the Chair, the chairman of the Agriculture Committee, and the ranking member.

I start off by thanking them for the work they did on this bill.

Agricultural legislation is, of course, very important to the State of Montana. There is no question about a changed policy on how we serve agriculture. There is no doubt in my mind that this bill will not bring lower prices for food commodities. Agribusiness will continue to buy as cheap as they can. The taxpayer will continue to pay their prices, and also the taxpayer will continue to participate in the income of American agriculture at the production level. That is not going to change. What has changed a little bit is that we are into price support protection of a commodity. We are not in the business of guaranteeing the income of the farmer.

This will allow us to make a strong argument for a market-driven economy on the global scene.

It will have trade impacts. There is no question in my mind.

Even though we have dealt with this kind of situation before, it is my belief that we will drive up the cost of land. When we do that, the bigger producers will buy out the lower producers. So we don't save a lot of small producers—the people we are trying to help out.

That is what farm bills do. That is what price supports on commodities do.

I will vote for this bill. But it is hard to stand up here and talk philosophy and about a direction when you are in the middle of a 5-year drought. Montana needs some help.

Will this bill help those who are in a drought? No, it will not. We will have to get some supplemental money somewhere for drought relief. I think we can do that, if we work very hard.

The total cost is over budget—as submitted by the Congressional Budget Office—by \$80 billion. We thought we were operating within around a \$70 billion or a \$72 billion budget. We know we are over budget for this particular piece of legislation.

In spite of all of these loan rates and targets, there is a strong suspicion on my part that we will be back in the

business of overproduction. If there is a strong conservation title in this bill, it will be hard to implement with soil conservation and water conservation with an enticement to overproduce. I have a suspicion that it is in here.

We didn't do anything about insurance. We didn't look into that to see how it is used in unusual ways to enhance the purchase of revenue insurance for farms. We need to look at that.

We didn't get the packer concentration legislation that we wanted, nor did we prevent the USDA from using a USDA stamp on meat products imported into this country. We did get a country of origin label.

That may be a slippery slope. There is a downside to that. But for every upside there is always a downside. We hope when we get into the administrative rules of that program we can have some input so that our producers are not only protected but have the ability to participate.

I know some of us in this body do not live on a border. But I will tell you our challenges along that border are much greater than some would imagine.

We did nothing about captive shippers when we moved our crops to ports and plants.

Those of us who only have one railroad have real serious concerns about producing for the railroad. It wasn't meant to be that way. But that is the way it is under present conditions.

As you know, in agriculture, we buy retail and we sell wholesale, and we pay the freight both ways. Those things were not even dealt with or looked at in this piece of legislation.

As we look at this issue, we are back to loan rates which are a little bit higher than before. We are back at targets, and we are back to deficiency payments.

Those of us who thought we were going to get an LDP payment in September forget about that. It is going to be smaller. You are going to get it in four payments starting this September. The last payment is coming in June of next year.

I don't think that is going to make every banker in the world happy. It won't get us out of our doldrums as far as producing this year's crop.

Like I said, we haven't had a crop for 5 years. Again, we are in a situation in Montana where we need an infusion of money. That is what drives my vote today. It is not because I agree philosophically about where this bill is taking us. I think probably when you look at it, the chairman of the committee was exactly right. If you look at it, it is not very much more money for our producers as compared with where we have been in the last 4 or 5 years. It doesn't increase their income all that much. You will just have to do more paperwork to get it with risk involved.

Tomorrow, we will vote for this bill. But I have the expectation that it will not be long before we will be revisiting this business of agriculture—before any of us are gone from this body.

I thank the Chair. I yield the floor.

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

Mr. KENNEDY. Mr. President, I wonder if the good Senator would be kind enough to yield 15 minutes off the bill.

Mr. HARKIN. I yield 15 minutes to the Senator from Massachusetts.

The PRESIDING OFFICER. The Senator from Massachusetts.

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

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I yield time to the distinguished Senator from Wyoming.

The PRESIDING OFFICER. The Senator from Wyoming is recognized.

Mr. THOMAS. Mr. President, I think we are talking about agriculture generally, are we not? Good. I wanted to talk about the farm bill. I had thought that is what we were talking about this afternoon. Apparently other issues are talked about as well.

In any event, the bill before us, of course, is the conference committee report on agriculture. That is the one, it seems to me, we need to focus on at the moment.

I begin by saying I am pleased we have a conference report on the agriculture bill. The conference report is before us and we can make a decision with respect to agriculture in the bill that is before us.

For much of agriculture, of course, this is a key time of the year. Completion here is certainly very timely and one that is very important.

I know that colleagues on both sides, the House and the Senate, spent many hours over the past couple of months working to reach a compromise. I thank them and their staff because I know it was very hard work and it takes a very long time.

We need a farm bill. We need a farm bill. That is very important to our economy. It is very important to our Nation. It is very important to homeland defense and all the things that are important to us. Producers in rural communities depend on a stable farm policy.

Of course, the bottom line, what we ought to be talking about, is a stable farm policy, the kind of policy that will show to us in the future where we want to be in agriculture.

I get a little concerned sometimes as we talk about all kinds of subjects and obviously talk about the immediacy of them. And that is the fact. But we really ought to be thinking a little more of where we would like to be in 10 years or 20 years. Where do we see agriculture? Where do we see our families and our communities in 10 or 20 years? What do we want agriculture to look like? That really ought to have an impact on what we do in the long term, and what we do now is going to impact that long term.

If we could develop a vision of where we wanted agriculture to be, then, of

course, decisions we make in the interim would be much easier and certainly would lead toward the goal that we want.

Many of the programs that are in this bill affect Wyoming and are beneficial to Wyoming. The new sugar program is based on marketing allotments. Sugar, interestingly enough, in Wyoming is a major commodity and has been one of our biggest cash crops in our State of Wyoming; in addition to being one of the relatively few products that goes out to the retail markets that is entirely processed in our communities in Wyoming.

New policies are designed to keep the market in balance and to have something to do with production and control and to prevent the costly, damaging forfeitures we have had in the past.

As you probably know, we have been for years about the second largest producer of lamb. So we needed to ensure that this product is eligible for a marketing loan, and we are happy that it does. I am pleased that the conference provided wool producers with a new opportunity, similar to others, to grow and to strengthen their markets. These producers are making changes. These producers are looking forward and seeking to develop a niche market for their own products and to work with processors so they can move forward.

One of the things we have seen in agriculture, of course, is out of the total price for a retail agricultural product, the percentage that goes to the producer is getting smaller and smaller. So we are making some moves there.

Wheat, of course, is the only so-called program crop in Wyoming. The report continues to provide assistance, of course, to wheat producers.

Conservation is important to all of us in agriculture, and I think maybe it is particularly important to those of us in the West—maybe not any more important but we really like open space and we really like to keep properties, lands open. Of course, the answer to that is to have an effective agriculture, to have a profitable agriculture where people can stay on the land and keep it open and available. So we are pleased with that. It provides a means for producers to comply with Government mandates while voluntarily working to protect the environment. Water quality is one of those things, and we certainly need to be very careful about that. It is a very important thing to us.

The report subsequently boosts spending for conservation to \$17 billion. That is good. Conservation affects everyone. One of the things we tried to do, and I tried to do as a member of the committee, was to kind of get off of this program crop thing, where the high majority of the money has always gone, and put it over a little bit more on general agriculture so we could have an impact on the broad view of agriculture and not just on cotton and wheat and corn and soybeans. They are important, too, of course, but they are

not the only crops in the world. So this conservation approach was one of the best that we could take.

As we worked on this bill in committee, as a member of the Agriculture Committee, I spent the bulk of my time working on the conservation title.

Efforts such as the Environmental Quality Incentives Program, EQIP, helps farmers and ranchers with technical information, with water quality as it comes through their land, with livestock grazing, and so on. This is strengthened.

So I thank the conferees for incorporating much needed reforms in this program, such as boosting cost-share dollars, eliminating priority areas, and eliminating bidding-down procedures.

I am also pleased with the authorization of a new program for grasslands—the Grasslands Reserve Program. There are efforts here to assist in the protection of native grasslands, and it is particularly beneficial to western ranchlands that are being threatened by land sales and land fragmentation.

There are a number of programs in the bill that are critical for rural communities and the Nation's hungry, including rural development and nutrition programs, including food stamps, one of the major expenditures.

In my opinion, there is no question that these are important programs. I support them. However, on balance, I have concerns with the farm bill. Even though, as I have enumerated, I support those things that I think are reasonable, I think the final product has missed the mark. I believe Congress should be working to move agriculture more to a market-based economy versus one supported entirely by the Federal Government.

Here again, what do we want to see in agriculture in 10 or 20 years? Do we want the Federal Government to be in charge of farm production in this country? I don't think so. We want to develop the market so we can have prosperous agriculture in the private sector and people can make decisions for themselves.

This report is a dramatic step away from a market-based economy. Total spending has ballooned to about \$83 billion over 10 years, according to the CBO score released yesterday. That is an increase of \$9.3 billion over the original budget of \$73.5 billion. Most of the increase is in the commodity title. Roughly \$48 billion is devoted solely to the commodity title. If you incorporate CBO's new score, we are spending \$57 billion for commodity programs alone.

In my opinion, the policies in this report will stimulate overproduction in an already fragile market. So we would move away from market control and move into a level set by loans and payments. Further, these same policies will price our products out of foreign markets. The fact is, about 1 in every 3 acres in agriculture must be in overseas markets. We produce much more than what we consume. We need to understand that those markets are vitally important to us.

Furthermore, farm policy, as I have mentioned, should benefit all of agriculture, not just select crops. Wyoming is not a crop-oriented State. Yet agriculture is one of our top three economic industries. Farm policies do not benefit my constituents as much as they do producers in the Midwest or even our surrounding States.

We should all question how these new policies will impact our trade negotiations and our export markets, which is what we are dealing with when this is over. If we have exceeded the so-called "amber box" allocation, our competitors can retaliate against our products because they think we have subsidized our products through this approach. How does retaliation benefit U.S. producers? Being locked out of export markets is a serious concern. We felt that very much when we had the Asian currency crisis and much of beef was going to Asia and the markets were building, and suddenly it did not. Now we find ourselves with relatively high tariffs there, which we ought to be able to negotiate down if we can deal with that.

When the United States is party to only a handful of agreements, we effectively limit our possibilities. If we aren't selling the wheat, corn, or beef to the world, someone else is.

When we began debate in the Agriculture Committee, I urged all of my colleagues to think about the future, where we were going to be. I think in most all we do we ought to be thinking about the long-term impact. I think that ought to be done here certainly.

Unfortunately, I fear this farm bill will create additional reliance on Government assistance, while simultaneously threatening our export market possibilities. So there are some questions in my mind about the conference committee report.

I was not on the conference committee. I have a question about packer ownership. As the chairman knows, I have long been concerned about the impact of packer concentration, where three or four packers handle 80 percent of the livestock. During Senate debate, I cosponsored an amendment to ban packing companies from owning and feeding livestock prior to slaughter. I would like to have someone from the conference explain to me why it is no longer a part of the farm bill if this would provide for more competition. Why would we not be for that? If it is better for producers, why would we not be for that?

Disaster assistance. Unlike much of agriculture, livestock producers do not have a Federal program. They have received very little assistance over the last few years, despite ongoing drought conditions that have forced many to sell all or part of their herd.

I would like to have the conference personnel tell me why, in a time of providing record assistance for agriculture, the conference report does not contain disaster assistance to agriculture, this conference report does not

contain disaster assistance for livestock producers. We are providing \$94 million in market loss assistance for apple producers and \$10 million for onion producers—but not for livestock producers.

Again, there are some excellent portions of this bill. On balance, it is not moving in the direction we want to go in in terms of the future of agriculture.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa is recognized.

Mr. HARKIN. Mr. President, I yield 10 minutes—and more if he needs it—to the Senator from Georgia. He has been a very valuable member of our Senate Agriculture Committee. I take this opportunity to thank him personally for his diligence, his effort, and input into our committee deliberations, and also on the floor. I daresay that many of the good provisions that we have—especially dealing with getting the whole peanut program changed over to what it was in the past to meet new challenges for the peanut growers in America—would not have been there without the efforts and strong input from the distinguished Senator from Georgia. I yield to him 10 minutes or more if he needs it.

The PRESIDING OFFICER. The Senator from Georgia is recognized.

Mr. MILLER. Mr. President, I thank the Senator from Iowa for allowing us to work so closely together on this piece of legislation.

Like many of our colleagues, I have been reading a great new book by Robert Caro on Lyndon Johnson, entitled "Master of the Senate."

I enjoyed the hundred or so pages on the Senate as an institution, and especially the chapters on Senator Richard Russell of Georgia. He is an icon in my State and, of course, one of the greatest Members to ever serve in this body. We remember him mostly for his contributions as chairman of the Armed Services Committee. But another of his great causes was that of the American farmers. When he was a freshman, just in his thirties, he became chairman of the Appropriations Subcommittee on Agriculture. Now, those were the days.

One of the things he was most proud of was his fight for a national school lunch program. Senator Russell would like what is in this farm bill for nutrition, and I think he would like the other parts of it as well.

Speaking on the importance of agriculture, Senator Russell once pointed out:

Every great civilization has derived its basic strength and wealth from the soil.

As I stand behind this desk he once used in this hallowed Hall, and as we deliberate this farm bill, it is well to remember those words:

Every great civilization has derived its basic strength and wealth from the soil.

I am afraid too many Americans do not understand that today. I strongly support this farm bill conference report, and I thank the members of the conference committee, as I said in the

beginning of my remarks, especially our chairman, Senator HARKIN, for their good and diligent work.

I also thank our majority leader, Senator DASCHLE, for his exceptionally strong leadership on this bill. We have a farm bill that the President has said he will sign, and I appreciate that. It is a bill that can be implemented this year and, most importantly, it is a bill that is good for all of America's farmers.

Farmers, ranchers, dairymen, bankers, equipment dealers, even family grocery store owners can finally breathe a small sigh of relief. With this bill, Congress will finally deliver some help to America's rural communities. Many do not realize it, but these communities are facing their biggest crisis since the Great Depression.

One of the most historic changes in this farm bill is the elimination of the Depression-era peanut quota system. Switching from this 80-year-old quota system to a new market-oriented program was not easy. In fact, it has been downright painful for many in my State, but I am confident this new peanut program will benefit not only peanut producers but also American consumers.

The new peanut program will allow our farmers to compete on a global scale, just as farmers of other traditional commodities do. It will provide access to new markets and fairer price competition with foreign countries.

At the same time, however, the elimination of the quota system will result in financial losses for many of Georgia's family farms. There is no question that this peanut quota is an asset. It is taxed by the IRS. It has been passed down through families from generation to generation. That is why on the Senate side, Senator CLELAND and I made sure farm families who have worked hard to purchase this quota over years are fairly compensated for their losses.

This bill gives peanut quota holders a fair 5-year buyout. Those who argue that quota holders do not deserve it simply do not understand how many have come to rely on this quota as their retirement. They do not understand how this quota system has helped fuel many rural economies for many years. So when we do away with it, as we are in this bill, in all fairness, we have to have a short transition. We need a bridge from the old system to the new, and this bill provides one.

I am very pleased the farm bill we have before us today does not have the lower payment limit that was adopted earlier by this Senate. That lower payment limit would have helped no farmer, but I can guarantee you it would have hurt many. I do not exaggerate. It would have forced many farmers in my State and across the South to put their farms on the auction block.

One has to understand the type of agriculture found across the South to realize the ill effect of lower payment limits. The cost of producing traditional commodities in the South often run three to four times higher than the

cost of producing corn and wheat in other parts of the country.

Also, the size of a family farm in the South can be as large as a few thousand acres, much bigger than in other parts of the country. Our farmers in the South should not be punished because their production costs are greater or because their family farms are bigger.

The payment limit the conferees have worked on, a compromise between the House and Senate, closes the loopholes that have received so much public attention in recent years, but at the same time it still allows our farmers to produce the cheapest and healthiest food supply in the world.

Producers have the right to pursue efficiency and adapt to a changing world economy. I am pleased the conferees in the end understood the need to develop a final bill that will not hurt American farmers.

There are other important pieces of this bill as well.

This bill contains an 80-percent increase in conservation spending. That large an increase is unheard of. The increased funding will help with programs such as the Conservation Reserve Program, the Environmental Quality Incentives Program, the Farmland Protection Program, and the Wildlife Habitat Incentives Program. All of these programs are critical to farmers and livestock producers throughout Georgia.

These conservation programs help products comply with the costly Federal regulations that the Government continues to throw our way. In addition, this bill contains significant funding increases for research which we do a lot of in our university system in Georgia. I have already mentioned nutrition, forestry, trade, and rural development programs are all here.

Mr. President, our farmers have waited long enough. Our rural communities have suffered long enough. Our previous agricultural policy has failed to provide the backbone needed during these depressed times in rural America.

For the sake of those rural communities in Georgia and all across this country, I thank, again, the leadership of the Senate and the House who have recognized this emergency and addressed it head on. I ask my colleagues to vote in support of this farm bill. It is a good one.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I yield time to the Senator from Arizona. How much time does the Senator require?

Mr. MCCAIN. Fifteen minutes.

Mr. LUGAR. I yield 15 minutes to the Senator.

The PRESIDING OFFICER. The Senator is recognized for 15 minutes.

Mr. MCCAIN. Mr. President, I speak against this farm bill conference agreement that will serve as the basis of farm policy for the next 6 years. I oppose this legislation because it is an appalling breach of our Federal spending responsibility and could be damaging to our national integrity.

Included in this agreement, as we all know, is \$83 billion in new spending for

farm programs above the baseline, which brings the grand total to \$183 billion for the life of the bill. In yearly spending, the projections for this new farm bill will rank among the most expensive farm bills in recent history.

Before I launch into my remarks, I wish to say that some of this new spending is laudable, including funding for conservation programs, increased funding for food stamps and nutrition programs, but unfortunately the bad policies outweigh any positive developments. Farm spending will reach record levels, and modest reforms were eliminated. We had a few modest reforms enacted on the floor of the Senate. All of those were eliminated.

It is no surprise that the adherence to the status quo is particularly disappointing since information was widely available demonstrating the overwhelming disparity of farm payment distributions. The GAO study highlighted the egregious disparity in farm benefits, demonstrating that over 80 percent of farm payments primarily benefited large and medium-sized farms. Other studies by the Environmental Working Group found that in evaluating U.S. Department of Agriculture data, the top 10 percent of big farmers and agribusiness consumed about 80 percent of farm benefits, leaving small farmers out in the cold.

When Members talk about small farmers, how in the world do you justify that—when they took out, I say to the distinguished managers of the bill and conferees—they took out the requirement, the ceiling we put on the maximum amount that a farmer could desire.

Tyler Farms in Helena, AR, received \$23 million in cotton payments in 2001.

Cenex Harvest States Co-op in St. Paul, MN, received \$9 million in wheat subsidies and also received \$7 million in corn payments as well.

A farmers rice co-op in Sacramento, CA, received \$40 million in rice subsidies, while Riceland Foods, Inc., in Stuttgart, AR, received \$38 million.

Mr. President, how does one justify this? What is going to happen? We all know what is going to happen. The same thing that happened in the past: 80 percent of the large corporations and large farms get the money; they buy out the small farmer, and the farms get big and the small farmers, whom ostensibly we are trying to assist in this legislation, are the ones who have to sell. A very large percentage have an average of about \$1,000, while the major agribusinesses receive hundreds of millions of dollars. I don't have the figures for ConAgra and Archer Daniels Midland.

A modest effort was made to limit farm payments to \$250,000 per farmer. Despite overwhelming justification for this modest limitation, looming farm and election year politics pressured conferees to reject any reasonable limitations. Nothing in this bill will serve as checks and balances to prevent the bulk of payments to selected commodities such as cotton, wheat, and corn

growers and large farming conglomerates.

This is not to say other targeted commodity groups are completely left out. A new mix of old and new subsidies flows in abundance in the final conference agreement, with \$94 million in mandatory funding for market loss assistance for apple producers, \$10 million in mandatory funding for onion producers, \$1.3 billion guaranteed for dairy producers as a compromise for ending the Northeast Compact. Wool, mohair, and honey subsidies have been resurrected, which were phased out or eliminated in the 1996 farm bill.

I remember in 1996 we were so proud of the fact we finally eliminated mohair subsidies. We were so proud because mohair subsidies were put in during World War I because mohair was deemed essential to the production of uniforms for the Army—uniforms for the doughboys of World War I. We finally got rid of it in 1996. And guess what. Like Freddie, it is back.

Honey subsidies have been resurrected; a new payment and loan program for producers of dry peas and lentils; \$500 million is secured for sugar growers, in addition to a continuing lucrative loan subsidy program.

I will talk about sugar for a minute. We are talking about wanting to help the poor countries in our own hemisphere. We are committed to helping Africa with massive economic aid. Bono, the great musician of U2, made a crusade of assistance, particularly for Africa, and we are going to pour American tax dollars into these countries to help their economies. Meanwhile, we are going to cut off every possibility they have of making a go of their economies because we will not allow their products into the United States of America, whether they be textiles or whether they be sugar.

Sugar is amazing. We have a couple guys down in Florida who control this huge amount of sugar production, and they are able, through their political clout and massive campaign contributions, to have an enormous impact on our protectionism. Meanwhile, we will borrow these products—whether they be textiles from poor Central American countries or sugar from Caribbean countries—and then we will turn around and give them economic aid, when really the best economic aid we could probably provide to these nations would be to allow them to export their goods and products to the United States of America. The American consumer is the one who would pay less for a pound of sugar, would pay less for sugar, would pay less for a pair of trousers or a shoe or a banana.

What have we done? We are costing the American average citizen, one who is not a farmer, big or small, enormous amounts of money because we will prop up a price, and because the agribusiness is by the small farms, they will cultivate them and they will grow more products, there will be more of a surplus, and we will, again, lift the sub-

sidy, costing the average citizen a lot more money. This is a vicious cycle we are in. It is one that obviously is going to be very damaging for a long time.

While proponents of this bill claim otherwise, the potential for overproduction may result in lower market prices, forcing Congress to once again respond with emergency payments, forcing the United States beyond the \$19.1 billion annual limit agreed to in recent World Trade Organization negotiations.

We have another problem with the bill. The WTO and other trading partners will not sit still for it. We will see some serious confrontation between ourselves and our friends overseas and in this hemisphere, particularly in the WTO. There will be great legitimacy to their argument. What will happen is exactly what is happening now after we bailed out the steel industry. We are going to see them slap tariffs on our product, and we will see the average consumer, the average citizen—not Archer Daniels Midland, not ConAgra, not Tyler Farms in Helena, AR, that got \$23 million in cotton payments, not Seneca Harvest State Crop that got \$9 million in wheat subsidy and \$7 million in corn payments; it will be the average citizen.

We have a new payment and loan program for producers of dry peas and lentils, as I mentioned; \$500 million for sugar growers; \$204 million in mandatory funding for payments to bioenergy producers who buy agricultural commodities to expand production of biodiesel fuel, an additive made from soybeans and ethanol; \$650 million for the Market Access Program, which taxpayers subsidize, a marketing program for for-profit corporations on overseas advertising and promotion—I recall one: Over \$1 million which we are now spending to help convince people overseas to eat popcorn—establishment of a new peanut direct payment program at a cost of \$3 billion; an additional \$1 billion buyout program of the traditional peanut price support system.

All this new spending adds up to increased burdens for taxpayers, and it may threaten U.S. commitments through various trade agreements.

How can we say we are in favor of free trade when we are considering this kind of massive farm subsidy? I have argued a long time on the floor about catfish. A catfish is a catfish. Ask any scientific expert, any college professor. But we will call it by a different name so that we can “nail” the Vietnamese and make sure our domestic catfish industry is protected. And guess what. The price of catfish will be higher for the average citizen.

In a letter to Senator LUGAR, the Canadian Ambassador stated his concerns about the direction of this bill:

The direction of the 2002 Farm bill is counterproductive to the efforts of both Canada and the United States to achieve shared objectives for global agricultural trade reform. . . . Both the House and Senate versions of the Farm bill call for significant increases in

spending on trade-distorting forms of support. It is also a concern that U.S. legislators are considering reinstating abandoned production distorting subsidies (e.g., honey), and extending them to new commodities, such as peas and lentils.

This policy of subsidizing wealthy farming interests will have ripple effects throughout the developing world by stimulating overproduction and further driving crop prices down on world markets.

This farm bill already approaches \$200 billion over 10 years, but when it is said and done, the final cost will be much higher not only for the American taxpayer who must foot the bill but for the poor nations across the globe.

I have not seen in recent memory the unanimity as expressed by various newspapers across this country—the Washington Post: “This Terrible Farm Bill” and the Washington Post: “House Farm Vote on Farm Bill Carries Global Consequences.” The Wall Street Journal, in their own reserved, understated way call it “The Farm State Pig-out” and the Atlanta Journal: “Farm Legislation Illustrates Worst In Corporate Welfare Reform.”

With President Bush and Senator TOM DASCHLE pushing the new farm bill, voters must understandably be lured into believing this is a welcome sign of bipartisanship in our Nation's Capital. It is bipartisan already but hardly welcome. This is nothing more nor less than pure porkbarrel spending, enough to keep partisans on both sides of the aisle happy. Despite public outcry and outrage at such profligacy, the largest corporate welfare reform program in our country is now all but a done deal—it is a done deal.

“How to Keep ‘Em Down on the Farm: Subsidies; Congress: In Tribute to Agriculture lobbys’ Clout, bill bumps funding 70%.”

Says the St. Paul Pioneer Press: “A Three-Way Deal: Taxpayers Foot Farm Bill.”

Says the Washington Post: “Show down on subsidies.” Washington Post, May 2, 2002:

The farm bill that goes to the House floor for a final vote today is coming under attack from U.S. trading partners, with some experts warning that it could severely damage the economies of poor countries and set back the Bush administration's efforts to strike free-trade agreements.

“This is an appalling signal to the world and the farm bill is very, very bad for the international agriculture.” Warren Truss, Australia's Agriculture Minister, was quoted saying on his country's national radio network. The United States, he said, “is telling other people to lower subsidy levels but not doing the same thing itself.”

Before I conclude I would like to express my gratitude to my distinguished colleague, Senator LUGAR, a man of virtue and reason with respect to our Nation's agricultural policies, for the strong stance opposing this farm bill agreement. He alone acted in principled fashion for this Senate body, first by offering a true reform proposal for farm policy during Senate debate



which would have substantially reduced Federal farm payments and directed assistance on a needs-based approach. He boldly proposed to phase out cherished sugar, peanuts, and dairy subsidies. He also suggested that Federal assistance is more appropriately focused to those farmers who genuinely need assistance. As a farmer himself, he wisely recognized the fallacy of unlimited and unchecked farm subsidies and as demonstrated by withholding his approval on this final conference agreement. I applaud him for his brave battle against entrenched farming interests.

It is easy for me to vote and speak against this bill. It is not so easy for Senator LUGAR. I think he has displayed courage and wisdom and people will grow to regret, over time, that we did not heed his words and respect and vote for his proposals. That is because we have a train wreck coming and that train wreck is going to cost the American taxpayers a great deal in both quality of products as well as price.

I, obviously, will vote against the farm bill, and I do not think this is one of the Senate's finest hours.

I yield the floor.

The PRESIDING OFFICER. The Senator from Arizona has consumed 15 minutes. The ranking member controls 15 minutes; the chairman of the committee controls 4.5 minutes. Who yields time?

Mr. LUGAR. Mr. President, I yield myself 1 minute.

I thank the distinguished Senator from Arizona for his thoughtful tribute. I appreciate very much the strength of his statement today. It was timely and important for all Americans to hear.

I yield the floor. I anticipate perhaps one more speaker on our side. I reserve our time.

The PRESIDING OFFICER. Who yields time? Does the Senator from Iowa yield time?

Ms. CANTWELL addressed the Chair.

The PRESIDING OFFICER. The Senator from Washington.

Ms. CANTWELL. Mr. President, I ask unanimous consent to address the Senate for 5 minutes as in morning business.

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

(The remarks of Ms. CANTWELL are printed in today's RECORD under "Morning Business.")

The PRESIDING OFFICER. Who yields time?

Mr. LUGAR. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. The Senator from Indiana has just under 15 minutes. The Senator from Iowa has 4½ minutes.

Mr. LUGAR. The speaker I anticipated is not present and therefore I am delighted to hear from the Senator from Florida.

The PRESIDING OFFICER. Who yields time?

Mr. NELSON of Florida. I ask unanimous consent to speak for 5 minutes as in morning business.

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

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

Mr. LUGAR. Mr. President, I note there is no speaker on our side. I anticipated that perhaps the distinguished Senator from Oklahoma, Mr. NICKLES, would be available. Therefore, I would suggest that a quorum call be instituted—I suspect the time has already left on the Democratic side, and there would be 13 minutes remaining on our side—and that this be allowed to run out. In the event that Senator NICKLES appears, he might utilize the remainder of that time. Otherwise, we will come to the conclusion of the debate on the farm bill today and will be prepared for another vigorous session tomorrow.

I suggest the absence of a quorum, and ask that the time be charged to our side. There will not be any time left. Otherwise, I suggest equal charging.

The PRESIDING OFFICER (Ms. CANTWELL). Four and one-half minutes remain to the Senator from Iowa.

Mr. LUGAR. I suggest the time be charged—I delay my request for a unanimous consent request and ask that the time remaining on our side be yielded to the distinguished Senator from Oklahoma.

How much time remains on our side?

The PRESIDING OFFICER. Twelve and one-half minutes.

Mr. LUGAR. I yield 12½ minutes to the Senator from Oklahoma.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. NICKLES. Madam President, I wish to come to the floor and make a few comments on the agriculture bill. First, I wish to compliment the Senator from Indiana, Mr. LUGAR, for his statement today, for his comments, and for his very astute recognition of some of the problems we have in this bill.

I want to be in favor of an agriculture bill. I want to be in favor of a farm bill that is going to help farmers. Unfortunately, I think this bill fails that test.

I look at this bill from a lot of different angles. I want to help agriculture. I think every Member in this body wants to help agriculture. But is this bill the right way to do it?

If we pass legislation that is going to greatly encourage production and have the Government paying for a lot of it and then drive prices down, are we helping agriculture in the long run? I am afraid maybe we will be hurting agriculture in the long run.

As a matter of fact, there is a study which is just coming out that talks about the price of wheat going down for the next 5 or 6 years as a result of this bill. This bill is a 6-year bill. We are just trying to get a handle on the cost of it. There is a new estimate coming from the Congressional Budget Office that estimates the cost of this bill greatly exceeds the estimates by a total of about \$9 billion.

The level we were negotiating with the President on was \$73 billion over present law over 10 years. Now we have the Congressional Budget Office coming up and saying we find this is another \$9 billion on top of the \$73 billion, for a total of right at \$83 billion over and above present law.

In other words, we are saying present law wasn't doing enough to help agriculture. So there was a bipartisan agreement with President Bush that would put in an additional \$73 billion to help agriculture. That was done. But evidently that wasn't enough because a new scoring came out indicating this busts that budget by an additional \$9 billion. That is one reason to be opposed to it.

Then I look at what happened on the cost limitation. We passed an amendment in the Senate in which I and others participated. It passed with 66 votes. We said we want to have a payment limitation. Payment limitations have grown dramatically. Years ago, we had payment limitations of \$40,000 or \$50,000 per farmer. Yes, we found that different people were skillful in their evasion of those limits. They had multiple payments in their families and pyramid schemes. We tried to tighten that up.

Anyway, we had bipartisan support for an amendment, 66 votes that said: We want to have a limit of \$275,000, and that would include certificates. We adopted that with a big vote. We sent it to conference. And we come back to find the limit is not \$275,000, it is \$360,000. So it increased substantially over what we passed in the Senate. And, oh, incidentally, in the \$360,000, they forgot to count certificates.

Not to get too complicated, but any farmer who is listening to this knows what I am talking about. It means there is no limit. It means the difference between the loan rate and the price you receive will not count towards your total payment limitation of \$360,000, so you could have payments of \$1 million.

Senator LUGAR talked about, for his State, looking it up on the Web site you could see that this would only apply to six or seven farmers. I looked for my State, and it would apply, frankly, to more than that. But I find out there are a lot of farms where those payment limitation numbers, that are posted by the environmental group, greatly exceed that, because they run things through co-ops and other organizations that do not show the payment limits, that are not attributing those to individual families.

So the point is, the Senate adopted an amendment that said: Let's have a payment limitation of \$275,000. The bill comes back with \$360,000, and it has no limitation whatsoever on the certificates.

Then we have to look at the crops.

I heard Senator LUGAR say earlier today: Does it make sense to have a program on cotton that has a current market price of 31 or 32 cents, and we have a target price of 72 cents? The difference is 41 cents. That 41 cents is 131 percent of the market price. The Government is going to be paying more in subsidy than what the market is. The market is 31 or 32 cents, and the Government is going to be paying basically the difference. The Government is going to be paying 41 cents for a total payment to the farmers of 72 cents per pound. That is an enormous subsidy in cotton.

What about in rice? The average price is about \$4.20 per hundredweight. The target price for rice is \$10.50. So the Government payment is going to be \$6.30, about 150 percent of the market price.

Does that make sense? And if you have the Government paying so much more than what the market price is, we are greatly encouraging production of these commodities well in excess of what the market says we should be doing, so we will be drowning in surpluses, keeping the prices low.

What about in wheat? In my State, we grow a lot of wheat. The market price and the loan rate are just about the same. But the target price is \$3.86. The market price is about \$2.80. So it is a difference of \$1.06. That is what the Government is going to pay. The Government is going to be paying 38 percent more than what the market price is for wheat.

Compare that to current law. It is about 16 percent of the market price. Under current law, the Government pays about 46 cents per bushel in wheat. Under this bill, we will pay \$1.06 per bushel. So that is over twice as much Federal subsidy per bushel.

You might say that is great for your State. It may benefit a few of our wheat farmers, but the net result is, collectively, nationally, what we are going to be doing is encouraging a lot of overproduction, and prices will continue all. As estimated by this one study, prices will fall. Does that help wheat farmers in the long run? I do not think so. I do not think it is going to help them. The net result is, we are going to be putting a lot of people into bankruptcy.

Look at corn. For corn, you have a market price of \$1.90, you have a target price of \$2.60—a differential of 70 cents. That is 37 percent of the market price. The Government would be paying 37 percent more than what the market would dictate we should be paying in corn.

Compare that to present law. The differential is 26 cents. So right now the Federal Government is paying a 26-cent

differential on the market price of corn. That is 14 percent. That more than doubles now to 70 cents. So we are going to have more corn production. Somebody might say that might be great for corn farmers. But guess what. You encourage a lot of production in excess of demand and you are going to be drowning in surpluses, and prices are going to fall.

So Government payments are going to go up. We are increasing a Government dependency system here that is broken. It needs to be fixed. But instead of fixing it, we are making it worse. These Government payments are going to get bigger and bigger, and maybe people will see, on Web sites, how much people are really making and come back to Congress and say: Wait a minute. Fix it. You should not be paying a few people—and it is exactly a few people who are really going to be the beneficiaries.

What we will have is a situation where the smaller farmers will be bought up by the big ones. The smaller farmers are not going to be able to make it. So this is going to exacerbate and accelerate the move from small farms to large corporate megafarms, and the megafarms are going to get the bulk of the money.

I think it has already been reported that the upper 10 percent of farms are getting two-thirds of the cash payments out of agriculture. That figure will increase. It will soon become where the upper 5 percent of farms will be getting 70 percent of all the money coming from this program; and maybe that figure will even climb from there.

Madam President, I ask unanimous consent that a farm bill payment comparisons table and a farm bill spending table be printed in the RECORD.

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

#### FARM BILL PAYMENT COMPARISONS

	Wheat		Corn	
	Current	Conf	Current	Conf
2001/2002 season average price .....	2.80	2.80	1.90	1.90
Loan rate .....	2.58	2.80	1.89	1.98
Target price .....	n/a	3.86	n/a	2.60
Direct payment rate .....	0.46	0.52	0.26	0.28
Loan deficiency payment .....				0.08
Counter cyclical payment rate .....		0.54		0.34
Total payment .....	0.46	1.06	0.26	0.70
As a percent of market price .....	16%	38%	14%	37%

#### FARM BILL PAYMENT COMPARISONS

	Rice		Cotton	
	Current	Conf	Current	Conf
2001/2002 season average price .....	4.20	4.20	0.3140	0.3140
Loan rate .....	6.50	6.50	0.5192	0.5200
Target price .....	n/a	10.50	n/a	0.7240
Direct payment rate .....	2.04	2.35	0.0556	0.0667
Loan deficiency payment .....	2.30	2.30	0.2052	0.2060
Counter cyclical payment rate .....		1.65		0.1373
Total payment .....	4.34	6.30	0.2608	0.4100
As a percent of market price .....	103%	150%	83%	131%

#### FARM BILL SPENDING—OLD BASELINE 'VS' NEW BASELINE

Year	Cost under April 2001 budget resolution	Cost under March 2002 baseline	Difference
2002 .....	2.5	2.5	.....
2003 .....	7.2	8.5	1.3
2004 .....	8.8	10.4	1.6
2005 .....	9.3	10.7	1.4
2006 .....	8.9	10.1	1.2
2007 .....	8.5	9.5	1.0
2008 .....	7.2	8.1	0.9
2009 .....	7.4	8.1	0.7
2010 .....	6.9	7.6	0.7
2011 .....	6.8	7.3	0.5
Total .....	73.5	82.8	9.3

Mr. NICKLES. So there are lots of reasons to have concerns about this bill. I have mentioned the cost. I mentioned the enormous payments that would be made to some. I mentioned the fact that the total cash payments to farmers is really nonexistent because we did not count certificates. And then I look at the fact that we are getting agriculture in some areas where it really does not belong.

What in the world are we doing with an onion program? What are we doing with subsidies for apples? And what are we doing reinstating a honey program that we finally stopped? Why are we reinstituting a program for wool and mohair, which was created decades ago, and it really is not necessary to have a national program?

Why are we subsidizing the purchasing of all kinds of commodities just to prop up prices? Again, Federal Government intervention is like we do not believe in markets. And when we are talking about trade—and we have a trade bill on the floor of the Senate that we will be considering in a couple days—it is like, oh, yes, half of our trade negotiations are stuck in agriculture. For those who have not followed this issue, agriculture is very difficult to deal with in trade negotiations. We have just made it a whole lot worse.

When we tell people, let's open up markets and we can compete—and we can compete in agriculture anywhere in the world—with this bill we are making it very difficult for our people. Those with whom we trade say: Oh, yes, you say we shouldn't subsidize our farmers so much, but look how much you are subsidizing your farmers.

So you are going to see greater and greater protectionism and greater and greater subsidies on both sides of the Atlantic—frankly, all across the world—with more Government dependency everywhere.

Who will be the real losers? Certainly, the poor and developing countries will be losers because they cannot afford to get into this kind of battle. And, frankly, the American taxpayers will be the losers as well because we will be writing a whole lot of checks to produce commodities that we do not need and that the market is saying we do not want. We produce so much more than we can consume, so we have to export.

This bill is going to make it more difficult to export. So we are going to

be drowning in our own surpluses. Market prices will fall further, and Government payments will go up. That is the net essence of this bill. I hate to say that. I wish that were not the case.

I have supported agriculture bills in the past, unlike some of our colleagues in this Chamber. I would like to support an agriculture bill this year. Unfortunately, I see this bill as taking a giant step in the wrong direction, a direction where people will not be farming, due to what the demand or the marketplace is dictating, but, frankly, a marketplace dictated by Government, Government subsidies, Government largesse, and, ultimately, Government control. This Senator believes that is a mistake.

The PRESIDING OFFICER. The Senator's time has expired.

Mr. NICKLES. I yield the floor.

The PRESIDING OFFICER. Who yields time?

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

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

The legislative clerk proceeded to call the roll.

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

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

Mr. HARKIN. Madam President, how much time is remaining?

The PRESIDING OFFICER. Four and one-half minutes.

Mr. HARKIN. On this side. How much time on the other side?

The PRESIDING OFFICER. There is no time remaining.

Mr. HARKIN. Madam President, I think all has been said that needs to be said, at least for today, on this farm bill. I guess we are going to have 6 more hours of saying it all over again tomorrow. So I see no need to stay here any longer.

I yield back the remainder of our time.

The PRESIDING OFFICER. The Senator's time is yielded back.

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

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

#### MORNING BUSINESS

Mr. REID. Madam 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 5 minutes each.

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

#### THE EDUCATION BUDGET

Mr. KENNEDY. Madam President, I thank the Senator from Iowa for yielding the time. This is extremely important legislation. As one who from time to time manages floor legislation, I recognize that it is important to keep the focus and attention on the pending subject matter.

But I want to take a moment of the Senate's time to talk about another issue which is important to the families in this country; that is, our education budget.

I take this moment now because we have had a series of actions by the administration in recent days that brought new focus and attention on the issue of education funding.

Money, in and of itself, is not going to answer the problems we are facing in this country on any public policy issues, and it will not in the area of education. But what we had last year was an education reform program that was worked on by Republicans and Democrats alike, the No Child Left Behind Act. Prior to passage of the new law, there was criticism of the federal education programs, that they were not resulting in the children developing academic skills and succeeding in our school systems across this country, and there was also a very fundamental understanding; and that is, while money alone will not solve the problem, reform alone will not solve the problem. If you bring reform together with resources, you are going to fulfill a recipe for progress for children in this country.

The reforms, which we spelled out in the new law, are raise standards for students and teachers and hold schools and school districts accountable for results. It requires a great deal from the students, a great deal from the schools, a great deal from the parents, a great deal from the local communities, additional responsibilities by the States. We in Washington told them that we were going to be a partner in this endeavor to try to really make a difference in enhancing academic achievement.

That was an endeavor on which many of us signed off. Many of us, who have been here for a period of time, have raised some serious questions about the seriousness with which our Republican friends are really committed to the areas of education and education reform. I remember, after we saw Republican leadership take over in the Senate, as a result of the elections of 1994, one of the first actions they undertook was a rescission of some \$1.7 billion in education funding that had already been appropriated for some of the neediest children in this country. We fought that. We fought it and fought it, but they had some success in rescinding funding. It was the same year the Republican leadership announced they wanted to abolish the Department of Education.

I think most of us in this body wanted the Department of Education, for

one simple and fundamental reason; that is, every time the President brings a Cabinet together, we want to have someone at that table who is the clear, powerful voice for children and enhanced education and investing in the children of this country and their education. That is what the a Secretary of Education should do. But they wanted to abolish the Department of Education. They said we could have many other Departments, and money in other areas of public policy. But we resisted, and we saw that the Department was not abolished.

Then, if you can believe, in 1995, in the Republican budget resolution that came over from the House, they tried to effectively eliminate over \$18 billion in student loans support over a 7-year period. We were able to resist that, just as we resisted Republican efforts in 1981, when President Reagan initiated what they call an origination fee on student loans, an additional kind of payout. We were able to reduce that in a significant way. But students still pay too much up front to borrow money to go to college.

This is the record over a very considerable period of time. Three years ago, we had the battle on the floor of the Senate on elementary education, and there was a move to eliminate and support for 800,000 homeless children, 800,000 migrant children, 800,000 immigrant children who were going to be American citizens. The Republican leadership did not want any coverage for them.

The American people have a certain hesitancy and a certain concern about the legitimacy of the other side's real interest in investing in education. The list of anti-education proposals from the other side continues to go on.

Just ten days ago, we saw the proposal by one of the leading authorities in the administration, Budget Director Mitch Daniels, who suggested a new way to shortchange students pursuing their college education in this country, by effectively denying them the opportunity to go for the lowest-interest rates on student loans that long have been available to them. The Administration sought to require that students pay higher interest rates on their loans, rates which would mean, for the average student, more than \$3,000 in additional expenses over the life of their loan. If that loan was \$17,000, and repayment were stretched over 30 years, it would be an additional \$10,000 in costs.

That is a very clear indication of how the Administration views support for higher education for students in this country.

Now, we find that the President is out traveling across the country talking about the importance of funding education, understanding that we need reform and that we also need resources.

Just yesterday, this is what the President said in Michigan:

The Federal Government has responsibilities. Generally, that responsibility is to

write a healthy check, and we did so in 2002—\$22 billion for secondary and elementary education. It's a 25 percent increase. We've increased money by 35 percent for teacher recruitment, teacher retention, and teacher pay.

I wish that had been their proposal, but it was not. It was not. Their proposal was for a 3.5 percent increase, basically enough only to cover inflation despite the tremendous needs beyond inflation that our schools have. All of the difference between the 3.5 percent and what the President identified here was the result of Democratic leadership in the Senate and the Appropriations Committee to get that increase.

Let's be fair. Let's be honest. Let's be candid in terms of it. That is the basic and bottom line. And all we have to do is say: Well, if this really was their proposal last year, what happened to it this year? This year, the administration proposes a 2.8 percent increase, again inflation only. Why on the one hand would you go out and tell people in Michigan that you provided \$22 billion for elementary and secondary education, a 25 percent increase, and a 35 percent increase for teachers, recruitment for teachers for one year, and now come on back and propose a 2.8 percent increase.

Who is fooling whom? It was 3.5 percent last year, and the Democrats raised it to the figures the President talked about, and this year it is 2.8 percent. That is what is in the budget. That is what is in the budget numbers.

It gets worse. Look at what the administration's budget is for the future, according to the last budget conference report. It provides virtually zero new money for education for the next 8 years, all the way to 2011. They put forward funding to cover the cost of inflation, but not a nickel above it. There it is, as shown on the chart, for the next 8 years. For the next 8 years: a zero increase. We do not hear them talking about that. We do not hear the President or the Department of Education or anyone for the President denying this. It is because that happens to be it.

What we are saying is that we believe—believe deeply—that when you have an over \$2 trillion budget and you say education is your most important priority, outside of national security and the war on terrorism, we think you can do better on education than this. That is what the Democrats say. And that is what we want the American people want. An over \$2 trillion budget, and they can't do anything better than a 2.8 percent increase. It doesn't even meet the challenges of inflation and growing school enrollment, never mind all our unmet school needs.

So the schoolteachers who are out there now trying to upgrade their skills, as we have effectively required in last year's reform legislation, so that we can have a well-qualified teacher in every classroom, they are going to be denied the support. 18,000 fewer teachers who received training

last year budget will go untrained next year under the administration's budget.

Those children, whom we are asking to meet higher standards, who need that extra help and assistance in the after-school programs with tutorials, they are going to find the doors are going to be closed to them in the after-school programs. 33,000 children who received after-school learning opportunities will be pushed out of programs next school year under the administration's budget.

Why is it that at a time when the country has come together, and there has been a great hullabaloo about the signing of the No Child Left Behind Act—and I participated in it, and welcomed the opportunity, as others did in this body, to see that we were going to give national focus and attention on the issues of education—we are pulling the rug out from underneath this effort? Are we expecting that schools reform will be a success on a tin cup budget? It simply cannot be done. Every schoolteacher, every parent understands that. Every school board member, every principal, every superintendent understands it.

If we are going to leave no child behind, we cannot accept the Administration's budget that provides services to just over a third of all the needy children eligible for Title I assistance. They leave almost 6 million children behind. The Administration wanted to title our bipartisan school reform bill the No Child Left Behind Act. The legislation laid out a glide path of funding so that we would provide supplemental services for every needy child. That is what that legislation stated. That is what the President signed. But you don't get there with this budget.

What we are basically talking about here is whether we are going to get the qualified teachers in underserved areas, areas with the highest incidence of dropout rates among Hispanic Americans and the highest number of unqualified teachers. That does not mean those teachers who are working today under extremely challenging and difficult conditions don't want to be a part of this whole effort to upgrade skills. They want to be. Give them a chance. Give them a fighting chance.

That is what last year's bill sought to do. It sought to give them a chance for certification. Give them a chance for training. Give them a chance for upgrading their skills. We have seen where it has been done. It has been done down in North Carolina. It is being done in a handful of other States. We believe the Nation ought to be about it. That is the policy that last year's bipartisan legislation committed us. That is what we are not living up to.

I hope we can try to get back to what we committed ourselves to and what we are fighting for here today. We have the opportunity at this time to try to breathe new life into the pledge to leave no child behind. We still have the

appropriations process to go through. We welcome a President who says: All right. We have looked through these figures. We know we are fighting a war on terrorism. We know we are funding homeland security. But by God, at the greatest times of American history, we have not only fought overseas but we have invested here at home. The place to start off that investment is going to be here in the area of education. We are going to support those past efforts, those bipartisan efforts and make sure that the legislation comes to life with an infusion of added and desperately needed resources.

We are going to continue to make our presentation, continue to make this case day in and day out. We want to tell the parents in this country that when we were a part of voting for that legislation to enhance academic achievement and accomplishment, we said it was a national priority and we meant it.

This administration's budget does not make education a national priority. So, we are going to fight for those families. We are going to fight here on the floor. We are going to fight during the appropriations process. We will take on the administration. But we are not going to leave the children of this country behind.

#### ENRON MARKET MANIPULATION

Mrs. FEINSTEIN. Madam President, this morning I sent a letter to the Attorney General asking him to institute a criminal investigation against Enron and other energy companies. I will read that letter into the RECORD.

The letter says:

DEAR ATTORNEY GENERAL ASHCROFT: I am writing to ask that you institute a criminal investigation to determine whether federal fraud statutes or any other laws were violated by Enron and other energy companies engaged in energy trading and delivery of natural gas and electricity to the Western Energy Market in 2000 and 2001.

In January, during a hearing before the Energy Commission I asked Patrick Wood, Chairman of the Federal Energy Regulatory Commission (FERC), to investigate whether Enron manipulated prices in the Western Energy Market. The enclosed documents released by FERC indicate that Enron was not only manipulating prices in the West, but also engaged in a number of calculated strategies such as "Death Star," "Fat Boy," and "Get Shorty" to either receive payment for energy not delivered or increase price. In my book, this is outright fraud.

Since Arthur Andersen (the entire company) has been indicted by the Justice Department for shredding documents, it seems to me that Enron is at least as culpable, if not more so, for creating certain schemes to perpetuate acts of fraud on consumers under the guise of corporate strategies.

Because UBS Warburg has purchased Enron's trading entity, I am particularly concerned that the same manipulative trading strategies may continue to be in place today. I ask that you launch a thorough investigation into this matter which may well involve other energy companies that delivered energy into the Western Energy Market in 2000 and 2001 and continue to do so today.

Thank you for your immediate attention to this matter.

In the last 2 years I have listened to my colleagues, to FERC, and to energy companies tell me that the California energy crisis was caused by inherent problems in California.

I have never disagreed that California's flawed energy deregulation laws helped precipitate an energy crisis. But I have also always believed that energy companies took advantage of California and the rest of the West to manipulate the market and to drive up prices. There is simply no other way that energy costing \$30 a megawatt hour at one time, a few days later could cost \$350 a megawatt hour.

On March 7, one of my colleagues in this esteemed House said the following on the Senate floor to justify opposition to our futures derivatives amendment:

I have seen no evidence—in fact I will point out that Chairman Greenspan has seen no evidence—that derivatives by Enron, or by anybody else, had anything to do with the energy spikes in prices in California.

So I would ask my esteemed colleague to read these documents which are today on the Federal Energy Regulatory Commission's Web site and tell us if he can still say that.

These documents, released yesterday, are nothing short of astonishing. They discuss strategies with popular names such as Death Star and Get Shorty to describe in detail how energy prices can be manipulated. And then there is a document, by a law firm, Brobeck, which attempts to justify the strategies.

I am not shocked to learn that this had occurred. I have been saying this for a long time now. But the arrogance of documenting such illicit and underhanded behavior, and using popular titles for it, I think speaks for itself.

Make no mistake about it, this is a smoking gun.

I ask unanimous consent these memoranda be printed in the RECORD.

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

BROBECK, ATTORNEYS AT LAW.

As part of our preparation for the various investigations and litigation actually and potentially facing EPMI in connection with the California energy market, Jean Frizzell, Barrett Reasoner, Mike Kirby and Gary Fergus spent several full days over the past few months at EPMI for the purpose of learning and understanding more about the data, methodology, the various strategies used by the traders and the implementation of those strategies. This is a highly complicated subject matter and all of us are still learning.

We used as our starting point the Preliminary Memorandum dated December 8, 2000, which we understand was prepared as the first step in educating you and outside counsel about EMPI trading practices. The Preliminary Memorandum was written by Steve Hall, an associate on loan from the Stool Rives law firm, and co-authored by Christian Yoder, the in-

house counsel at EMPI. Over the course of the past month, we have spent a fair amount of time with a number of traders. In some instances, we met the same traders more than once to try and understand the various practices. On January 11th, we spent another full day with Tim Belden, chief trader for EMPI in Portland going over the strategies that have been identified. Here is our summary of the status of our further investigation and present analysis of the EMPI trading practices:

#### OVERVIEW

The California energy market during calendar year 2000 was an incredibly complex and dynamic environment. Weather, supply shortages, physical limits and market volatility contributed to this environment. During the past month, we have had several outside law firm lawyers, each with varying degrees of experience with California electricity market, work together with the EPMI traders to understand the market and the practices. From time to time, the understanding of and interpretation by the lawyers interviewing the same traders about the market and the trading practices were inconsistent. When that happened, we would go back to the traders to try and gain a common understanding of the particular market and trading strategy. At this point in the process, we realize that there are very few clearly defined trading strategies. Depending upon the particular circumstances of the day, trading strategies were modified and applied in response to EPMI's portfolio, market conditions, the individual trader's understanding of them, and the individual trader's preference within a large overall framework. In part, this is because trading is done 7 days a week for many different schedules (e.g. PX day ahead, PX day of, ISO hour ahead, ISO real time etc).

EPMI is only one of the many market participants. We do not have nearly enough information to gain a good understanding of all of the impacts other participants, and whatever their strategies might have been, had on the market. For these reasons, you should consider this a work in progress, rather than the definitive analysis of EPMI trading practices. We may learn that some of the conclusions we have reached will later turn out to be inaccurate. In fact, we learned during this process that some of other information contained in the Preliminary Memorandum, which resulted in some erroneous assumptions and conclusions, cannot be supported by the facts and evidence which are now known. In other instances, some statements in the Preliminary Memorandum understandably mixed trading strategies and schedules. In order to minimize the risk of confusing matters further, we have taken the additional step of having Tim Belden review this memorandum to see if we have accurately described the trading practices and to see whether he can spot any flaws in our analysis. We tried to follow the same format of the Preliminary Memorandum for easy cross reference.

#### "INCING" LOAD INTO THE REAL TIME MARKET

"Incing" was a slang name (short for "increasing") for a trading strategy used in response to the independently owned utilities (IOU) well known and documented strategy of significantly underestimating their load in the PX day ahead market. This practice by the utilities apparently occurred almost daily. Because the IOU's purchased their power through the PX day ahead market, the PX thus became their scheduling coordinator; the ISO's resulting schedules under-

stated the load for the next day. The IOU practice of underestimating load artificially lowered the PX day ahead market clearing price. Incing served to partially counteract the reliability issues caused by this practice and, from the California consumer's perspective, appears to have been preferable to the alternative of selling outside of California. In addition, incing may have increased the actual guaranteed available supply of power in the California market depending upon the shape of the demand curve. Incing reduced demand in the ISO market, therefore reduced the ex post price and potentially lowered the overall cost to California consumers. When incing, EPMI was a price taker in the ISO ex post market.

#### DEATH STAR

Death Star was a slang name for a strategy that addressed congestion between northern and southern California. During certain periods, there are transmission limits between northern California and southern California on path 15 and path 26. It appears that the source of the congestion may have been the consistent underestimating of load by PG&E—the same underestimating referred to above. Because the demand was artificially lower in Northern California, it appears supply was trying to move to southern California. By using a combination of ISO approved scheduled counterflows and alternative non-ISO transmission lines, EPMI increased the transfer capability between the regions, reduced congestion, and utilized underused pathways to increase the overall supply of electricity in southern California. By virtue of using multiple transmission paths, EPMI took on financial risks, including having the transmission line derated, assessment of additional congestion charges, and liability for take or pay transmission charges on alternative transmission lines to execute the strategy.

Contrary to certain statements in the Preliminary Memorandum, congestion was relieved and energy did flow through otherwise underutilized paths.

#### LAND SHIFT

Load shift is a general term used to describe a variety of scheduling practices and trading strategies in the day ahead and hour ahead markets. One variation of load shifting involved scheduling ISO approved counterflows in the ISO day ahead market, ISO hour ahead market or both. Generally speaking, as an alternative to purchasing power in the north, EPMI purchased power in the south and counterflowed that power to the north. Such transactions had the effect of providing congestion relief in the ISO day ahead market or the ISO hour ahead markets. These transactions placed EPMI at financial risk for the differences in price between the regions.

Another category of load shifting involves shifting the load on paths for which EPMI purchased firm transmission rights. This category was briefly discussed in the Preliminary Memorandum. We have learned more about his load shifting strategy since the Preliminary Memoranda was written. As the result of several in depth interviews with the traders and review of the public market surveillance reports available in the public and all market participants, it is apparent that the assumptions and conclusions contained in the Preliminary Memorandum were inaccurate. First, in hindsight, it now appears likely that the load shifting strategy, without knowing the impact of other market factors, sometimes may have reduced the prices in the north while leaving prices in the south unchanged or minimally impacted. Second, it appears that the estimate of profits from this load shifting strategy in the Preliminary Memorandum was

vastly overstated and indeed confused. It would appear that the source of the confusion may have been that the Preliminary Memorandum reported the total profit attributable of the EPMI firm transmission rights on path 26, as reflected in ISO public documents, as opposed to any calculation of the profit of this particular strategy.

#### GET SHORTY

"Get Shorty" was the slang name for a trading strategy involving the provision of ancillary services in the PX day ahead and ISO hour ahead markets. EPMI committed to providing the ancillary services in the PX day ahead market and covered its position by purchasing those services in the ISO hour ahead market. Accordingly, EPMI actually purchased the services necessary to provide ancillary services if called upon to do so. In fact, the ISO regularly called upon EPMI for ancillary services that were provided. Based upon the information we have so far, there was only one incident where EPMI failed to cover its position. In that single instance, EPMI promptly offered to, and ultimately did, return the payment received for the ancillary services that were not provided. Accordingly, the strategy did not impact the reliability of the grid. This strategy, however, did place EPMI at financial risk. On a number of occasions, it appears the cost to cover exceeded the amount received in the day ahead market and EPMI provided services to the ISO at a loss.

The Preliminary Memorandum incorrectly assumed that the information provided to the ISO was inaccurate. It now appears that, consistent with daily ISO practices, that EPMI did not specify the source of the ancillary services at the time of sale.

#### RICOCHET

"Ricochet" was the slang term for a trading strategy that existed because EPMI was not permitted to make adjustment bids in SC to SC (scheduling coordinator) trades due to limitations in the ISO software systems. Ricochet served the dual purpose of allowing for adjustment bids and opening up market options for EPMI including the supplemental and bilateral markets. By using this strategy, EPMI was at financial risk if the PX price exceeded either the supplemental or bilateral market price. Furthermore, the ISO software limitation forced EPMI to incur additional costs, export charges, ancillary services on exports and line losses on imports.

Ricochet appears not to have been a strategy that was used to a significant extent when compared to EPMI's overall portfolio. It appears that other market participants with control areas adjacent to California and access to extremely flexible generation resources may have relied more extensively on this strategy.

At the present time, EPMI faces its own software limitations in implementing ISO approved adjustment bids in SC to SC transactions.

#### NON-FIRM EXPORT

This was a trading practice that involved scheduling counterflows three hours ahead of the time energy would flow. The schedule counterflow had the likely effect of reducing the congestion charge on the scheduled path. Under this strategy, EPMI qualified for the congestion relief payment two hours before the scheduled flow. Ultimately, EPMI did not flow the power. Based upon the information we have, this practice does not appear to have had any demonstrable impact on either the PX price or the ISO ex post price. However, in August 2000, the ISO directed that the practice be discontinued. The EPMI traders with whom we spoke confirmed that EPMI has complied with that mandate.

#### SELLING NON FIRM ENERGY AS FIRM ENERGY

This was a trading strategy that was occasionally used in southern California to allow

for the import of power that would otherwise not be available. The net effect of this practice, in conjunction with other market factors, was to increase the overall supply with no apparent impact on PX price. EPMI was subjected to financial risk in that if the non-firm power was cut, EPMI would have to cover the energy cut by purchasing that power in the ISO market at the ex post price.

At this time, it appears that the net result of this practice was to bring additional supply into California.

#### SCHEDULING ENERGY TO COLLECT THE CONGESTION CHARGE II

The net effect of this strategy was to schedule counterflow thereby reducing congestion in hour ahead market. This was a high risk strategy because EPMI was exposed to the ex post market price that could exceed the congestion price. This strategy could have potentially lowered the congestion charge depending upon a wide variety of other market factors.

STOEL RIVES LLP,  
December 8, 2000.

To: Richard Sanders  
From: Christian Yoder and Stephen Hall  
Re: Traders' Strategies in the California Wholesale Power Markets/ ISO Sanctions

CONFIDENTIAL: ATTORNEY/CLIENT PRIVILEGE/  
ATTORNEY WORK PRODUCT

This memorandum analyzes certain trading strategies that Enron's traders are using in the California wholesale energy markets. Section A explains two popular strategies used by the traders, "inc-ing" load and relieving congestion. Section B describes and analyzes other strategies used by Enron's trades, some of which are variations on "inc-ing" load or relieving congestion. Section C discusses the sanction provisions of the California Independent System Operator ("ISO") tariff.

#### A. THE BIG PICTURE

##### 1. "Inc-ing" load into the real time market

One of the most fundamental strategies used by the traders is referred to as "inc-ing" load into the real time market." According to one trader, this is the "oldest trick in the book" and, according to several of the traders, it is now being used by other market participants.

To understand this strategy, it is important to understand a little about the ISO's real-time market. One responsibility of the ISO is to balance generation (supply) and loads (demand) on the California transmission system. During its real-time energy balancing functions the ISO pays/charges market participants for increasing/decreasing their generation. The ISO pays/charges market participants under the schemes: "instructed deviations" and "uninstructed deviations." Instructed deviations occur when the ISO selects supplemental energy bids from generators offering to supply energy to the market in real time in response to ISO instructions. Market participants that increase their generation in response to instructions ("instructed deviation") from the ISO are paid the "inc" price. Market participants that increase their generation without an instruction from the ISO (an "uninstructed deviation") and paid the ex post "dec" price. In real-time, the ISO issues instructions and publishes ex post prices at ten-minute intervals.

"Inc-ing load" into the real market" is a strategy that enables Enron to send excess generation to the imbalance energy market as an uninstructed deviation. To participate in the imbalance energy market it is necessary to have at least 1 MW of load. The reason for this is that a generation cannot schedule energy onto the grid without hav-

ing a corresponding load. The ISO requires scheduling coordinators to submit balanced schedules, i.e., generation must equal load. So, if load must equal generation, how can Enron end up with excess generation in the real-time market?

The answer is to artificially increase ("inc") the load on the schedule submitted to the ISO. Then, in real-time, Enron sends the generation it scheduled, but does not take as much load as scheduled. The ISO's meters record that Enron did not draw as much load, leaving it with an excess amount of generation. The ISO gives Enron credit for the excess generation and pays Enron the dec price multiplied by the number of excess megawatts. An example will demonstrate this. Enron will submit day-ahead schedule showing 1000 MW of generation scheduled for delivery to Enron Energy Services ("EES"). The ISO receives the schedule, which says "1000 MW of generation" and "1000 MW of load. The ISO sees that the schedule balances and, assuming there is no congestion, schedules transmission for this transaction. In real-time, Enron sends 1000 MW of generation, but Enron Energy Services only draws 500 MW. The ISO's meters show that Enron made a net contribution to the grid of 500 MW, and so the ISO pays Enron 500 times the dec price.

The traders are able to anticipate when the dec price will be favorable by comparing the ISO's forecasts with their own. When the traders believe that the ISO's forecast underestimates the expected load, they will inc load the real time market because they know that the market will be short, causing a favorable movement in real-time ex post prices. Of course, the much-criticized strategy of California's investor-owned utilities ("IOUs") of underscheduling load in the day-ahead market has contributed to the real-time market being short. The traders have learned to build such underscheduling into their models, as well.

Two other points bear mentioning. Although Enron may have been the first to use this strategy, other have picked up on it, too. I am told this can be shown by looking at the ISO's real-time metering, which shows that an excess amount of generation, over and above Enron's contribution, is making to the imbalance market as an uninstructed deviation. Second, Enron has performed this service for certain other customers for which it acts as scheduling coordinator. The customers using this service are companies such as Powerex and Puget Sound Energy ("PSE"), that have generation to sell, but not native California load. Because Enron has native California load through EES, it is able to submit a schedule incorporating the generation of a generator like Powerex or PSE and balance the schedule with "dummied-up" load from EES.

Interestingly, this strategy appears to benefit the reliability of the ISO's grid. It is well known the California ISOs have systematically underscheduled their load in the PX's Day-Ahead market. By underscheduling their load into the Day-Ahead market, the IOUs have caused the ISO to have a call on energy in real time in order to keep the transmission system in balance. In other words, the transmission grid is short energy. By deliberately overscheduling load, Enron has been offsetting the ISO's real time energy deficit by supplying extra energy that the ISO needs. Also, it should be noted that in the ex post market Enron is a "price taker," meaning that they are not submitting bids or offers, but are just being paid the value of the energy that the ISO needs. If the ISO did not need the energy, the dec price would quickly drop to \$0. So, the fact that Enron was getting paid for this energy shows that the ISO needed the energy to balance the



transmission system and offset the IOU's underscheduling (if those parties own Firm Transmission Rights ("FTR") over the path).

## 2. *Relieving Congestion*

The second strategy used by Enron's traders is to relieve system-wide congestion in the real-time market, which congestion was created by Enron's traders in the PX's Day Ahead Market. In order to relieve transmission congestion (i.e., the energy scheduled for delivery exceeds the capacity of the transmission path), the ISO makes payments to parties that either schedule transmission in the opposite direction ("counterflow payments") or that simply reduce their generation/load schedule.

Many of the strategies used by the traders involve structuring trades so that Enron gets paid the congestion charge. Because the congestion charges have been as high as \$750/MW, it can often be profitable to sell power at a loss simply to be able to collect the congestion payment.

### B. REPRESENTATIVE TRADING STRATEGIES

The strategies listed below are examples of actual strategies used by the traders, many of which utilize the two basic principles described above. In some cases, the strategies are identified by the nicknames that the traders have assigned to them. In some cases, i.e., "Fat Boy," Enron's traders have used these nicknames with traders from other companies to identify these strategies.

#### 1. *Export of California Power*

a. As a result of the price caps in the PX and ISO (currently \$250), Enron has been able to take advantage of arbitrage opportunities by buying energy at the PX for export outside California. For example, yesterday (December 5, 2000), prices at Mid-C peaked at \$1200, while California was capped at \$250. Thus, traders could buy power at \$250 and sell it for \$1200.

b. This strategy appears not to present any problems, other than a public relations risk arising from the fact that such exports may have contributed to California's declaration of a Stage 2 Emergency yesterday.

#### 2. *"Non-firm Export"*

a. The goal is to get paid for sending energy in the opposite direction as the constrained path (counterflow congestion payment). Under the ISO's tariff, scheduling coordinators that schedule energy in the opposite direction of the congestion on a constrained path get paid the congestion charges, which are charged to scheduling coordinators scheduling energy in the direction of the constraint. At times, the value of the congestion payments can be greater than the value of the energy itself.

b. This strategy is accomplished by scheduling non-firm energy for delivery from SP-15 or NP-15 to a control area outside California. This energy must be scheduled three hours before delivery. After two hours, Enron gets paid the counterflow charges. A trader then cuts the non-firm power. Once the non-firm power is cut, the congestion resumes.

c. The ISO posted notice in early August prohibiting this practice. Enron's traders stopped this practice immediately following the ISO's posting.

d. The ISO objected to the fact that the generators were cutting the non-firm energy. The ISO would not object to this transaction if the energy was eventually exported.

Apparently, the ISO has heavily documented Enron's use of this strategy. Therefore, this strategy is the more likely than most to receive attention from the ISO.

#### 2. *"Death Star"*

a. This strategy earns money by scheduling transmission in the opposite direction

of congestion; i.e., schedule transmission north in the summertime and south in the winter, and then collecting the congestion payments. No energy, however, is actually put onto the grid or taken off.

b. For example, Enron would first import non-firm energy at Lake Mead for export to the California-Oregon border ("COB"). Because the energy is traveling in the opposite direction of a constrained line, Enron gets paid for the counterflow. Enron also avoids paying ancillary service charges for this export because the energy is non-firm, and the ISO tariff does not require the purchase of ancillary services for non-firm energy.

c. Second, Enron buys transmission from COB to Lake Mead at tariff rates to serve the import. The transmission line from COB to Lake Mead is outside of the ISO's control area, so the ISO is unaware that the same energy being exported from Lake Mead is simultaneously being imported into Lake Mead. Similarly, because the COB to Lake Mead line is outside the ISO's control area, Enron is not subject to payment of congestion charges because transmission charges for the COB to Lake Mead line are assessed based on imbedded costs.

d. The ISO probably cannot readily detect this practice because the ISO only sees what is happening inside its control area, so it only sees half of the picture.

e. The net effect of these transactions is that Enron gets paid for moving energy to relieve congestion without actually moving any energy or relieving any congestion.

#### 3. *"Load Shift"*

a. This strategy is applied to the Day-Ahead and the real-time markets.

b. Enron shifts load from a congested zone to a less congested zone, thereby earning payments for reducing congestion, i.e., not using our FTRs on a constrained path.

c. This strategy requires that Enron have FTRs connecting the two zones.

d. A trader will overschedule load in one zone, i.e., SP-15, and underschedule load in another zone, i.e., NP-15.

Such scheduling will often raise the congestion price in the zone where load was overscheduled.

The trader will then "shift" the overscheduled "load" to the other zone, and get paid for the unused FTRs. The ISO pays the congestion charge (if there is one) to market participants that do not use their FTRs. The effect of this action is to create the appearance of congestion through the deliberate overstatement of loads, which causes the ISO to charge congestion charges to supply scheduled for delivery in the congested zone. Then, by reverting back to its true load in the respective zones, Enron is deemed to have relieved congestion, and gets paid by the ISO for so doing.

e. One concern here is that by knowingly increasing the congestion costs, Enron is effectively increasing the costs to all market participants in the real time market.

f. Following this strategy has produced profits of approximately \$30 million for FY 2000.

#### 4. *"Get Shorty"*

a. Under this strategy, Enron sells ancillary services in the Day-ahead market.

b. Then the next day, in the real-time market, a trader "zeroes out" the ancillary services, i.e., cancels the commitment and buys ancillary services in the real-time market to cover its position.

c. The profit is made by shorting the ancillary services, i.e., sell high and buy back at a lower price.

d. One concern here is that the traders are applying this strategy without having the ancillary services on standby. The traders are careful, however, to be sure to buy serv-

ices right at 9:00 a.m. so that Enron is not actually called upon to provide ancillary services. However, once, by accident, a trader inadvertently failed to cover, and the ISO called on those ancillary services.

e. This strategy might be characterized as "paper trading," because the seller does not actually have the ancillary services to sell. FERC recently denied Morgan Stanley's request to paper trade on the New York ISO.

The ISO tariff does provide for situations where a scheduling coordinator sells ancillary services in the day ahead market, and then reduce them in the day-of-market. Under these circumstances, the tariff simply requires that the scheduling coordinator replace the capacity in the hour-ahead market. ISO Tariff, SBP 5.3, Buy Back of Ancillary Services.

f. The ISO tariff requires that schedules and bids for ancillary services identify the specific generating unit or system unit, or in the case of external imports, the selling entity. As a consequence, in order to short the ancillary services it is necessary to submit false information that purports to identify the source of the ancillary services.

#### 5. *"Wheel Out"*

a. This strategy is used when the interties are set to zero, i.e., completely constrained.

b. First, knowing that the intertie is completely constrained, Enron schedules a transmission flow through the system. By so doing, Enron earns the congestion charge. Second, because the line's capacity is set to "0," the traders know that any power scheduled to go through the intertie will, in fact be cut. Therefore, Enron earns the congestion counterflow payment without having to actually send energy through the intertie.

c. As a rule, the traders have learned that money can be made through congestion charges when a transmission line is out of service because the ISO will never schedule an energy delivery because the intertie is constrained.

#### 6. *"Fat Boy"*

a. This strategy is described above in section A(1).

#### 7. *"Ricochet"*

a. Enron buys energy from the PX in the Day Of market, and schedules it for export. The energy is sent out of California to another party, which charges a small fee per MW, and then Enron buys it back to sell the energy to the ISO real-time market.

b. The effect of this strategy on market prices and supply is complex. First, it is clear that Enron's intent under this strategy is solely to arbitrage the spread between the PX and the ISO, and not to serve load or meet contractual obligations. Second, Ricochet may increase the Market Clearing Price by increasing the demand for energy. (Increasing the MCP does not directly benefit Enron because it is buying energy from the PX, but it certainly affects other buyers, who must pay the same, higher price.) Third, Ricochet appears to have a neutral effect on supply, because it is returning the exported energy as an import. Fourth, the parties that pay Enron for supplying energy to the real time ex post market are the parties that underscheduled, or underestimated their load, i.e., the IOUs.

#### 8. *Selling Non-firm Energy as Firm Energy*

a. The traders commonly sell non-firm energy to the PX as "firm." "Firm energy," in this context, means that the energy includes ancillary services. The result is that the ISO pays EPMI for ancillary services that Enron claims it is providing, but does not in fact provide.

b. The traders claim that "everybody does this," especially for imports from the Pacific Northwest into California.

c. At least one complaint was filed with the ISO regarding Enron's practice of doing this. Apparently, Arizona Public Service sold non-energy to Enron, which turned around and sold the energy to the ISO as firm. APS cut the energy flow, and then called the ISO and told the ISO what Enron had done.

#### 9. Scheduling Energy To Collect the Congestion Charge II

a. In order to collect the congestion charges, the traders may schedule a counterflow even if they do not have any excess generation. In real time, the ISO will see that Enron did deliver the energy it promised, so it will charge Enron the inc price for each MW Enron was short. The ISO, however, still pays Enron the congestion charge. Obviously a loophole, which the ISO could close by simply failing to pay congestion charges to entities that failed to deliver the energy.

b. This strategy is profitable whenever the congestion charge is sufficiently greater than the price cap. In other words, since the ex post is capped at \$250, whenever the congestion charge is greater than \$250 it is profitable to schedule counterflows, collect the congestion charge, pay the ex post, and keep the difference.

#### C. ISO TARIFF

The ISO tariff prohibits "gaming," which it defines as follows:

"Gaming," or taking unfair advantage of the rules and procedures set forth in the PX or ISO Tariffs, Protocols or Activity Rules, or of transmission constraints in period in which exist substantial Congestion, to the detriment of the efficiency of, and of consumers in, the ISO Markets. "Gaming" may also include taking undue advantage of other conditions that may affect the availability of transmission and generation capacity, such as loop flow, facility outages, level of hydropower output or seasonal limits on energy imports from out-of-state, or actions or behaviors that may otherwise render the system and the ISO Markets vulnerable to price manipulation to the detriment of their efficiency." ISO Market Monitoring and Information Protocol ("MMIP"), Section 2.1.3.

The ISO Tariff also prohibits "anomalous market behavior," which includes "unusual trades or transactions"; "pricing and bidding patterns that are inconsistent with prevailing supply and demand conditions"; and "unusual activity or circumstances relating to imports from or exports to other markets or exchanges." MMIP, Section 2.1.1 et seq.

Should it discover such activities, the ISO tariff provides that the ISO may take the following action:

1. Publicize such activities or behavior and its recommendations thereof, "in whatever medium it believes most appropriate." MMIP, Section 2.3.2 (emphasis added).

2. The Market Surveillance Unit may recommend actions, including fines and suspensions, against specific entities in order to deter such activities or behavior. MMIP, Section 2.3.2.

3. With respect to allegations of gaming, the ISO may order ADR procedures to determine if a particular practice is better characterized as improper gaming or "legitimate aggressive competition." MMIP, Section 2.3.3.

4. In cases of "serious abuse requiring expeditious investigation or action" the Market Surveillance Unit shall refer a matter to the appropriate regulatory or antitrust enforcement agency. MMIP, Section 3.3.4.

5. Any Market Participant or interested entity may file a complaint with the Market Surveillance Unit. Following such complaint, the Market Surveillance Unit may "carry out any investigation that it considers appropriate as to the concern raised." MMIP, Section 3.3.5.

6. The ISO Governing Board may impose "such sanctions or penalties as it believes necessary and as are permitted under the ISO Tariff and related protocols approved by FERC; or it may refer the matter to such regulatory or antitrust agency as it sees fit to recommend the imposition of sanctions and penalties." MMIP, Section 7.3.

Mrs. FEINSTEIN. This proves, for the first time, active and purposeful manipulation of the energy market in order to drive up prices and increase profits.

I thank the Federal Energy Regulatory Commission for the investigation which took place and began subsequent to our hearing on January 29 and my request to FERC that they conduct this investigation.

As Chairman Wood told the Energy Committee hearing: Sunlight is the best disinfectant. I am very pleased that, under his leadership, FERC is now practicing what Mr. Wood has preached.

But take note that these documents have sat within Enron for the last 18 months. This is 6 months after a subpoena was issued for them. And, finally, after all this time, the Enron board decided it would release the documents.

It is appalling that it took this long. It is precisely why the CFTC or FERC or some regulatory agency needs the authority to investigate. That was an authority that the CFTC had until the Commodity Futures Modernization Act was passed by this body in December of 2000.

That is the same month these documents were actually produced. It is exactly what Senator CANTWELL, Senator WYDEN, and I have been saying in the Energy Committee for more than a year. Had our derivatives amendment been in place, at least it would have ensured that for online trades, a regulatory agency would have had access to these documents and would have been able to investigate right away. I hope the 50 of my colleagues who voted against our energy derivatives amendment will reconsider their opposition.

Senator HARKIN, who is present in the Chamber, the chair of the Agriculture Committee, has said he would take a look at our legislation and mark it up. I am once again calling on his committee to hold hearings and mark up our legislation as soon as possible.

Congress must pass legislation to reinstate CFTC authority to oversee energy derivatives in the futures market and investigate fraud and manipulation of energy producers.

What do these documents mean for California and the Western States? Until now, FERC has never said it thought there was manipulation in the California and western energy markets. As such, it has taken a very conservative view with respect to refund proceedings, interpreting "just and reasonable" doctrines and reviewing long-term energy contracts. That means FERC-ordered refunds were very limited and very insignificant relative to "unjust and unreasonable" costs. Now

all of a sudden the landscape has changed. Manipulated spot markets lead to forward markets that were also manipulated, and thus long-term contracts also reflect unjust and unreasonable rates. So this means everything needs to be put back on the table by FERC.

I don't believe it was just Enron. I believe other companies were out there doing the same or similar things. In fact, one document, a December 2000 memo from two Enron employees named Yoder and Hall to another named Sanders, even fingers two other companies, Puget Sound and PowerEx, as having done the same thing.

These documents suggest that this may be beyond FERC at this point. That is why I am calling for the Department of Justice to investigate these memoranda, the companies, and other companies. I am also calling on FERC to take another look at contracts signed by California and other Western States with energy companies to see if future prices of energy were also manipulated by Enron. The evidence is now very clear that this was in fact the case.

I am also asking FERC to take another look at the refund proceedings. The evidence now exists that prices were unjust and unreasonable to a much larger extent than FERC had previously determined.

As my colleagues know, I have asked the Department of Justice to investigate, and here is why I believe there may well be outright fraud. There are three easy ways.

First, Enron sold power out of State and then bought it back. This enabled them to evade certain price caps and sell energy without a cap in order to receive a much higher price for their energy. This is referred to as megawatt laundering.

Second, by knowing that transmission lines were constrained and oversubscribed for a set hour, the company scheduled deliveries in order to get paid and not deliver. The net effect was that Enron got paid for moving energy to relieve congestion that they had no intention of actually ever moving.

Third, with simple sleight of hand, Enron could sell nonfirm energy to the power exchange as firm energy in order to get paid extra for ancillary services in the firm contracts when Enron was actually selling nonfirm power.

There are other examples documented on the Web site. Some are much more technical, with suspicious names such as Fat Boy, Get Shorty, and Death Star. I am sure there are yet other ways to manipulate the system, and perhaps other companies figured out other ways to do it as well.

I am also asking the Department of Justice to investigate the entire western energy market and those trading into it in the years 2000 and 2001. If there ever was a bugle call to action to fix what was wrong with the California and western energy markets from May of 2000 to June of 2001, this is it.

I yield the floor.

#### CUBAN BIOLOGICAL WEAPONS

Mr. NELSON of Florida. Madam President, I call to the attention of the Senate a shocking Associated Press story that was filed yesterday afternoon. I have not had a chance to read the papers today, so I don't know in which papers it was printed. This is a headline:

U.S. Official Says Cuba May Be Helping Rogue States With Biological Weapons.

I am going to read the first two paragraphs of this AP story:

The Bush administration said yesterday it believes Cuba has at least a limited offensive biological warfare program and may be transferring its expertise to other countries hostile to the United States.

We are concerned that such could support biological warfare programs in those States, said U.S. Under Secretary of State, John Bolton.

This is of grave concern to the Nation. If the Bush administration has hard evidence that Cuba is exporting biological weapons to our enemies, then the Bush administration should not just be making speeches about it. They ought to be planning an action in consultation with the Congress under the War Powers Act as to what to do about exporting biological agents to our enemies in this war on terrorism.

This would be absolutely unacceptable. What will the action be? That is where the consultation ought to be going on with Congress as to what the administration is planning. Don't make a speech that the AP story says was made to the Heritage Foundation. But, instead, let us talk about what the means are of stopping the exports of biological weapons and biological agents that would be going from Cuba to other terrorist states which are clearly out to do ill will to the interests of the United States.

Could it involve something more other than stopping the exports of biological weapons? Yes, it could. But that is what the planning ought to be about instead of just making speeches to think tank foundations.

I think this is a matter of gravest concern. Certainly, we have suspected, since Cuba is on our list of terrorist states, that this kind of activity might be going on. But, if it is, under the Constitution there ought to be consultation with the appropriate committees about any plans to protect the interests of the United States and not the Assistant Secretary of State making a speech to the Heritage Foundation.

I wanted to call this to the attention of the Senate. It has apparently not gotten much attention up to this point. I think it is of grave concern to the United States. It is clearly in the interest of the United States, if these weapons of mass destruction through biological agents are being produced or researched in Cuba, that it be stopped forthwith, and certainly any export to

other countries that would do us harm should be stopped dead in its tracks.

I yield the floor.

Mr. LUGAR. Madam President, I commend the distinguished Senator from Florida for his statement. The whole area of weapons of mass destruction is one of interest to me and to many Senators. Very clearly, the war against terrorism contemplates that we will be vigorous in trying to find the al-Qaida and other associates. But at the minimum, we must make certain they do not have access to materials, laboratories, or weapons of mass destruction, which would be catastrophic, whether it be from Cuba or countries in the Middle East, the Far East, Africa, or wherever.

Many of us have commented—including the distinguished Senator from Florida—about the worldwide extent of their war effort. The President has commented that it may be a long war for that very reason. I commend him for his statement.

I am hopeful the relevant committees have been informed. Perhaps the leadership of the Senate has been informed. But if not, that should occur quickly.

#### MANIPULATION OF ENERGY MARKETS

Ms. CANTWELL. Madam President, I rise today to discuss the documents that were released yesterday, which illustrate how Enron has manipulated energy markets in California and in many Western States. Based on yesterday's revelations, I believe ratepayers deserve prompt relief from Enron's trading practices. I think these documents show Washington State electricity consumers what they have suspected all along, that prices have been manipulated and they have, as a result, paid higher energy prices, many up to double-digit rate increases.

Many of you may have seen the articles. I want to have several of these printed in the CONGRESSIONAL RECORD. They emphasize the information that is being provided in documents I think my colleagues from California had printed in the RECORD.

The New York Times, the headline was:

Enron Forced Up California Energy Prices, Documents Show.

Another article that was printed in the LA times:

Memo Shows Enron's Role in Power Crisis. Energy: "Smoking gun" document by company lawyers reveals tactics used to create electricity shortage in California, then drive up prices.

Another in the Washington Post:

Papers Show That Enron Manipulated California Crisis.

I ask unanimous consent these be printed in the RECORD.

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

[From the New York Times, May 7, 2002]

ENRON FORCED UP CALIFORNIA ENERGY PRICES, DOCUMENTS SHOW

(By Richard A. Oppel Jr. and Jeff Gerth)

WASHINGTON, May 6.—Electricity traders at Enron drove up prices during the California power crisis through questionable techniques that company lawyers said "may have contributed" to severe power shortages, according to internal Enron documents released today by federal regulators.

Within Enron, the documents show, traders used strategies code-named Fat Boy, Ricochet, Get Shorty, Load Shift and Death Star to increase Enron's profits from trading power in the state—techniques that added to electricity costs and congestion on transmission lines.

The documents—memorandums written in December 2000 by lawyers at Enron to another lawyer at the company—also describe "dummied-up" power-delivery schedules, the submission of "false information" to the state, and the effective increasing of costs to all market participants by "knowingly increasing the congestion costs."

The memos, which provide the first inside look at the complex trading strategies Enron used in California, give strong ammunition to state officials who have long argued that Enron and other power marketers manipulated the state's market and played a crucial role in the crisis that cost California consumers and utilities tens of billions of dollars in 2000 and 2001. The documents state that other power companies used similar techniques.

Tonight, Senator Dianne Feinstein, Democrat of California, said she would ask Attorney General John Ashcroft "to pursue a criminal investigation to determine whether in fact federal fraud statutes or any other laws were violated" by Enron's energy-trading activities. Federal prosecutors are already conducting an inquiry into Enron's accounting, which falsely increased reported profits but ultimately led to the company's filing for bankruptcy protection in December.

Enron agreed to sell its energy-trading unit earlier this year to UBS Warburg, a division of UBS, Switzerland's largest bank. Nearly all of Enron's senior executives, and most of its board members, have departed in the last nine months.

Enron's senior management learned of the documents in late April, and the company's board decided during a meeting on Sunday to waive attorney-client privilege and turn the memos over to investigators at the Federal Energy Regulatory Commission, a person close to the company said. The company has also informed the Justice Department, the Securities and Exchange Commission and the attorney general of California about the documents.

At a noon meeting today, lawyers for Enron gave the memos to investigators from the regulatory commission, which is examining whether Enron manipulated energy markets in the West. The agency released the documents a few hours later. Officials at the commission declined to comment, but they are continuing their investigation into Enron's effect on power prices and asked the company today to provide additional documents on its electricity and natural-gas trading activities.

In a letter sent by officials at the commission today to Enron, investigators at the agency said the documents described how Enron traders were "creating, and then 'relieving,' phantom congestion" on California's electricity grid. The documents also detail what investigators described as "megawatt laundering," in which Enron bought power in California, resold the power out of

the state and then bought the power back and resold it back into California—allowing Enron to circumvent price caps meant to clamp down on costs.

"These documents prove that these companies can manipulate the market," said Loretta Lynch, the president of the California Public Utilities Commission, "Enron prevented California from seeing these documents for years, and now we know why."

Ms. Lynch said the documents supported her argument that FERC should leave in place temporary electricity price restraints, introduced last June, which state officials say have played a large role in reining in prices. "I don't see how FERC can remove the boundaries they put in place on our market last June."

An outside lawyer for Enron, Robert S. Bennett, said he could not comment on the trading strategies described in the documents. "Because we have sold the trading unit and the people with the knowledge of trading practices are no longer with the company, we do not know what the true facts are, and we do not know which parts of the memoranda are correct and which parts are incorrect," Mr. Bennett said tonight.

But he emphasized that the company had agreed to waive that attorney-client privilege because it was trying to cooperate with the various investigations into Enron's business practices. "These memoranda came to the attention of the board and current management in late April, and the board instructed its counsel to not assert the attorney-client privilege and produce these documents to the appropriate government entities," Mr. Bennett said.

Another memo written by a separate group of lawyers for Enron in 2001—apparently in January or February, after soaring wholesale power prices in California pushed the state's largest utilities to the brink of insolvency—tried to play down the strategies described in the December 2000 memos.

In this later memo, which was written to prepare Enron for the "various investigations and litigation" it faced because of the California power crisis, the lawyers repeatedly tried to play down or cast doubt on the conclusions drawn by Enron's own lawyers in the earlier memos.

"Some of the information" in the earlier memos "which resulted in some erroneous assumptions and conclusions, cannot be supported by the facts and evidence which are now known," the later memo stated.

In one strategy described in the December 2000 memos, Enron would buy power from a state-run exchange for \$250 a megawatt-hour—the maximum under the price caps—and resell it outside California for almost five times as much.

"Thus, traders could buy power at \$250 and sell it for \$1,200," according to one memo. In that document, the Enron lawyers acknowledged that such activity could be playing a big role in causing electricity shortages in the state, but they suggested that was not a significant concern.

"This strategy appears not to present any problems," the memo stated, "other than a public relations risk arising from the fact that such exports may have contributed to California's declaration of a State 2 Emergency yesterday."

The Death Star strategy, as described in the memos, allowed Enron to be paid "for moving energy to relieve congestion without actually moving any energy or relieving any congestion."

And the Load Shift strategy allowed Enron to generate about \$30 million in profits in 2000 using techniques that, according to the documents, included creating "the appearance of congestion through the deliberate overstatement" of power to be delivered.

In the past, Enron officials said the California power crisis was caused by the state's deeply flawed electricity deregulation plan, the lack of new power-generation capacity and by temporary factors, like a drought that drastically reduced available hydropower. Even some economists who think price manipulation was widespread say these other factors contributed to soaring prices.

But Enron executives always insisted that absolutely nothing their traders had done contributed to the crisis. In an interview last year, Enron's former chairman, Kenneth L. Lay, dismissed accusations that manipulation was even partly to blame for California's troubles.

"Every time there's a shortage or a little bit of a price spike, it's always collusion or conspiracy or something," Mr. Lay said in the interview, which was also taped for "Frontline" on PBS. "I mean, it always makes people feel better that way."

[From the Los Angeles Times, May 7, 2002]

#### MEMO SHOWS ENRON ROLE IN POWER CRISIS

(By Nancy Rivera Brooks, Thomas S. Mulligan and Tim Reiterman)

Enron documents released Monday show the company sought to manipulate power prices in California, creating artificial shortages through the use of aggressive trading tactics during the energy crisis.

The disclosure by federal energy regulators marks the first time that a company's own documents have provided clear evidence of market manipulation, critics said, which contribute to soaring prices and blackouts.

"What we have here is a blueprint of . . . manipulation," said Robert McCullough, a Portland energy consultant and economist. "It's one thing for economists to state that these things are happening. . . . It's another thing for there to be internal documents on the table stating these things are happening."

The documents, uncovered as part of investigation by the Federal Energy Regulatory Commission into possible manipulation of California's electricity market, are seen as strengthening the state's hand in renegotiating costly long-term contracts with electricity sellers that were reached during the worst of California's energy crisis in 2001.

California Democratic Sens. Barbara Boxer and Dianne Feinstein both called for a Justice Department investigation, with Boxer saying the documents "confirm what I've been saying for months, that Enron manipulated the California energy market and needs to be held accountable. It is high time we see some indictments handed down in this case."

Although Feinstein said the trading practices may violate federal fraud statutes, energy experts saw the strategies as infractions of market rules that are punishable by fines or suspensions rather than criminal prosecution.

The state's grid operator has sought a variety of remedies from FERC for such practices and received some relief in June in the form of price caps throughout the West and other mitigation measures.

Enron Lawyer Robert Bennett said company executives, under new leadership after Enron's Dec. 2 bankruptcy filing, gave the documents to the Government and waived attorney-client privilege because "they thought it was the right thing to do. The truth of the matter is, we don't know what the truth of the underlying facts are" in the memos.

Power shortages sent prices skyrocketing in May 2000, which pushed California's two largest privately held electricity utilities to the edge of ruin, caused six days of statewide blackouts and forced the state to buy power for more than 10 million utility customers.

Enron and other power sellers have denied that they manipulated prices or power supplies, contending that the energy crisis was caused by a shortage of power plants and hydroelectricity.

"These documents make it clear that Enron was trying to squeeze every dime it could out of the market. It's not surprising that they violated [California Independent System Operator] rules because the ISO don't provide much punishment for violators," said Severin Borenstein, a UC Berkeley professor and director of the UC Energy Institute.

One memo, dated Dec. 6, 2000, and prepared by an Enron staff attorney and an outside lawyer in anticipation of investigations and lawsuits, explained how Enron traders exploited loopholes or market limitations to boost prices or to wring special payments out of the agencies that operated California's electricity markets.

Enron traders used such price-hiking techniques as sham congestion on electricity lines or selling electricity to out-of-state affiliates only to re-import it at higher prices, the memo said.

One strategy, code-named Death Star, "earns money by scheduling transmission in the opposite direction of congestion," the Dec. 6 memo said. "No energy, however, is actually put onto the grid or taken off."

A second undated memo, written by a different law firm, sought to cast a more favorable light on the strategies discussed in the first memo.

The second memo defended the Death Star strategy, saying it actually reduced congestion on electricity lines at times and increased supply along underused electricity lines.

The Dec. 6 memo also claimed that other traders had begun copying Enron's techniques, many of which have been identified by California officials, although without documented evidence.

"These are the smoking guns we always alleged," said Public Utilities Commission President Loretta M. Lynch. "These documents show their business plan was to game the California market so they could suck every dollar out of California."

Department of Water Resources spokesman Oscar Hidalgo said the department hopes the release of the Enron documents will spur more companies to renegotiate dozens of long-term contracts that DWR signed after it became the power buyer of customers of financially troubled utilities.

The California Independent System Operator, which runs California's last remaining official energy market, has asked FERC to grant the state \$9 billion in refunds because prices charged in 2000 and 2001 were unreasonable, although the regulators now are considering a lower payment.

The quirks of the California energy market presented Enron and other market participants with myriad opportunities to take profitable advantage.

California had two markets: a "day-ahead" auction market through the California Power Exchange—"The PX," in trader lingo—and the "real-time" market run by Cal-ISO.

Traders quickly found ways to play the two markets off each other.

The day-ahead market was supposed to handle the bulk of the electricity requirements, and the real-time market was meant only to correct occasional imbalances.

When the crisis hit, the real-time market grew in importance and was the locus of wild price swings.

Buyers and sellers who wanted to participate in the real-time market were required to submit to Cal-ISO daily schedules of their production and their "load," or the amount

of power they intended to use. The two were supposed to be in balance.

But sometimes when power supply was tight, Cal-ISO paid participants a premium when they happened to provide more power than Cal-ISO required.

One of Enron's basic strategies, according to the memo, involved deliberately overstating its load. It would deliver as much power as promised but then use less than scheduled and get a premium for the difference.

Another Enron stratagem was to take advantage of congestion in the real-time market that Enron had helped create in the day-ahead market, the memo said.

During the energy crisis, the amount of power scheduled for delivery into the California market sometimes exceeded the capacity of the system's transmission lines.

At such times, Cal-ISO would make "congestion payments" to market participants that either schedule transmission in the opposite direction or reduce their generation/load schedule.

"Because the congestion charges have been as high as \$750/MW [per megawatt], it can often be profitable to sell power at a loss simply to collect the congestion payment," the memo said.

Enron traders, acknowledged as among the industry's most creative, worked a number of variations on these two themes. In addition to Death Star, other colorful nicknames for trading methods included Get Shorty, Ricochet and Fat Boy to identify them in discussions with traders from other firms.

California imposed price caps to cope with the emergency, but even these offered an opportunity for clever traders who realized that prices weren't capped in neighboring areas that were affected by the crisis.

On Dec. 5, 2000, for example, prices soared to \$1,200 per megawatt-hour in the Pacific Northwest, while a \$250 cap was in place in California.

Enron traders saw that they could lock in an instant \$950 profit for each megawatt-hour of electricity by buying power on the California PX and selling it up north, according to the memo.

"This strategy appears not to present any problems, other than a public relations risk from the fact that such exports may have contributed to California's declaration of a Stage 2 emergency yesterday," the memo said.

Cal-ISO spokeswoman Stephanie McCorkle said some of the behaviors probably caused prices to rise, but the grid operator does not believe they contributed to the six days of blackouts in early 2001. The reason, she said, is that the blackouts were caused by a severe shortage of power, not by phantom congestion.

Cal-ISO has asked FERC to extend market protections that are due to expire Sept. 30, including a price cap on electricity in the West.

[From the Washington Post, May 7, 2002]

PAPERS SHOW THAT ENRON MANIPULATED CALIF. CRISIS

(By Peter Behr)

Enron Corp. manipulated the California electricity market with such maneuvers as transferring energy outside the state to evade price caps and creating phony "congestion" on power lines, according to internal Enron documents released yesterday.

The techniques described in two memos written by lawyers for Enron in December 2000 were given names such as "Fat Boy," "Death Star," "Get Shorty" and "Ricochet." The company turned the documents over to federal regulators, who made them public.

The evidence of their use contradicts denials Enron made at the time and provides im-

petus to several investigations of the bankrupt energy giant's role in the California crisis.

Operators of California's power system ordered rotating blackouts on six days early in 2001. That followed a tenfold surge in power prices that began the previous summer, hitting the state's utilities with billions of dollars in excess electricity charges.

Details of Enron's financial problems came to light months after the California crisis. "These documents confirm what we have known for some time, through circumstantial evidence: They show internal corporate strategies for manipulating the market," said California state Sen. Joseph Dunn (D), who heads a legislative committee investigation into the power crisis the state suffered a year ago.

U.S. Sen. Dianne Feinstein (D-Calif.) said she will ask the Justice Department to launch a criminal investigation of power sales in California.

The "ricochet" strategy was used to evade wholesale price controls on California electricity by transferring power out of the state and then back in.

Another maneuver took advantage of dramatically higher prices that California energy officials were willing to pay to get emergency supplies during shortages, the Enron documents say.

The "Death Star" strategy is described as permitting Enron to be paid "for moving energy to relieve congestion without actually moving any energy or relieving any congestion."

The reports were sent to Richard Sanders, Enron's vice president and assistant general counsel, in preparation for lawsuits arising from the California crisis. Sanders, who is still with Enron, could not be reached for comment yesterday.

A third, undated memo, prepared by different lawyers in consultation with a senior Enron trading executive, took issue with the first two reports, concluding that some of the trading strategies "may have increased" power supplies.

Energy analyst Robert McCullough said the memos indicate that Enron traders deliberately tried to create the appearance of shortages and congestion, prompting declarations of power blackouts that need not have been ordered in some cases.

State officials complained during the crisis that electricity suppliers were manipulating the state's deregulated power markets. Under political pressure last spring, the Federal Energy Regulatory Commission imposed temporary electricity price ceilings on California and neighboring western States.

That action, coupled with favorable weather and an economic slowdown, sent electricity prices plummeting last summer, ending the power crisis.

FERC officials and energy companies are still locked in a battle over the amount of refunds owed to California because of overcharging.

Enron said the documents released yesterday were spotted recently by company officials who took office after Enron's Dec. 2 bankruptcy filing, the largest such filing in U.S. history.

As correspondence between Enron and its attorneys, the documents has previously been marked confidential and had not been given to Federal and State investigators.

Enron attorney Robert Bennett said Enron managers concluded that the documents should be turned over, and in a telephone conference call Sunday, Enron's board agreed.

"This board and the current management wants to be fully candid with Congress and other Government entities and to do the honorable and responsible thing," Bennett said.

Ms. CANTWELL. Madam President, these articles show what consumers in my State have thought all along, that these prices were being manipulated. That is why in January of this year I asked the Federal Energy Regulatory Commission to investigate these high prices that have literally cost people jobs, made consumers pay as much as 60-percent rate increases, and have made it tough for our economy in Washington State to continue to thrive with these high energy prices in some industries such as aluminum and other intensive energy businesses.

Yet what has happened—I do not know if other people in the country realize this—is our consumers may end up paying these high rates for many years, even though Enron has gone bankrupt. The reason is that the contracts these companies have had with Enron are as many as 5-year to 7-year—in some cases 8-year—contracts which were negotiated at the time of this crisis and very high prices. In fact, energy prices—the rates were as much as 1,000 times higher during this crisis.

Consumers hear there were memos with names such as Fat Boy or Death Star or Get Shorty or Ricochet that were really plans by this company to manipulate prices. The Federal Energy Regulatory Commission should act upon these memos and basically find that these rates have, in fact, been manipulated. That is right, on the west coast, both in California and in Washington and in Oregon, prices were manipulated and because of those unjust and unreasonable rates these Northwest entities should be let out of these long-term Enron contracts.

I believe that is critically important for us in the Northwest, who may face even further rate increases in the future because of these high energy costs, and the fact that the Bonneville Power Administration, for example, would be let out of these contracts, it might save as much as \$250 million to \$300 million just in the costs that BPA has to pay. Instead, they would be able to go out on the market, not paying the high Enron prices, but go out on the market today and get cheaper electricity prices.

I cannot tell you how important it is for us. My colleague from Washington, Senator MURRAY, and Senator FEINSTEIN, Senator BOXER, Senator WYDEN, and Senator SMITH—we have all spoken on this issue and how it impacts the whole west coast. It is critically important that the Federal Energy Regulatory Commission take the information they have discovered in their investigation and make this decision on unjust and unreasonable rates as soon as possible.

I believe the Federal Energy Regulatory Commission ought to use its power to void long-term contracts with unjust and unreasonable rates. I also believe we need new Senate hearings to review these findings and to explore all available options for ratepayer relief under federal law.

I would also like to add my voice to that of my colleague from California, Senator FEINSTEIN, and my colleague from Washington, Senator MURRAY, in calling for a criminal investigation by the Department of Justice into allegations that Enron has manipulated prices in the Western electricity markets.

As my colleagues are aware, the Western electricity crisis of 2000 and 2001 has taken a tremendous toll on the economy of my state, and of Oregon and California. As a result of electricity prices that spiraled to as much as 1000 times the normal rates, consumers throughout the West have paid dearly. They have paid in their utility bills—which have been raised as much as 60 percent—and they have paid with job loss in communities that have seen entire industries shut down.

Madam President, throughout the Western electricity crisis, I joined with many of my Western colleagues in asking the Federal Energy Regulatory Commission (FERC) to step in and do its job—to ensure just and reasonable rates. For many months, FERC refused and assured many of us that the Western power crisis was simply the result of drought and a shortage of electricity—a shortage that many of us raised questions about, given that it seemed to materialize over night.

FERC and this administration repeatedly denied what many of the impacted citizens in Washington state knew intuitively to be true—that our Western markets were being manipulated by a handful of companies that drew enormous profits directly from their pockets and from the coffers of their businesses.

With the collapse of Enron, Senator BINGAMAN, chairman of the Senate Energy and Natural Resources Committee, wisely called a hearing to assess the bankruptcy's impacts on the energy markets. At this hearing, on January 29, I asked FERC Chairman Pat Wood to take a close look at allegations that Enron have been manipulating markets. In a letter sent that same day, I wrote:

Congress and our nation's consumers—particularly those of the Pacific Northwest, who have suffered through retail rate increases of up to 50 percent over the past year—deserve to know whether Enron was manipulating Western power markets at their expense. After Enron collapsed, prices in the West's forward energy markets plummeted by 20 to 30 percent. Where there's smoke there's often fire, and we must investigate whether we have a simple coincidence here, or something more. The public deserves answers and, if appropriate, corrective action.

In response to my request, FERC opened a staff investigation on these allegations. And late yesterday, this investigation revealed the first real smoking gun. Now posted on the Commission's Website, you will find memos in which attorneys from Enron outline their strategies for manipulating prices in Western markets.

This has real, direct impacts on consumers in my state. During the height

of the crisis, many utilities in my state signed long-term contracts with Enron at prices that looked like deals at the time—in a severely dysfunctional market—but today, are two to three times current market rates. The Bonneville Power Administration, for example, which provides 60 percent of all the power consumed in my state, is on the hook for \$700 million worth of Enron contracts over the next few years. In today's market, these contracts would be half as costly. Nevertheless, Bonneville and the consumers of the Northwest continue to be held hostage. They continue to pay Enron. At the conclusion of this investigation, I hope that FERC will see to it that justice is done. If markets were manipulated—as the evidence now suggests—Washington State consumers should be given relief from these contracts.

In addition to these ongoing FERC proceedings, I do hope the Justice Department will open a criminal investigation into Enron's actions to manipulate electricity prices and defraud consumer-ratepayers.

But I also look forward to this body exercising what I believe is necessary continued oversight. This morning, at an Energy and Natural Resources Committee hearing, Senator BINGAMAN and I discussed the possibility of a hearing on these issues. I also believe that the Judiciary Committee may be an appropriate forum for discussing the anti-trust component of these allegations.

But in addition, I hope my colleagues—and particularly those who will serve on the Energy bill conference committee—will pay close attention to what this means for our nation's electricity markets. During the debate on that bill, I offered a consumer protection amendment to the electricity title that I believe would have prevented a recurrence of the Western energy crisis and incorporated many of the lessons we have learned—and continue to learn—from Enron's collapse. My amendment suggested that before FERC was allowed to open up markets like California to deregulation, it should have to establish clear market rules, have in place the mechanisms necessary to monitor markets to detect manipulation. It would have directed FERC to take decisive, corrective action to protect consumers when abuses do occur. And it would have given FERC and state utility commissions the access to books and records they would need to discover evidence like the memos we have now found in this Enron investigation, almost two years after the energy crisis began and after months of business closures and rate hikes across the West.

I hope Attorney General Ashcroft will heed our call today. I look forward to continuing our oversight of this issue in the Energy Committee, and I hope our conferees will consider this new evidence—that Enron has been manipulating power markets—as they consider the energy bill.

I yield the floor.

## THE BUSH ADMINISTRATION DECISION TO "UNSIGN" THE ROME STATUTE

Mr. DASCHLE. Madam President, I come to the floor to express my disappointment with the Bush Administration's decision to unsign the Rome Statute, and withdraw the United States from the process of creating an international criminal court.

We are told this decision was made in order to protect American troops and American sovereignty from a faceless international bureaucracy. Unfortunately, it does the opposite. In fact, this decision vastly decreases our ability to shape the ICC, ignores the fact that the ICC will come into existence regardless of whether we are involved or not, and raises the specter of unilateralism just as we will be turning to our allies for help in a series of crucial policy, diplomatic—and perhaps military—undertakings.

Administrations since President Truman have supported the establishment of a criminal court to try the worst crimes against humanity. Reasonable people can disagree about the merits of the Rome Statute. Like many of my colleagues, I have some concerns about its jurisdiction and potential impact on U.S. forces deployed overseas.

I do not, however, think the consequences of simply walking away from the Statute should be ignored. Instead of asserting our leadership, we are abdicating it. Instead of shaping the court to serve our interests, we have relinquished our seat at the table and removed ourselves from a position to shape it at all.

This is especially disappointing, Madam President, when you consider the simple fact that the ICC will still come into existence in July. That was made clear in New York on April 11, when the 60th nation ratified the Rome Statute, putting it into effect. To date, 64 nations have ratified the statute. Only one—the United States—has withdrawn.

When it comes time to pick prosecutors and judges, which it will do, we will not be at the table. And when it comes time to consider rules of evidence, which it will do, our voices will be absent.

But let's consider also exactly who some of those 60 are—Britain, Canada, France, Italy and Spain, all NATO allies, all currently fighting side-by-side with our troops in Afghanistan and the Balkans. And all whom we hope to count on in future conflicts in our war on terrorism.

Yesterday afternoon, our Ambassador-at-Large for War Crimes Issues said that America had "washed our hands [of the ICC]. It's over." If it were only so, Madam President. We did not put the ICC out of business. But we did take ourselves out of the action—and out of a position to influence the ICC. The decision to unsign was the wrong decision at the wrong time and, most troubling of all, not in keeping with the American national interest.



# HONORING THE 2002 AAA SCHOOL SAFETY PATROL LIFESAVING MEDAL AWARD WINNERS

Mr. DASCHLE. Madam President, I am proud to announce to the Senate today the names of the young men and women who have been selected to receive special awards from the American Automobile Association. Six safety patrollers will receive the 2002 AAA School Safety Patrol Lifesaving Medal Award, the highest honor given to members of the school safety patrol. They are in Washington, DC, today to receive their awards, and I wanted to say how proud we are of them all.

There are roughly 500,000 members of the AAA School Safety Patrol in this country, helping in over 50,000 schools. Every day, these young people ensure that their peers arrive safely at school in the morning, and back home in the afternoon.

Most of the time, they accomplish their jobs uneventfully. But, on occasion, these volunteers must make split-second decisions, placing themselves in harm's way to save the lives of others. The heroic actions of this year's recipients exemplify this selflessness.

The first AAA Lifesaving Medal recipient comes from Alexandria, MN.

On January 11, 2002, 12-year-old Kathryn DelZoppo, a captain on St. Mary's Catholic School Safety Patrol, was at her post with four other patrol team members. Even though the duty period was almost over, Kathryn remained alert and kept watch over her team.

As one member of the team approached a busy intersection, a child ran past him, into the street, and into the path of a swiftly approaching vehicle. Thinking fast, Kathryn grabbed the child's jacket and pulled him back to the safety of the curb.

This year's second AAA Lifesaving Medal honoree comes from Manassas, VA.

On September 20, 2001, Weems Elementary School Safety Patrol Ernesto Navarrette, age 11, was on duty at the bus circle with six other patrols and a teacher. Ernesto scanned the area for possible safety hazards as students climbed onto their buses.

A pick-up truck parked in the grass nearby began to back up, but no one could hear the truck's engine over the noise of the children and buses. Only Ernesto saw the truck backing up toward a fellow patrol member, who had her back to the moving truck. He yelled to the patrol to move out of the way. She did, just in time.

The next AAA Lifesaving Medal winners come from Lancaster, OH.

On November 21, 2001, Sandersen Elementary School Safety Patrols Justin Wright, age 13, and Ethan Trush, age 12, were on duty on opposite sides of a crosswalk outside their school. After checking for oncoming traffic, Justin and Ethan allowed a third grader to cross the street.

Just then, a car left the school grounds, speeding and fishtailing as it approached the crosswalk. Ethan spot-

ted the car just as the younger student reached the middle of the crosswalk. He yelled out a warning to Justin and then quickly moved to safety. Justin immediately dashed into the road and pulled the third grader out of the street, barely escaping being hit by the oncoming car.

The fifth AAA Lifesaving Award recipient comes from Westfield, NJ.

On October 16, 2001, Franklin Elementary School Safety Patrol Matthew Printz, age 11, was at his usual post outside the school with fellow patrols and a school crossing guard.

Signaling traffic to continue, the crossing guard called to the patrols to hold back any students approaching the intersection. Just as traffic began to move, however, a student stepped around Matthew and into the street. Matthew immediately grabbed the strap of the student's backpack and pulled him out of the street just in time to avoid being hit.

The sixth AAA Lifesaving Award honoree is from Fairfax, VA.

On March 7, 2002, 11-year-old Greg Whitaker, captain of the Fairhill Elementary School Safety Patrol, was walking with a first-grade student toward their homes after fulfilling his school bus patrol duties.

A man pulled up in his van and blocked the boys' path. The man got out of his van and started to ask the little boy several questions, including where he lived. Greg immediately said in a loud voice, "We need to go home!" He took the first-grader's hand, and walked the boy directly home. Before the van pulled away, Greg committed the license plate number, the van, and the driver to memory.

Safety home, Greg called his patrol sponsor for further guidance. The sponsor called the local police, and was told there was a warrant out for the man's arrest. Greg's quick thinking and courage saved himself and the younger boy from a wanted felon.

In addition to honoring safety patrollers with the Lifesaving Medal Award, AAA also recognizes the School Safety Patroller of the Year. This award is presented to patrollers who perform duties above and beyond their normal responsibilities and demonstrate outstanding leadership, dependability, and academic strength.

This year, the Safety Patroller of the Year goes to Kaitlin McLoughlin, age 14, an 8th grader and Safety Patrol Captain at Our Shepherd Lutheran School in Birmingham, MI.

Usually, students have to be in eighth grade to be a safety patrol captain. Kaitlin was allowed to join a year early, however, after submitting an impressive essay and completing an interview process. She was also chosen captain of her patrol team the following year.

Kaitlin's principal describes her as "dependable, clear thinking, calm, and well-respected by students and teachers alike."

Kaitlin's responsibilities include keeping a weekly record of her safety

squad, raising and lowering the school flag, and keeping track of the safety belts and ponchos. When she is on duty, she is responsible for locking one of the school doors after the final bell rings in the morning. She must also organize her squad and assign duty stations monthly.

Recently, the faculty chose Kaitlin to attend the Birmingham Optimist Club breakfast for outstanding area students. She has also served as a kindergarten and computer classroom aide, and assisted with photography for the school website.

Kaitlin is co-captain of the cheering squad, vice-president of the student council, co-chairman of the 7th-8th grade dance, and sings in the choir. She is Mistress of Ceremonies for the school talent show and serves as hostess for Lutheran Schools' Week. Kaitlin also works with the local food bank and on various school fundraisers. She is active in her church youth group, cheerfully volunteers her services when asked and often seeks out other opportunities to serve.

She and all of the other AAA winners deserve our thanks and applause.

On behalf of the Senate, I extend congratulations and thanks to these young women. They are assets to their communities, and their families and neighbors should be very proud of their courage and dedication.

I would also like to recognize the American Automobile Association for providing the supplies and training necessary to keep the safety patrol on duty nationwide.

Since the 1920's, AAA clubs across the country have been sponsoring student safety patrols to guide and protect younger classmates against traffic accidents. Easily recognizable by their fluorescent orange safety belt and shoulder strap, safety patrol members represent the very best of their schools and communities. Experts credit school safety patrol programs with helping to lower the number of traffic accidents and fatalities involving young children.

We owe AAA our gratitude for their tireless efforts to ensure that our Nation's children arrive to and from school safe and sound. And we owe our thanks to these exceptional young men and women for their selfless actions. The discipline and courage they displayed deserves the praise and recognition of their schools, their communities and the Nation.

## SUZANNE PEARSON RETIREMENT

Mr. THURMOND. Madam President, I am proud to have co-sponsor with Senator BYRD a resolution which the Senate adopted on April 30 commending Ms. Suzanne Pearson, who retired from the Senate on December 31, 2001. While serving as President pro tempore of the Senate, I had the pleasure of overseeing the work of the Office of the Legislative Counsel and, in particular, of working with Suzanne in her position as Office Manager.

I wish to join with Senator BYRD, and with all Senators, in expressing our deepest gratitude to Suzanne Pearson for her long years of service to the U.S. Senate. She has been part of the Office of the Legislative Counsel for almost 32 years, including the last 10 years as Office Manager; during that time she has provided valuable assistance to me and to my staff.

I and my staff appreciated the great dedication and professionalism she displayed in her work for the Senate. I know that her departure will leave a void that is difficult to fill. In adopting this resolution, the Senate recognizes her years of commitment to the Senate.

Madam President, I wish Suzanne Pearson well in her retirement.

#### COLOMBIA'S PRICE BAND SYSTEM

Mr. CLELAND. Madam President, today I have submitted an amendment to address the treatment of certain American industries by Andean nations. Specifically, I am concerned with the detrimental effect the Colombian government's use of the price band system, as it applies to pet food, is having on the U.S. pet food industry and the farmers who provide the raw materials used in the production of pet food. As a Senator from Georgia, this issue is of particular concern to the poultry farmers in my State who supply a large amount of the poultry and poultry byproduct used in the production of pet food for export to Colombia.

I note that the Andean Trade Promotion and Expansion Act requires a country to demonstrate a commitment to undertake its obligations under the WTO before it can be designated a beneficiary country. It appears that Colombia's application of the price band system as it applies to pet food is a violation of Colombia's WTO obligations. Pursuant to the WTO, a developing nation, such as Colombia, is required to request and be granted a "reservation" if it is going to impose the price band system on a particular product. The Colombian government failed to acquire a reservation for either wet or dry pet food. Therefore, Colombia's application of the price band system to pet food is in violation of the WTO.

It is my expectation that in reviewing the eligibility criteria relating to market access and WTO commitments, the U.S. Trade Representative will insist that Colombia implement its WTO commitment to remove wet and dry pet food from the price band system, and apply the 20 percent common external tariff to imported pet food as required by Andean Community law.

#### TRADE PROMOTION AUTHORITY

Mr. KYL. Madam President, since trade-promotion authority lapsed in 1994, America has stood on the sidelines while other countries have brokered trade agreements that benefit their workers, their businesses, and their economies. Soon after taking office, President Bush called on Congress

to grant him trade-promotion authority to reassert America's leadership in promoting U.S. goods and the expertise of our workforce to more markets. The House has acted, the Senate Finance Committee has acted, and it is now time for the full Senate to deliver.

Exports accounted for more than one-fourth of U.S. economic growth in the 1990s. Jobs depending on exports pay wages that are an estimated 13 to 18 percent higher than the national average. One in ten American workers, 12 million people, work at jobs that depend on exports of goods and services. Trade is good for American farmers and ranchers. Trade is good for American small businesses. At the most basic level, trade is essential to our country's economic growth and prosperity. Yet, every day that America delays, other countries throughout the world are entering into trade agreements without us, benefitting their workers, their farmers, their businesses and their economies at the expense of ours.

Our competitors in Europe, Asia, and Latin America have sealed deals on approximately 130 preferential trade compacts, many within our own hemisphere. Yet the United States is party to only three, with Canada and Mexico, Israel and Jordan. Without trade-promotion authority, the United States, would not be able to build on the many robust economic relationships we share with other countries throughout the world.

One such country is Australia. There are few larger, stronger, or more open economies with which the United States can negotiate a bilateral free trade agreement than Australia. Annual two-way trade between the United States and Australia is valued at \$28 billion, supporting thousands of jobs in each country. The United States is Australia's largest source of imports and Australia's second largest export market. Everyone can agree that an Australia-United States Free Trade Agreement would only enhance this fruitful relationship.

Aside from being one of our closest friends and allies, Australia is a strategic trading partner in the Asia-Pacific Region. Clearly, we have a mutual stake in expanding our market presence in this region, and a U.S.-Australia Free Trade Agreement would set a benchmark for other trade agreements in the future. It would not only send a message that we are serious about the principle of open markets, but it would show what trade-promotion authority can deliver. This is just one example of why we need trade-promotion authority, but it is reason enough, and it speaks to why we must act now. I urge my colleagues to join me in support of trade-promotion authority.

#### LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Madam President, I rise today to speak about hate crimes legislation I introduced with

Senator KENNEDY in March of last year. The Local Law Enforcement Act of 2001 would add new categories to current hate crimes legislation sending a signal that violence of any kind is unacceptable in our society.

I would like to describe a terrible crime that occurred May 13, 1998 in Lancaster, SC. A gay woman was brutally beaten. The assailants, two men, were heard to use anti-gay slurs during the attack.

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 and changing current law, we can change hearts and minds as well.

#### ADDITIONAL STATEMENTS

##### HONORING THE COMMUNITY PROBLEM SOLVING TEAM OF THE QUEST PROGRAM AT THE DR. JOHN HOWARD JR. SCHOOL IN EAST RUTHERFORD

• Mr. TORRICELLI. Madam President, I rise today to recognize the Community Problem Solving Team at the Dr. John Howard Jr. School in East Rutherford. The group, consisting of 12 fourth and fifth graders, has assisted persons who have experienced personal tragedy in their lives in hopes that they can be of help in improving their situation.

This group of youngsters has worked incredibly hard to help so many get through the most difficult of times. They have volunteered 20 times in an after school program for homeless children at the Whitney Houston School, visited the Brookhaven Health Care Center to uplift patients' spirits, and have already volunteered a total of 600 hours towards this project. The group has also collected 150 new toys to be given during the holiday season and collected over 1,500 canned goods and perishable foods for needy families and a local food pantry. Besides gathering these material goods, the Community Problem Solving Team has been able to contribute fiscally. They applied for and were awarded a \$500 grant towards their cause, in addition to raising \$1,180 through the sales of candy bars and lollipops. In the coming weeks the group plans to present a high school senior in their community, whose sister was tragically struck and killed by a stolen automobile, a scholarship check to help her further her education.

Through the efforts of these grade school children, many members of their community are now living happier lives. Even at their young ages, they are being active in their community and working towards making this world a better place.

I would like to take this opportunity to salute the Community Problem Solving Team at the Dr. John Howard Jr. School's for their service to the community, their countless acts of compassion, and commitment to their fellow citizens. May their spirit of service and community be a model for all of us to admire and emulate.●

#### IN MEMORY OF STEVE LOVATO

● Mr. DOMENICI. Madam President, I rise today to honor Steve Lovato, an outstanding individual who lost his life in service to others.

Steve Lovato was an EMT known for his strong work ethic and his helpfulness to others. His coworkers praised him for his dedication to the job, and he was well recognized for his service to the community.

Being an EMT, Steve knew that the financial reward would not be great. He would often face many dangers that are inherent with the job. However, Steve liked doing what was right and worked as an EMT because he wanted to help people. That is why it saddens me to know of the tragic loss of this noble individual.

Nearly two months ago, Steve and his partner, Margie Muccie, responded to a 911 call where a man, Paul Freeman, had been injured by a burning home. While trying to give Mr. Freeman medical attention, the mentally unstable individual pulled out a gun and shot and killed Steve. He also killed Roswell Fire Chief, Louis Jones, and his good Samaritan neighbor who had called for help, Randy Houghton. Randy's son was also critically injured by Mr. Freeman.

This terrible event has had a profound effect on the community of Roswell. It has also deepened my resolve to address issues that affect the mentally ill. I have long worked to help people who suffer from diseases of the brain, and I believe that better treatment options for Mr. Freeman could have prevented this terrible tragedy. I will continue to seek out the best possible ways to help those that suffer from mental illness.

Steve made the ultimate sacrifice in service to others; he lost his life in the line of duty. I am proud to have represented a man like Steve, and I send my heartfelt condolences to his wife, Josephine, and his son, Alex. He went above and beyond the call of duty and showed unparalleled compassion for his fellow man. I am proud to honor him here today and to know of his heroic efforts.

I also wish to express my greatest sympathies to the friends and families of Louis Jones and Randy Houghton. These men should also be honored for their efforts in trying to help others.●

#### IN CELEBRATION OF MRS. LOLA V. GIBBS' 100TH BIRTHDAY

● Mr. CARPER. Madam President, I would like to set aside a moment to re-

flect on the life of Mrs. Lola V. Gibbs, a longtime educator, community and civic leader. She has made a lasting impact on the generations of people and the communities she has touched. Today, I rise to celebrate her 100 years of life.

Born the only daughter of Tabitha and George Gibbs on Easter Sunday, 1902, Lola enjoyed a childhood home filled with the laughter of foster children. Her family owned a farm, and together Lola and her father planted vegetables and tended to crops. At the age of seven, Lola began her education in a one-room schoolhouse. She attended high school at State College, graduating in a class of four. It was the degree she earned from the larger West Chester Normal College, in the company of other African Americans, which shaped the woman she would become.

Lola was assigned to Reeves Crossing School, teaching students in her hometown school in Woodside. Inspired by the excitement of her pupils, she became interested in 4-H. Before long, she organized the Woodside Silver Leaf 4 H Club, which was quickly recognized throughout the state for excellence. She would be a 4-H leader for 55 years.

Lola married Edward, whom she met at West Chester Normal, in the spring of 1931. They wed in her rose garden and honeymooned in Washington, DC. In September 1936, Lola and Edward were blessed with their son Edward B. Gibbs, Jr.

Never complacent, Lola Gibbs went back to college. With her son just a year old, she enrolled in classes and earned a second degree before returning to Woodside to run her own classroom again. Lola's students spanned four grades. When attendance dropped, she moved to a two-room schoolhouse in nearby Viola, instructing children, many of whom she had taught before in grades four, five and six. She organized another 4-H club, called the Viola Jolly 26. The club quickly became the largest in Delaware.

Upon her retirement, Lola V. Gibbs was appointed president of the Kent County Teachers Association. In the years that followed, she became active in the Eastern Star, AARP and the Women's Auxiliary of the Smyrna Home for the Critically Ill.

A life member of Star Hill AME Church, Lola focuses much of her energy on the success of the congregation's Historical Society. Both her church and her community were stops on the Underground Railroad. Both benefit from her pride in her heritage.

Lola V. Gibbs is an active, independent woman of many talents and gifts. She has four grandchildren and five great-grandchildren. In 2000, Mrs. Gibbs renewed her driver's license, driving her Ford station wagon throughout Kent County, DE. Until just a few years ago, she continued to play the organ for her church.

Today, I rise both to celebrate Lola's one hundred years and the life she

breathes into her community. To her grandchildren and great-grandchildren she will leave a legacy of determination, tenacity, and kindness. With pride in her students, her family, her heritage and her community, she is living proof that a life filled with good works is a good life indeed.●

#### TRIBUTE TO LOUIS WYMAN

● Mr. SMITH of New Hampshire. Madam President, I rise today to pay tribute to my personal friend, former judge and United States Congressman, Louis Wyman, who passed away Sunday, May 6. Louis, who was 85, was involved in one of the closets races in United States Senate history.

Louis left a lasting legacy. His legacy of country, state and family, will not soon be forgotten by those of us whose lives he touched so deeply. He was a loving husband, father and grandfather to his wife Virginia, his children Jo Ann and Louis II, and two grandchildren.

Louis Wyman was elected to serve in the United States Congress from New Hampshire's 1st Congressional District in 1962. Louis served five terms in the House of Representatives before deciding to run for the Senate in 1974. In the closest race in Senate history, Louis won the seat by only 2 votes. He served briefly in the Senate, after which a special election was held and John Durkin was awarded the seat.

In 1938 Louis graduated from the University of New Hampshire with honors and from Harvard University Law School, in 1941, cum laude. Louis was named attorney general of New Hampshire in 1953, and in 1957 was elected president of the National Association of Attorneys General. He returned to the State over the course of many years to practice law.

Louis' impact on the State of New Hampshire will not be forgotten. He touched many lives over the years through his many judicial and political pursuits. Louis was instrumental in preventing the closure of Portsmouth Naval Shipyard. Citizens of the Granite State were fortunate to have such invaluable aid.

While serving on the sub-committee of defense, Louis was an effectual supporter in the development of the F-18 fighter jet and the AEGIS Missile. During this time, Louis was a leader in the early funding for the moon landing project.

From the hallways of Capitol Hill to the law offices of New Hampshire, Louis Wyman touched many lives, and left his mark in U.S. Senate history. He will not be forgotten.●

#### RECOGNITION OF MAYOR TOM MENINO'S ACCOMPLISHMENT TO LEAD THE U.S. CONFERENCE OF MAYORS

● Mr. KERRY. Madam President, I am proud to join in celebrating an extraordinary milestone for my friend, Mayor

Tom Menino, an honor shared by all the people of Boston who have benefitted from Tom's remarkable leadership in our city. A reflection of all that he has accomplished and continues to achieve, Mayor Tom Menino ascends to the position of President of the U.S. Conference of Mayors. I am proud to join his family, staff and colleagues across the country in congratulating him as he embarks on this new challenge.

Since his election as Mayor in 1993, Tom Menino has been tireless in his efforts to make the nation's greatest city even stronger. As he begins his term as President of the Conference, mayors from across the country will find in Tom a friend and a national trail blazer as the chief spokesperson and leader of their efforts.

Tom Menino's record of achievement already serves as a blueprint for our nation's cities; in 2001 he was recognized by *Governing Magazine* as "Public Official of the Year," dubbing him the "Main Streets Maestro." Mayors from cities from Houston, Detroit to Philadelphia have come to Boston to study Tom's approach to governing, and each has returned to their own city and implemented a piece of Boston's success story. After a recent Boston visit, Mayor O'Malley returned to Baltimore to open an Office of Neighborhoods, borrowing a page from the Menino play book.

But it is in the neighborhoods of Boston where the results of his hands-on management style are most visible. In places like Grove Hall and Jackson Square, new businesses are starting up, community development corporations are working hand-in-hand with the Mayor to jump start new developments and rehabilitate old buildings, and small, locally-owned businesses are flourishing in all corners of the city.

But do not take my word for it, just look at the statistics: Crime rates are dramatically lower than 10 years ago; the public school drop-out rate has been cut in half during Tom's time in office; and almost 70 percent of Boston's high school graduates continue on to college. Mayor Menino's work on behalf of the children of Boston reflects a long term commitment that reaches far into the future: He has almost doubled the number of immunized children; launched a youth literacy campaign that has been replicated in over 100 other U.S. cities; and Tom Menino is the first mayor of a major city to completely wire the school system to the Internet. Mayor Menino has partnered with the Ten Point Coalition and other violence prevention groups to create successful programs like Operation Ceasefire and "2 to 6", that target the city's at risk youth with activities and structure during those crucial after school hours.

I am proud to stand shoulder-to-shoulder with Tom Menino as we move ahead and continue our work together on improving public schools, increasing the availability of affordable housing

and making our streets as safe as they can be. He is a dedicated and talented public servant, one whom I am fortunate to call a colleague and friend, and I join the whole Massachusetts delegation and mayors across the State in congratulating him on his Presidency of the U.S. Conference of Mayors.●

#### HONORING DR. FOREST F. SHELBY

● Mr. BUNNING. Madam President, I have the distinct honor of rising today to recognize one of Kentucky's finest citizens, Dr. Forest F. Shely.

At the recently held 53rd Annual Awards Dinner of the Campbellsville/Taylor County Chamber of Commerce, Dr. Shely was named "Citizen of the Year." Dr. Shely was duly recognized for his unwavering commitment to family, church, career, and community. He has been a devoted and loving husband for 55 years. He raised five wonderful children of his own and is currently the proud grandfather of eight and great-grandfather of four. Dr. Shely has also been a key figure in his church for many years, serving as a Deacon, Sunday School teacher, and Gideon. Throughout his career in medicine, Dr. Shely has touched thousands of lives delivering babies, healing the sick, and comforting the dying. Finally, Dr. Shely serves on the university board of trustees, the Citizens Bank board, the library board, the Rotary Club and is the past president of the hospital medical staff.

To say that Dr. Forest F. Shely has lived life to the fullest would be a gross understatement. I am extremely honored to serve such an amazing husband, father, doctor, and community leader. I ask that my fellow colleagues join me in praising Dr. Shely for his dedication to Kentucky.●

#### IN MEMORY OF MSGR. GEORGE HIGGINS, AMERICA'S "LABOR PRIEST"

● Mr. KENNEDY. Madam President, when I learned of the death of Msgr. George G. Higgins, I was saddened to lose a friend and one of the most passionate workers' advocates of our time.

For half a century, Msgr. Higgins was the workers' priest. He was a leading advocate of workers rights, but his interests went beyond labor to issues of justice and peace, human and civil rights, discrimination. Through his writings and teachings, he helped show the connections between these vital issues and his deep faith.

He left his mark on the lives of America's workers through his roles as writer, lecturer, lobbyist, negotiator, and leader. It is said that Msgr. Higgins never turned down an invitation to a labor meeting if he was able to be there. He was no stranger to picket lines, stopping by to lend an inspirational word to workers and to show his support.

Msgr. Higgins played a central role in the negotiations between grape grow-

ers and the newly unionized farm workers in the early 1970s. United Farm Workers leader Cesar Chavez said in 1980 that no one in the country did more for farm workers than Msgr. Higgins.

He played a key role as a liaison between the independent Polish labor union Solidarity and American unions at a time when Solidarity was struggling for its very survival in the early 1980s.

In 2000, President Clinton awarded him the Presidential Medal of Freedom, the nation's highest civilian honor, for his commitment to workers' rights, civil rights and religious tolerance. Last year, he was conferred the University of Notre Dame's prestigious Laetare Medal.

Msgr. Higgins believed that unions are central to democracy and the improvement of the plight of workers. He insisted that Catholic institutions welcome unionization and negotiate in good faith with their employees.

AFL-CIO President John F. Sweeney said of Msgr. Higgins that, "He has been an irresistible force in bringing labor and church together. . . . We respect him for his strength, we revere him for his conscience, we stand in awe of his intellect and we thank him for his love."

My thoughts and wishes are with his sisters, Bridget Doonan and Ann Maronic, as well as his nephews, nieces, grandnephews and grandnieces. We will miss America's Labor Priest. As we continue to fight for America's workers, for justice and for peace, his memory will be with us—and with all workers around the globe.●

#### IN RECOGNITION OF LAKE FOREST HIGH SCHOOL STUDENTS PREPARING FOR NATIONAL COMPETITION ON CONSTITUTIONAL KNOWLEDGE

● Mr. CARPER. Madam President, this May, more than 1,200 students from across the United States will visit Washington, DC to compete in the national finals of the We the People . . . The Citizen and the Constitution program. It 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 a class from Lake Forest High School from Felton will represent the State of Delaware in this national event. These students, with the leadership of their teacher Amy Reed-Moore, have worked diligently to reach the national finals. Through their experience they have gained a deep knowledge and understanding of the fundamental principles and values of our constitutional democracy.

This three-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 knowledge.

Administered by the Center for Civic Education, the We the People . . . program has provided curricular materials at upper elementary, middle and high school levels for more than 26.5 million students nationwide. The program affords students a working knowledge of our Constitution, Bill of Rights, and the principles of democratic government.

It is inspiring to see these young people advocate the principles of our government, particularly in the aftermath of the tragedy on September 11. These principles identify us as a people and bind us together as a Nation. It is important for our next generation to understand the values and principles that serve as the foundation in our ongoing effort to preserve and realize the promise of democracy.

These students from Lake Forest High School are currently conducting research and preparing for their upcoming participation in the national competition in Washington, DC. I wish these young "constitutional experts" the best of luck at the We the People . . . national finals. They represent the future of our State and Nation.●

#### TRIBUTE TO MARY CATHERINE MORIN

● Mr. SMITH of New Hampshire. Madam President, I rise today to pay tribute to Mary Catherine Morin of Bedford. Mary was crowned this year's Miss New Hampshire and will compete for the Miss America title in September.

I applaud the dedication that Mary has shown in her platform as Miss New Hampshire. Her focus on the elderly and dedication to their needs and concerns serves as a positive example for all Granite Staters. Starting in her days of Girl Scouting, Mary has been an advocate for Seniors. By volunteering at Harborside Healthcare in Bedford and serving on the public relations committee for the Manchester Area Committee on Aging, Mary has been a positive example to the community, adding to her already deep devotion to our senior citizens.

Mary received her bachelors degree in Communications from the University of New Hampshire and now plans to pursue a Master's Degree in mass communication, with the ultimate goal of becoming a reporter for a major television network. Her experience at WMUR Channel 9 as well as working for Marie Claire magazine will certainly be an asset as she spends her year as Miss New Hampshire.

I commend Mary on her achievement and wish her continued success in the coming year. New Hampshire will be represented at the Miss America pageant and her message will reach even more people. Her dedication to our Na-

tion's seniors is exemplary and should serve as the benchmark for today's youth. It is an honor to represent you in the U.S. Senate.●

#### OXNARD HARBOR DISTRICT'S 65TH ANNIVERSARY

● Mrs. BOXER. Madam President, the Oxnard Harbor District's Annual National Maritime Day Celebration will be particularly special this year, as the event will also recognize the district's 65th Anniversary on May 10, 2002.

Created in 1937, the Oxnard Harbor District owns and operates the Port of Hueneme, located in Ventura County, CA. The port greatly contributes to the economic success of California and the Nation. More than \$4 billion worth of cargo moves through the port each year. In addition, the Port of Hueneme is the Nation's number one seaport for exporting citrus products and conducts business with countries including Brazil, Costa Rica, Ecuador, Germany and Japan. The Oxnard Harbor District has every reason to be proud of its outstanding accomplishments and contributions to our nation's great maritime heritage.

To help recognize the district's long history, this year's event will feature the SS *Lane Victory*, one of America's last remaining World War II Victory ships, and a National Historic Landmark. It loaded its first cargo consignment in Port Hueneme in July 1945.

To conclude, I would like to add a special word of commendation to the International Mariners Center, whose unwavering and unparalleled support has been instrumental to the Oxnard Harbor District's success.

I thank the Oxnard Harbor District for their many contributions to the community, state and Nation, and wish the staff many more years of prosperity.●

#### IN RECOGNITION OF THE REVEREND DR. S. HOWARD WOODSON, JR.

● Mr. TORRICELLI. Madam President, I rise today to acknowledge the Reverend Dr. S. Howard Woodson, Jr., after whom Calhoun St. in Trenton is being renamed.

It has been an honor for the State of New Jersey to have the service of an individual with the immense talents of the Reverend Woodson. In his efforts to serve the community, Reverend Woodson has used his leadership skills to effect positive change throughout the State.

After moving to Trenton in 1946 and becoming pastor of Shiloh Baptist Church, the Reverend Woodson became actively involved in the civil rights movement. As Chairman of the segregated board of the Carver YMCA, he fought to be granted independent status by the National YMCA, which led to the establishment of its own branch, freeing it from the supervision of the central office. This was a first for the

Nation. During his time as President of the State Conference of the NAACP, he convinced then Governor Richard Hughes to convene the first state-wide conference on housing discrimination, out of which grew important minority housing legislation. Over the course of his political career, the Reverend Woodson had the distinction of being the first person of color elected as councilman-at-large in Trenton. He was also the first person of color to serve as Chairman of the Ranking Legislative Committee, Assistant Democratic Leader, and Speaker of the State House.

But, the impact of the Reverend Woodson extends beyond his work in the areas of civil rights and politics. Through his leadership, Shiloh Baptist Church was able to erect a new center of worship and began numerous community outreach programs such as the Clean Neighborhood Drive and a Neighborhood Get Acquainted program.

I am proud to extend my congratulations to the Reverend Woodson on this special occasion.●

#### IN HONOR OF PROFESSOR ZAFRA MARGOLIN LERMAN

● Mr. DURBIN. Madam President, I rise today to honor a woman who for nearly a quarter century has brought the joys of science to thousands of students in Chicago and who through every one of those years has given of herself tirelessly to ensure that anyone who sets foot in her classroom can succeed.

Zafra M. Lerman is no ordinary science teacher, and she has led no ordinary life. Born in Israel just before the second World War began, the young Zafra found high school chemistry a bore. It wasn't until she was a soldier in the Israeli Army and taking evening classes that she discovered her aptitude—and love—for the subject. Zafra went on to earn a doctorate in chemistry from Israel's renowned Weizmann Institute of Science and then did post-doctoral research at Cornell University in New York.

As remarkable as these achievements are, they are really only the beginning of a career that—though certainly filled with personal accolades—is most notable for the success of those she has guided. "Equal access to science education is a right that belongs to all," she says, and she has lived by that axiom both professionally and personally. As a professor, scientist and friend, Zafra has been a mentor first and a chemistry teacher second.

In 1977, Zafra Lerman became the very first professor of science at Columbia College in Chicago, a liberal arts college that at the time didn't even have a single science course. Her first course, Chemistry in Daily Life, was filled with artists and writers and historians who hadn't the first thought of majoring in science. One day near the beginning of the school year, Zafra took a group of students to a pub at

the Congress Hotel, across the street from the college. There, she realized she could connect the unfamiliar scientific world to a world the students knew well. The alcohol in the drinks and the acid in the salad dressing became links between science and experience that brought meaning to molecules and bonds and chemical reactions.

And so began an innovative curriculum that has been as successful as it is unconventional. What began as a new way to look at science has grown into a new way of bringing the power and wonder of the subject to those who for whom learning has all too often been an unrealized privilege rather than the right Zafra Lerman believes it to be. Over the past two decades, Zafra has made it her mission to ensure that all students, regardless of their background, can experience science in a meaningful way. She has encouraged her students to explore chemistry through music and dance rather than forcing them to work behind a lab bench and has helped them learn the abstract material on their own terms.

Each week, students from the Chicago Public Schools board busses and travel to Columbia College to experience science the Lerman way. During the summer, Zafra leads a month-long "science boot camp" where teachers learn for themselves how to unite the realm of science with the universe of a teenager in Chicago. Over the years, more than 16,000 youths on the southwest side of Chicago have found the potential in science education and—thanks to Mother Zafra, as they call her—have for the first time seen high school as a beginning to their education rather than an end.

Zafra Lerman's work doesn't end at the shore of Lake Michigan. In addition to her devotion to the students of Chicago, she has long been a champion of international human rights. She has traveled extensively overseas—often to the most dangerous corners of the world—to help address the plight of dissident scientists in China, Russia and Belarus. She even learned the Russian language so she could converse directly with Andrei Sakharov instead of relying on the translator provided by the KGB.

I would like today to congratulate Zafra Lerman on being awarded the Charles Lathrop Parsons Award for Outstanding Public Service to Chemistry from the American Chemical Society. I assure you this is not her first honor—indeed, she is the recipient of more than three dozen well-deserved awards and grants over the past 15 years, including the prestigious Presidential Award for Excellence in Science, Mathematics and Engineering Mentoring. But I know this one means a great deal to her, for the late Franklin A. Long, her mentor at Cornell University, received the same honor in 1985 and had dreamed that she would one day follow in his footsteps.

"If I am able to see that I made a change for the better in someone's

life," Zafra has said, "then I know that it was a good day." Madam President, Zafra Lerman's life has been a collection of good days from which so many have benefitted. All of us whose lives she has touched owe her a debt of gratitude. ●

#### NATIONAL TEACHER DAY

● Mr. HARKIN. Madam President, I come to the floor today to recognize National Teacher Day and all the hard-working, dedicated teachers that spend every day preparing our Nation's children for tomorrow.

National Teacher Day is an opportunity to let millions of teachers across the Nation know how much we value and appreciate their work. It is a chance to salute the dedicated individuals who touch the future by teaching our children.

We recognize teachers like Jennifer Erbe, the 2002 Iowa Teacher of the Year. I had the opportunity to meet Jennifer last month and was impressed with her passion for children and her ingenuity in the classroom. She is one of Iowa's youngest teachers and we not only need to find ways to keep her in the classroom but to encourage more of our best and brightest young people to enter the profession as well.

As we celebrate National Teachers Day, we must not forget that teachers need more than just a few kinds words about the work they do or a pat on the back. They don't need empty rhetoric about the importance of education but need us to provide the resources necessary to do the job right.

Last year, we passed the Elementary and Secondary Education reauthorization and talked a lot about the need for education reform and quality teachers. We are demanding greater accountability, but also promised increased federal investments. Last year we provided education with a 16 percent increase. That was a good start. However, President Bush's first budget since the passage of his education reform bill provides only 2.8 percent increase in funding, the smallest increase since 1996.

In my home State of Iowa, State budget cuts are forcing school districts to cut back on the number of teachers for the next school year. Some are laying off teachers. Others are not replacing teachers that will retire. The reality for Iowa children next fall will be larger classes and fewer opportunities.

In the next 10 years, 40 percent of Iowa teachers will retire and we need to address that problem now. That is why these lay offs are so troubling, because they are hitting the very teachers that we were counting on to offset the impending retirements.

We face many serious challenges in our nation's schools and no one worries more about the child that is getting left behind than the classroom teacher. We make sure all children succeed by providing high quality preschool programs, small class sizes, modern buildings and up-to-date teachers.

Someone once wrote, "If you can read this, thank a teacher." Our words are important and take the time to thank a teacher today. But let's not just offer kind words to our teachers, let's dedicate ourselves to make sure teachers have the tools they need in the classroom to get the job done. ●

#### PERIODIC REPORT ON THE NATIONAL EMERGENCY WITH RESPECT TO SUDAN—PM 82

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Banking, and Urban Affairs.

*To The Congress of the United States:*

As required by section 401(c) of the National Emergencies Act, 50 U.S.C. 1641(c), and section 204(c) of the International Emergency Economic Powers Act (IEEPA), 50 U.S.C. 1703(c), I am providing herewith a 6-month periodic report prepared by my Administration on the national emergency with respect to Sudan that was declared in Executive Order 13067 of November 3, 1997.

GEORGE W. BUSH.

THE WHITE HOUSE, May 7, 2002.

#### MESSAGE FROM THE HOUSE

##### ENROLLED BILL SIGNED

At 2:58 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:

H.R. An act to amend the Internal Revenue Code of 1986 to clarify that the parsonage allowance exclusion is limited to the fair rental value of the property.

The enrolled bill was signed subsequently by the President pro tempore (Mr. BYRD).

#### EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-6736. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, a Certification to Congress Regarding the Incidental Capture of Sea Turtles in Commercial Shipping Operations; to the Committee on Foreign Relations.

EC-6737. A communication from the Administrator, Office of Workforce Security, Employment and Training Administration, Department of Labor, transmitting, pursuant to law, the report of a rule entitled "Disaster Unemployment Assistance Program; Request for Comments; Interim Final Rule" (RIN1205-AB31) received on May 2, 2002; to the Committee on Health, Education, Labor, and Pensions.

EC-6738. A communication from the Assistant Secretary for Fish and Wildlife and Parks, Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled "Subsistence Management Regulations for Public



Lands in Alaska" (RIN1018-AH85) received on May 2, 2002; to the Committee on Energy and Natural Resources.

EC-6739. A communication from the Secretary of Energy, transmitting, pursuant to law, the Annual Report for the Strategic Petroleum Reserve, covering calendar year 2001; to the Committee on Energy and Natural Resources.

EC-6740. A communication from the Under Secretary of Defense, Acquisition, Technology and Logistics, transmitting, pursuant to law, a certification with respect to the CH-47F Improved Cargo Helicopter (ICH), Chemical Demilitarization Program, LPD 17 Amphibious Transport Dock Ship, Multiple Launch Rocket System (MLRS) Upgrade, Space Based Infrared System (SBIRS) High, and United States Marine Corps (USMC) H-1 Upgrades major defense acquisition programs; to the Committee on Armed Services.

EC-6741. A communication from the Secretary of Defense, transmitting, the report of a retirement; to the Committee on Armed Services.

EC-6742. A communication from the Deputy Secretary of Defense, transmitting, pursuant to law, a report on the amount of Department of Defense purchases from foreign entities in Fiscal Year 2001; to the Committee on Armed Services.

EC-6743. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Bureau of Labor Statistics Price Indexes for Department Stores—October 2001" (Rev. Rul. 2001-66) received on May 2, 2002; to the Committee on Finance.

EC-6744. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Weighted Average Interest Rate Update Notice" (Notice 2001-80) received on May 2, 2002; to the Committee on Finance.

EC-6745. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Application of Deposits for Purposes of Calculating the Failure-to-Deposit Penalty of IRC 6656" (Rev. Proc. 2001-58) received on May 2, 2002; to the Committee on Finance.

EC-6746. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Disclosure of Returns and Return Information by Other Agencies" ((RIN1545-AY77)(TD8698)) received on May 2, 2002; to the Committee on Finance.

EC-6747. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Expansion of Safe Harbor Provisions Under Notice 88-129" (Notice 2001-82) received on May 2, 2002; to the Committee on Finance.

EC-6748. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "Payment by Credit Card and Debit Card" (RIN1545-AW37) received on May 2, 2002; to the Committee on Finance.

EC-6749. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, transmitting, pursuant to law, the report of a rule entitled "October-December 2001 Bond Factor Amounts" (Rev. Rul. 2001-53) received on May 2, 2002; to the Committee on Finance.

EC-6750. A communication from the Chief of the Regulations Unit, Internal Revenue Service, Department of the Treasury, trans-

mitting, pursuant to law, the report of a rule entitled "Optional Standard Mileage Rate for Automobiles for 2002" (Rev. Proc. 2001-54) received on May 2, 2002; to the Committee on Finance.

EC-6751. A communication from the Chief of Regulations and Administrative Law, United States Coast Guard, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled "Safety/Security Zone Regulations; Ports of Houston and Galveston, Texas (COTP Houston-Galveston 02-006)" ((RIN2115-AA97)(2002-0067)) received on May 2, 2002; to the Committee on Commerce, Science, and Transportation.

## INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Ms. COLLINS (for herself and Mr. JOHNSON):

S. 2462. A bill to amend section 16131 of title 10, United States Code, to increase rates of educational assistance under the program of educational assistance for members of the Selected Reserve to make such rates commensurate with scheduled increases in rates for basic educational assistance under section 3015 of title 38, United States Code, the Montgomery GI Bill; to the Committee on Armed Services.

By Ms. COLLINS:

S. 2463. A bill to amend title 10, United States Code, to restrict bundling of Department of Defense contract requirements that unreasonably disadvantages small businesses, and for other purposes; to the Committee on Armed Services.

By Mr. ENZI:

S. 2464. A bill for the relief of Sammie Martine Orr; to the Committee on the Judiciary.

By Mr. GREGG (for himself and Mr. FEINGOLD):

S. 2465. A bill to extend and strengthen procedures to maintain fiscal accountability and responsibility; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

By Mr. KERRY (for himself, Mr. BOND, Mrs. CARNAHAN, and Ms. COLLINS):

S. 2466. A bill to modify the contract consolidation requirements in the Small Business Act, and for other purposes; to the Committee on Small Business and Entrepreneurship.

By Ms. CANTWELL:

S. 2467. A bill to amend the Higher Education Act of 1965 to modify the computation of eligibility for certain Federal Pell Grants, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Ms. CANTWELL (for herself and Ms. COLLINS):

S. 2468. A bill to amend the Workforce Investment Act of 1996 to provide for strategic sectoral skills gap assessments, strategic skills gap action plans, and strategic training capacity enhancement seed grants, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Ms. CANTWELL:

S. 2469. A bill to amend section 171(b)(1)(D) of the Workforce Investment Act of 1996 to provide for training service and delivery innovation grants; to the Committee on Health, Education, Labor, and Pensions.

By Mrs. CARNAHAN:

S. 2470. A bill to encourage and facilitate the security of nuclear materials and facili-

ties worldwide; to the Committee on Armed Services.

By Mrs. MURRAY:

S.J. Res. 36. A joint resolution authorizing special awards to World War I and World War II veterans of the United States Navy Armed Guard; to the Committee on Armed Services.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. AKAKA (for himself, Mr. COCHRAN, Mr. DURBIN, Mr. LEVIN, Mr. LIEBERMAN, Mr. VOINOVICH, Ms. COLLINS, and Mr. THOMPSON):

S. Res. 261. A resolution expressing the sense of the Senate that public servants should be commended for their dedication and continued service to the nation during Public Service Recognition Week; considered and agreed to.

By Mr. AKAKA (for himself and Mr. INOUE):

S. Res. 262. A resolution commending the University of Hawaii Warrior Men's Volleyball Team for winning the 2002 National Collegiate Athletic Association Men's Volleyball National Championship; considered and agreed to.

By Mr. KENNEDY (for himself, Mr. BROWNBACK, Mrs. FEINSTEIN, and Mr. KYL):

S. Con. Res. 106. A concurrent resolution to correct the enrollment of H.R. 3525; considered and agreed to.

By Mr. CRAIG (for himself and Mrs. FEINSTEIN):

S. Con. Res. 107. A concurrent resolution expressing the sense of Congress that Federal land management agencies should fully support the Western Governors Association "Collaborative 10-year Strategy for Reducing Wildland Fire Risks to Communities and the Environment", as signed August 2001, to reduce the overabundance of forest fuels that place national resources at high risk of catastrophic wildfire, and prepare a National prescribed Fire Strategy that minimizes risks of escape; to the Committee on Energy and Natural Resources.

By Mr. BURNS (for himself and Mr. REID):

S. Con. Res. 108. A concurrent resolution to designate May 4-12, 2002, as "National Tourism Week"; considered and agreed to.

## ADDITIONAL COSPONSORS

S. 550

At the request of Mr. DASCHLE, the name of the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of S. 550, a bill to amend part E of title IV of the Social Security Act to provide equitable access for foster care and adoption services for Indian children in tribal areas.

S. 732

At the request of Mr. THOMPSON, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 732, a bill to amend the Internal Revenue Code of 1986 to reduce the depreciation recovery period for certain restaurant buildings, and for other purposes.

S. 830

At the request of Mr. CHAFEE, the names of the Senator from Oregon (Mr.

SMITH) and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. 830, a bill to amend the Public Health Service Act to authorize the Director of the National Institute of Environmental Health Sciences to make grants for the development and operation of research centers regarding environmental factors that may be related to the etiology of breast cancer.

S. 913

At the request of Ms. SNOWE, the names of the Senator from Virginia (Mr. WARNER), the Senator from Mississippi (Mr. COCHRAN), and the Senator from Rhode Island (Mr. REED) were added as cosponsors of S. 913, a bill to amend title XVIII of the Social Security Act to provide for coverage under the medicare program of all oral anticancer drugs.

S. 999

At the request of Mr. BINGAMAN, the names of the Senator from California (Mrs. BOXER), the Senator from Utah (Mr. BENNETT), the Senator from Kansas (Mr. BROWNBACK), and the Senator from Washington (Mrs. MURRAY) were added as cosponsors of S. 999, a bill to amend title 10, United States Code, to provide for a Korea Defense Service Medal to be issued to members of the Armed Forces who participated in operations in Korea after the end of the Korean War.

S. 1162

At the request of Mrs. FEINSTEIN, the name of the Senator from Oregon (Mr. WYDEN) was added as a cosponsor of S. 1162, a bill to repeal the requirement relating to specific statutory authorization for increases in judicial salaries, to provide for automatic annual increases for judicial salaries, to provide for a 9.6 percent increase in judicial salaries, and for other purposes.

S. 1278

At the request of Mrs. LINCOLN, the name of the Senator from Nevada (Mr. REID) was added as a cosponsor of S. 1278, a bill to amend the Internal Revenue Code of 1986 to allow a United States independent film and television production wage credit.

S. 1572

At the request of Ms. LANDRIEU, her name was added as a cosponsor of S. 1572, a bill to endorse the vision of further enlargement of the NATO Alliance articulated by President George W. Bush on June 15, 2001, and by former President William J. Clinton on October 22, 1996, and for other purposes.

At the request of Mr. THURMOND, his name was added as a cosponsor of S. 1572, *supra*.

S. 1655

At the request of Mr. BIDEN, the names of the Senator from New Jersey (Mr. TORRICELLI) and the Senator from Oregon (Mr. WYDEN) were added as cosponsors of S. 1655, a bill to amend title 18, United States Code, to prohibit certain interstate conduct relating to exotic animals.

S. 1738

At the request of Mr. KERRY, the name of the Senator from Georgia (Mr.

MILLER) was added as a cosponsor of S. 1738, a bill to amend title XVIII of the Social Security Act to provide regulatory relief, appeals process reforms, contracting flexibility, and education improvements under the medicare program, and for other purposes.

S. 1761

At the request of Mr. DORGAN, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 1761, a bill to amend title XVIII of the Social Security Act to provide for coverage of cholesterol and blood lipid screening under the medicare program.

S. 1829

At the request of Mrs. FEINSTEIN, the name of the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1829, a bill to provide for transitional employment eligibility for qualified lawful permanent resident alien airport security screeners until their naturalization process is completed, and to expedite that process.

S. 1945

At the request of Mr. JOHNSON, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 1945, a bill to provide for the merger of the bank and savings association deposit insurance funds, to modernize and improve the safety and fairness of the Federal deposit insurance system, and for other purposes.

S. 1961

At the request of Mr. GRAHAM, the name of the Senator from Virginia (Mr. ALLEN) was added as a cosponsor of S. 1961, a bill to improve financial and environmental sustainability of the water programs of the United States.

S. 1990

At the request of Mrs. MURRAY, the name of the Senator from Vermont (Mr. JEFFORDS) was added as a cosponsor of S. 1990, a bill to establish a public education awareness program relating to emergency contraception.

S. 2039

At the request of Mr. DURBIN, the name of the Senator from Colorado (Mr. ALLARD) was added as a cosponsor of S. 2039, a bill to expand aviation capacity in the Chicago area.

S. 2051

At the request of Mr. REID, the name of the Senator from South Carolina (Mr. HOLLINGS) was added as a cosponsor of S. 2051, a bill to remove a condition preventing authority for concurrent receipt of military retired pay and veterans' disability compensation from taking affect, and for other purposes.

S. 2055

At the request of Ms. CANTWELL, the name of the Senator from Michigan (Ms. STABENOW) was added as a cosponsor of S. 2055, a bill to make grants to train sexual assault nurse examiners, law enforcement personnel, and first responders in the handling of sexual assault cases, to establish minimum standards for forensic evidence collection kits, to carry out DNA analyses of

samples from crime scenes, and for other purposes.

S. 2117

At the request of Mr. DODD, the names of the Senator from New York (Mrs. CLINTON) and the Senator from South Dakota (Mr. DASCHLE) were added as cosponsors of S. 2117, a bill to amend the Child Care and Development Block Grant Act of 1990 to reauthorize the Act, and for other purposes.

S. 2189

At the request of Mr. ROCKEFELLER, the name of the Senator from New Jersey (Mr. TORRICELLI) was added as a cosponsor of S. 2189, a bill to amend the Trade Act of 1974 to remedy certain effects of injurious steel imports by protecting benefits of steel industry retirees and encouraging the strengthening of the American steel industry.

S. 2215

At the request of Mrs. BOXER, the names of the Senator from Arkansas (Mr. HUTCHINSON) and the Senator from Maryland (Ms. MIKULSKI) were added as cosponsors of S. 2215, a bill to halt Syrian support for terrorism, end its occupation of Lebanon, stop its development of weapons of mass destruction, cease its illegal importation of Iraqi oil, and by so doing hold Syria accountable for its role in the Middle East, and for other purposes.

S. 2227

At the request of Mr. ROCKEFELLER, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 2227, a bill to clarify the effective date of the modification of treatment for retirement annuity purposes of part-time services before April 7, 1986, of certain Department of Veterans Affairs health-care professionals.

S. 2244

At the request of Mr. DORGAN, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 2244, a bill to permit commercial importation of prescription drugs from Canada, and for other purposes.

S. 2268

At the request of Mr. MILLER, the names of the Senator from Montana (Mr. BURNS) and the Senator from Wyoming (Mr. ENZI) were added as cosponsors of S. 2268, a bill to amend the Act establishing the Department of Commerce to protect manufacturers and sellers in the firearms and ammunition industry from restrictions on interstate or foreign commerce.

S. 2425

At the request of Mr. BAYH, the names of the Senator from New York (Mr. SCHUMER) and the Senator from New York (Mrs. CLINTON) were added as cosponsors of S. 2425, a bill to prohibit United States assistance and commercial arms exports to countries and entities supporting international terrorism.

S. 2428

At the request of Mr. KERRY, the name of the Senator from Rhode Island (Mr. CHAFEE) was added as a cosponsor

of S. 2428, a bill to amend the National Sea Grant College Program Act.

S. 2433

At the request of Mr. HUTCHINSON, the name of the Senator from Arkansas (Mrs. LINCOLN) was added as a cosponsor of S. 2433, a bill to designate the facility of the United States Postal Service located at 1590 East Joyce Boulevard in Fayetteville, Arkansas, as the "Clarence B. Craft Post Office Building."

S. 2444

At the request of Mr. KENNEDY, the name of the Senator from South Dakota (Mr. DASCHLE) was added as a cosponsor of S. 2444, a bill to amend the Immigration and Nationality Act to improve the administration and enforcement of the immigration laws, to enhance the security of the United States, and to establish the Office of Children's Services within the Department of Justice, and for other purposes.

S. 2452

At the request of Mr. LIEBERMAN, the names of the Senator from Illinois (Mr. DURBIN) and the Senator from Nevada (Mr. REID) were added as cosponsors of S. 2452, a bill to establish the Department of National Homeland Security and the National Office for Combating Terrorism.

S. 2454

At the request of Mr. ENSIGN, the name of the Senator from Louisiana (Mr. BREAU) was added as a cosponsor of S. 2454, a bill to eliminate the deadlines for spectrum auctions of spectrum previously allocated to television broadcasting.

S. RES. 244

At the request of Mr. GRASSLEY, the name of the Senator from Indiana (Mr. LUGAR) was added as a cosponsor of S. Res. 244, a resolution eliminating secret Senate holds.

S. RES. 247

At the request of Mr. LIEBERMAN, the names of the Senator from Utah (Mr. BENNETT) and the Senator from Alabama (Mr. SESSIONS) were added as cosponsors of S. Res. 247, a resolution expressing solidarity with Israel in its fight against terrorism.

S. CON. RES. 105

At the request of Mr. LIEBERMAN, the names of the Senator from Oregon (Mr. SMITH) and the Senator from Louisiana (Mr. BREAU) were added as cosponsors of S. Con. Res. 105, a concurrent resolution expressing the sense of Congress that the Nation should take additional steps to ensure the prevention of teen pregnancy by engaging in measures to educate teenagers as to why they should stop and think about the negative consequences before engaging in premature sexual activity.

#### STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Ms. COLLINS (for herself and Mr. JOHNSON):

S. 2462. A bill to amend section 16131 of title 10, United States Code, to increase rates of educational assistance under the program of educational assistance for members of the Selected Reserve to make such rates commensurate with scheduled increases in rates for basic educational assistance under section 3015 of title 38, United States Code, the Montgomery GI Bill; to the Committee on Armed Services.

Ms. COLLINS. Madam President, I am pleased to be introducing the Selected Reserve Educational Assistance Act of 2002. This legislation will provide our National Guard and Reserve personnel with expanded educational opportunities at a reasonable cost. Endorsed by the 52-member Partnership for Veterans Education, the bill provides assistance and equity that is logical, fair, and worthy of a Nation that values both higher education and those who defend the freedoms that we all enjoy. Under the total force concept of our military services, a large number of Selected Reserve personnel are now on active duty to support the war on terrorism at home and abroad.

The original G.I. bill, known as the Servicemen's Readjustment Act, was enacted in 1944. That bill provided a \$500 annual education stipend as well as a \$50 subsistence allowance. As a result of this initiative, 7.8 million World War II veterans were able to take advantage of post-service education and training opportunities, including more than 2.2 million veterans who went on to college. My own father was among those veterans who volunteered for the war, fought bravely, and then returned to college with assistance from the G.I. bill.

Since that time, various incarnations of the G.I. bill have continued to assist millions of veterans in taking advantage of educational opportunities they put on hold in order to serve their country. New laws were enacted to provide educational assistance to those who served in Korea and Vietnam, as well as to those who served during the period in-between. Since the adoption of the total force concept and the change to an all-volunteer service, additional adjustments to these programs were made, leading up to the enactment of the Montgomery G.I. bill in 1985. It is a two-part program, one for active duty personnel and veterans and another for members of the Selected Reserve.

The value of the educational benefit assistance provided by the Montgomery G.I. bill, however, has eroded over time due to inflation and the escalating cost of higher education, making it harder for service members and veterans to achieve their educational goals. Last year, military recruiters indicated to me that the program's benefits no longer were as strong an incentive to join the military; nor did they serve as a retention toll valuable enough to persuade men and women to stay in the military, either on active duty or in the Selected Reserve. Per-

haps most important, the program has been losing its value as an instrument to help our National Guard and Reserve personnel to maximize their productivity and contributions to their families and the communities of which they are a part by furthering their education and training.

In fact, in constant dollars, with one exception, the current G.I. bill up until January of this year provided the lowest level of assistance ever to those who served in the defense of our country. The basic benefit program of the Vietnam Era G.I. bill provided \$493 per month in 1981 to a veteran with a spouse and two children. Twenty years later, a veteran in identical circumstances received only \$43 more, a mere 8 percent increase over a time period when inflation had nearly doubled, and a dollar bought only half of what it once purchased.

During the first session of the 107th Congress, we were successful in addressing some of these problems. Public Law 107-103 greatly improved educational assistance benefits available under the part of the Montgomery GI bill for service members and veterans, Chapter 30. This part of the G.I. bill now provides nine monthly \$800 stipends per year for four years. The total benefit is \$28,800. On October 1, 2002, the monthly amount will increase to \$900, producing a new total benefit of \$32,400 for the four academic years, a considerable improvement that Senator JOHNSON and I worked hard to accomplish.

Now is the time to bring educational assistance program for members of the Selected Reserve, Chapter 1606, in line with Chapter 30. Current full-time assistance for the Selected Reserve is \$272 per month for a total benefit of \$9,792, only 34 percent of the monthly amount currently received under the Chapter 30 program. The bill that we are introducing today would raise the monthly amount of assistance for our Selected Reserve to \$428, for a new total benefit of \$15,408 and be comparable to the increases that have and will occur in the Chapter 30 program. The increase would be effective October 1, 2002.

The legislation that we are proposing would fulfill the promise made to our Nation's service members, help with recruiting and retention of men and women in our military, strengthen the State and national economies, and partially reflect the current costs of higher education. Now is the time to enact these modest improvements to the benefit program of the Montgomery G.I. bill for members of our National Guard and Reserve forces.

I urge all Members of the Senate to join me in support of the Selected Reserve Educational Assistance Act of 2002.

I ask unanimous consent that a letter in support of the bill be printed in the RECORD.

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

RESERVE OFFICERS ASSOCIATION  
OF THE UNITED STATES,  
Washington, DC, May 6, 2002.

Hon. SUSAN M. COLLINS,  
U.S. Senate,  
Washington, DC.

DEAR SENATOR COLLINS, I write today on behalf of the nearly 80,000 members of the Reserve Officers Association of the United States. I understand that you intend to introduce the Selected Reserve Educational Assistance Act of 2002, legislation that would not only increase educational payments to members of the Selected Reserve, but would also tie proportional increases in the Reserve GI Bill (Chapter 1606) to increases in the active duty (Chapter 30) provisions of the bill.

ROA believes that these changes are both appropriate and timely in as much as they recognize the increased contributions and responsibilities of the Reserve components within the Total Force. Since Operation Desert Shield/Desert Storm, Reserve component support of contingency operations has increased twelve hundred percent, to the point that it now averages nearly 13,000,000 mandays per year. That figure does not include the nearly 85,000 Reservists currently on active duty in support of Operation Enduring Freedom. Moreover, there is no indication that this tempo of operations is likely to decrease anytime soon.

Your bill is a landmark in the realm of Reserve education benefits in as much as it contains provisions for automatic increases in payments that keep pace with inflation and with Active component usage. This is a great improvement to a very significant recruiting and retention program, and will doubtless, make it all the more popular and valuable to the military and to the nation as a whole in the years to come.

Again, let me thank you for support of the Reserve components of our Armed Forces and their people. If we here at ROA can be of any assistance on this matter, please do not hesitate to contact us.

Sincerely,

JAYSON L. SPEIGEL,  
*Executive Director.*

By Ms. COLLINS:

S. 2463. A bill to amend title 10, United States Code, to restrict bundling of Department of Defense contract requirements that unreasonably disadvantages small businesses, and for other purposes; to the Committee on Armed Services.

Ms. COLLINS. Madam President, I am pleased to be introducing the Small Business Contracts Opportunity Act of 2002. This legislation would help expand opportunities for small businesses to bid on government contracts, thus allowing them to sell more products and services to Federal agencies. The bill would prohibit the consolidation of contract requirements in excess of \$5 million absent a written determination that the benefits of consolidation substantially exceed the benefits of alternative contracting approaches that would involve a lesser degree of consolidation.

The Small Business Reauthorization Act of 1997, P.L. 105-135, requires Federal agencies to conduct market research to assess the potential impact of "bundled contracts," and to proceed with such contracts only if the benefits of bundling substantially exceed the benefits of proceeding with separate contracts. Unfortunately, the reality is

that the Department of Defense, and other Federal agencies, have narrowly interpreted these provisions of the Small Business Reauthorization Act. The result is that too many Federal contracts are so large that they are out of reach for small businesses. Yet, small businesses could perform the work if the contract requirements were divided into separate contracts rather than consolidated.

For the past several years, the evidence that contract bundling is hurting small businesses has been growing. For example, on November 16, "Eagle Eye" publishing released its second study on bundling since 1997, which found that the Defense Department is the biggest culprit of bundling, accounting for 82 percent of all bundled dollars. The study report goes on to say, that large businesses are the main beneficiaries of bundling, and highlights that large firms win 74 percent of all bundled dollars and 67 percent of all prime contract dollars. With the average bundling contract worth \$8 million, it is no wonder small businesses receive only 9 percent of all bundled contract dollars. Eagle Eye found that the average bundled contract was 11 times larger than the average unbundled contract.

Also, according to the Eagle Eye study, major DoD bureaus remain the largest proponents of bundling. Army's 1999 bundled total was up to 22 percent since 1992 to \$15.8 billion, while Navy increased only by 2 percent, but still managed to bundle \$22 billion worth of contracts. Air Force bundled \$18.8 billion, but offered some good news because its total is down 24 percent since 1992.

The legislation that I am proposing would require the Department of Defense to prove the cost benefit of consolidating a contract in excess of \$5 million. Now is the time to enact this modest provision to ensure that our small businesses have the opportunities that they deserve to provide goods and services for the Department of Defense.

I urge all Members of the Senate to join me in support of the Contract Consolidation Act of 2002.

By Mr. GREGG (for himself and Mr. FEINGOLD):

S. 2465. A bill to extend and strengthen procedures to maintain fiscal accountability and responsibility; to the Committee on the Budget and the Committee on Governmental Affairs, jointly, pursuant to the order of August 4, 1977, with instructions that if one Committee reports, the other Committee have thirty days to report or be discharged.

Mr. FEINGOLD. Madam President, I rise today to join with my colleague from New Hampshire, Senator GREGG, to introduce a common-sense budget process bill, the Budget Enforcement Act of 2002.

In the 1990s, we took fiscally responsible actions that led to balancing the budget in 1999 and 2000 without using

Social Security. But last year, the government returned to the bad habit of using the Social Security surplus to fund other government activities. We need to put an end to that practice.

The Government will not have these Social Security surpluses to use forever. In the next decade, the Baby Boom generation will begin to retire in large numbers. Starting in 2016, Social Security will start redeeming the bonds that it holds, and the non-Social Security government will have to start paying for those bonds from non-Social Security surpluses. The bottom line is that starting in 2016, the government will have to show restraint in the non-Social Security budget so that we can pay the Social Security benefits that Americans have earned.

That's why we cannot continue to enact either tax cuts or spending measures that push the government further into deficit. Before we enter into new obligations, we need to make sure that we have the resources to meet our Nation's commitment to our seniors under Social Security.

We need to return to the priority of protecting the Social Security Trust Funds. We should, as President Bush said in a March 2001 radio address, "keep the promise of Social Security and keep the government from raiding the Social Security surplus."

And to get the Government out of the business of using Social Security surpluses to fund other government spending, we need to strengthen our budget process. That is what the bill that Senator GREGG and I are proposing would do.

The history of budget process changes teaches that realistic budget enforcement mechanisms work. The Budget Enforcement Act of 1990, enacted with bipartisan support, with a Democratic Congress and a Republican President, deserves much credit for helping to keep the Government on that path to reduce and eventually eliminate the deficit.

A central feature of the 1990 act was the creation of caps on appropriated spending. In recent years, Congress has blown through those caps, when those caps were at unrealistic levels, and when the Government was running surpluses. But in most years of their history, appropriations caps helped to constrain the politically understandable appetite to spend without limit.

Congress has repeatedly endorsed the idea of spending caps. Congress renewed and extended the caps in the budget process laws of 1993 and 1997. And 6 of the last 8 budget resolutions have set enforceable spending caps. If budget numbers are to have any meaning, if they are not to be just wishes and prayers, then we need to have enforcement.

Our bill would reinstate and extend the caps on discretionary spending, and would do so at a realistic baseline. It would simply set those levels at those in the budget resolution reported by the Budget Committee on March 22.

And our bill maintains, without change, the separate subcaps created in the Violent Crime Act of 1994 and the Transportation Equity Act of 1998.

Like the 1990 budget law that it extends, our bill would apply budget enforcement to entitlements and taxes. It would extend the pay-as-you-go enforcement mechanism. All parts of the budget would thus be treated fairly.

Our bill would also improve the points of order that enforce the caps and pay-as-you-go enforcement. It would allow Senators to raise a point of order against specific provisions that cause the caps or pay-as-you-go discipline to be violated. This part of the bill will work very much like the important Byrd Rule that governs the reconciliation process, which is of course named after the distinguished senior Senator from West Virginia.

Under our bill, if a piece of legislation violates the caps or pay-as-you-go discipline, any Senator could raise a point of order and force a vote on any individual provision that contributes to the budget violation. If the point of order is not waived, then the provision would be stricken from the legislation.

The bill would also shut back-door ways around the caps and pay-as-you-go enforcement, by requiring 60 votes to change the caps, alter the balances of the pay-as-you-go scorecard, or direct scorekeeping.

Our bill would limit the exceptions to the point of order against emergency designations in the fiscal year 2001 budget resolution, so that all emergencies would be treated alike. Our bill would thus treat emergencies as they were treated in the text of that budget resolution when the Senate passed it on April 7, 2000, rather than in the watered-down form it had when it came back from conference with the House of Representatives.

And finally, our bill would extend for 5 years the requirement for 60 votes to waive existing points of order that enforce the Congressional Budget Act. The 60-vote requirement that gives these points of order teeth expires on September 30 this year under current law.

This is sensible budget process reform, in keeping with the best, most effective budget process enforcement that we have enacted in the past. It would make a significant contribution toward ending the practice of using the Social Security surplus to fund other government activities. And that is something that we simply must do, for our seniors, and for those in coming generations who will otherwise be stuck with the bill. I urge my colleagues to join us to cosponsor our legislation.

I ask unanimous consent that a summary of the bill be printed in the RECORD.

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

GREGG-FEINGOLD BUDGET ENFORCEMENT ACT  
OF 2002

Appropriations Caps—The bill would reinstate and extend for 5 years the caps on dis-

cretionary spending, keyed to the levels in the budget resolution reported by the Budget Committee. Points of order and the threat of across-the-board cuts would continue to provide enforcement.

Pay-as-You-Go for Entitlements and Taxes—The bill would reinstate and extend the pay-as-you-go discipline that controls entitlement spending and tax law changes. Points of order and the threat of across-the-board cuts would continue to provide enforcement.

Point of Order Against Specific Provisions that Violate the Caps or Pay-as-You Go—If legislation violated the caps or pay-as-you-go enforcement, the bill would allow any Senator to raise a point of order against (and thus force a vote on) any individual provision that contributed to the budget violation. If the Senate did not waive the point of order, then the provision would be stricken from the legislation. This point of order would work just like the Byrd Rule against extraneous matter in reconciliation legislation.

Guarding Against Budget Evasions—The bill would shut back-door ways around the caps and pay-as-you-go enforcement, by requiring 60 votes to change the discretionary caps, alter the balances of the pay-as-you-go scorecard, or direct scorekeeping.

Limit Emergency Exceptions—The bill would limit the exceptions to the point of order against emergency designations in the fiscal year 2001 budget resolution, so that all emergencies would be treated alike.

Extending Existing Points of Order—The bill would extend for 5 years the requirement for 60 votes to waive existing points of order that enforce the Congressional Budget Act. The 60-vote requirement that gives these points of order teeth expires on September 30 this year under current law.

By Mr. KERRY (for himself, Mr. BOND, Mrs. CARNAHAN, and Ms. COLLINS):

S. 2466. A bill to modify the contract consolidation requirements in the Small Business Act, and for other purposes; to the Committee on Small Business and Entrepreneurship.

Mr. KERRY. Madam President, I am pleased today to be introducing legislation, the Small Business Federal Contractor Safeguard Act, designed to protect the interests of small businesses in the Federal marketplace.

As the Chairman of the Senate Committee on Small Business and Entrepreneurship, I have focused a considerable amount of energy promoting the interests of small businesses in the Federal marketplace. The legislation being introduced today marks a critical step forward in this process.

It is no secret that the Committee on Small Business and Entrepreneurship places a great deal of importance on moving legislation forward in a bipartisan manner, the members of my Committee understand we represent the interests of all of our Nation's small businesses, the most important and dynamic segment of our economy. And nowhere is the bipartisan consensus stronger than in the area of Federal procurement and ensuring that our Nation's small businesses receive their fair share of procurement opportunities. I am pleased to once again be introducing bipartisan legislation with the Committee's ranking member, Sen-

ator KIT BOND. Regardless of who has chaired the Committee during our tenure together, we have both worked hard to improve small business Federal procurement opportunities.

I am also pleased to be joined by Senator JEAN CARNAHAN, a member of the Committee on Small Business and Entrepreneurship and the Senate Armed Services Committee and Senator SUSAN COLLINS, also a member of the Senate Armed Services Committee. While small business participation in procurement activities is important throughout the Federal Government, nowhere is it more important than at the Department of Defense, which is responsible for over 63 percent of the goods and services purchased by the Federal government. The support of Senator CARNAHAN and Senator COLLINS will help ensure the success of this legislation.

The legislation we are introducing today has one ultimate purpose, to prevent Federal agencies from circumventing small business protections with regard to the practice known as contract bundling. Few issues have so strongly galvanized the small businesses contracting community as the practice of contract bundling, which occurs when procurement contracts are combined to form large contracts, often spread over large geographic areas, resulting in minimal or no small business participation.

Many supporters of the practice of contract bundling point to its cost savings. They claim it saves the taxpayer money to lump contracts together. Unfortunately, there is little evidence supporting this claim, and too many contracts are bundled without the required economic research designed to determine if a bundled contract will actually result in a cost savings.

The Small Business Administration's, SBA, Office of Advocacy, an independent body within the SBA, estimated that for every increase of 100 bundled contracts, there was a decrease of over 106 individual contracts issued to small firms. Additionally, for every \$100 awarded on a bundled contract, there was a decrease of \$33 to small business. The Office of Advocacy arrived at these conclusions using a conservative definition of what constitutes a bundled contract. Therefore, the negative impact on small businesses from contract bundling is likely more severe.

While seemingly an efficient and cost effective means for Federal agencies to conduct business, bundled contracts, are anti-competitive. When a Federal agency bundles contracts, it limits small businesses' ability to bid for the new bundled contract, thus limiting competition. Small businesses are consistently touted as more innovative, providing better and cheaper services than their larger counterparts. But when forced to bid for mega-contracts, at times across large geographic areas, few, if any, small businesses can be expected to compete. By driving small

business from the Federal marketplace, contract bundling will actually drive up the costs of goods and services purchased by the Federal Government because competition will be limited and our economy will be deprived of possible innovations brought about by small businesses.

Although there is current law in place intended to require Federal agencies to conduct market research before bundling a contract, loopholes in the current definition of a bundled contract allow them to often skirt these safeguards.

Our legislation changes the name "bundled contract" to consolidated contract, strengthens the definition of a consolidated contract, and closes the loopholes in the existing definition to prevent Federal agencies from circumventing statutory safeguards intended to ensure that separate contracts are consolidated for economic reasons, not administrative expediency.

The new definition relies on a simple premise: if you combine contracts, be it new contracts, existing contracts or a combination thereof, you are consolidating them and would need to take the necessary steps to ensure it is justified economically before proceeding.

Our legislation also alters the current Small Business Act requirements regarding procurement strategies when a contract is consolidated to include a threshold level for triggering the economic research requirements.

Previously, any consolidated contract would trigger the economic research requirements, something considered onerous by many Federal agencies and often cited as the reason for circumventing the law. The new procurement strategies section of the Small Business Act would require a statement of benefits and a justification for any consolidated contract over \$2 million and a more extensive analysis, corresponding to current requirements for any consolidated contract, for consolidations over \$5 million.

In order to move forward with a consolidated contract over \$2 million, the agency must put forth the benefits anticipated from the contract, identify alternatives that would involve a lesser degree of consolidation and include a specific determination that the consolidation is necessary and justified. The determination that a consolidation is necessary and justified may be determined simply through administrative and personnel savings, but their must be actual savings.

In order to move forward with a consolidated contract over \$5 million, an agency must, in addition to the above: conduct current market research to demonstrate that the consolidation will result in costs savings, quality improvements, reduction in acquisition times, or better terms and conditions; include an assessment as to the specific impediments to small business participation resulting from the consolidation; and specify actions designed to maximize small business participation

as subcontractors and suppliers for the consolidated contract. The determination that a consolidation is necessary and justified may not be determined through administrative and personnel savings alone unless those savings will be substantial for these larger contracts.

By establishing this dual threshold system, we have placed the emphasis for the economic research on contracts more likely to preclude small business participation, while not ceding smaller contracts to the whims of a Federal agency. This change, coupled with a clear definition of a consolidated contract should be enough to garner compliance. However, if Federal agencies continue to consolidate contracts when there is no justification, fail to conduct the required economic research, or fail to provide procurement opportunities to small businesses, I would see little choice but to support legislative changes requiring punitive measures for these Federal agencies. This is a step I have been reluctant to take in the past. However, I am optimistic that such a step will not be necessary and that the fair and reasonable system established under this legislation will be effective.

I would once again like to thank my fellow sponsors, Senators BOND, CARNAHAN, and COLLINS for their support on this issue. I hope all of my colleagues will join us in supporting this bill. I ask unanimous consent that the text of the legislation be printed in the RECORD.

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

S. 2466

*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 "Small Business Federal Contractor Safeguard Act".

#### SEC. 2. CONTRACT CONSOLIDATION.

(a) DEFINITIONS.—Section 3(o) of the Small Business Act (15 U.S.C. 632(o)) is amended to read as follows:

"(o) DEFINITIONS.—In this Act the following definitions shall apply:

"(1) CONSOLIDATED CONTRACT; CONSOLIDATION.—The term 'consolidated contract' or 'consolidation' means a multiple award contract or a contract for goods or services with a Federal agency that—

"(A) combines discrete procurement requirements from not less than 2 existing contracts;

"(B) adds new, discrete procurement requirements to an existing contract; or

"(C) includes 2 or more discrete procurement requirements.

"(2) MULTIPLE AWARD CONTRACT.—The term 'multiple award contract' means—

"(A) a contract that is entered into by the Administrator of General Services under the multiple award schedule program referred to in section 2302(2)(C) of title 10, United States Code;

"(B) a multiple award task order contract or delivery order contract that is entered into under the authority of sections 2304a through 2304d of title 10, United States Code, or sections 303H through 303K of the Federal Property and Administrative Services Act of 1949 (41 U.S.C. 253h through 253k); and

"(C) any other indefinite delivery or indefinite quantity contract that is entered into by the head of a Federal agency with 2 or more sources pursuant to the same solicitation."

(b) PROCUREMENT STRATEGIES.—Section 15(e) of the Small Business Act (15 U.S.C. 644(e)) is amended to read as follows:

"(e) PROCUREMENT STRATEGIES; CONTRACT CONSOLIDATION.—

"(1) IN GENERAL.—To the maximum extent practicable, procurement strategies used by the various agencies having contracting authority shall facilitate the maximum participation of small business concerns as—

"(A) prime contractors;

"(B) subcontractors; and

"(C) suppliers.

"(2) PROCUREMENT STRATEGY REQUIREMENTS WHEN THE VALUE OF A CONSOLIDATED CONTRACT IS GREATER THAN \$2,000,000.—

"(A) IN GENERAL.—An agency official may not execute a procurement strategy that includes a consolidated contract valued at more than \$2,000,000 unless the proposed procurement strategy—

"(i) specifically identifies the benefits anticipated from consolidation;

"(ii) identifies any alternative contracting approaches that would involve a lesser degree of contract consolidation; and

"(iii) includes a specific determination that the proposed consolidation is necessary and the anticipated benefits of such consolidation justify its use.

"(B) NECESSARY AND JUSTIFIED.—The head of an agency may determine that a procurement strategy under subparagraph (A)(iii) is necessary and justified if the monetary benefits of the procurement strategy, including administrative and personnel costs, substantially exceed the monetary benefits of each of the possible alternative contracting approaches identified under subparagraph (A)(ii).

"(C) ADDITIONAL REQUIREMENTS WHEN THE VALUE OF A CONSOLIDATED CONTRACT IS GREATER THAN \$5,000,000.—In addition to meeting the requirements under paragraph (A), a procurement strategy that includes a consolidated contract valued at more than \$5,000,000—

"(i) shall be supported by current market research that demonstrates that the consolidated contract will result in—

"(I) cost savings;

"(II) quality improvements;

"(III) reduction in acquisition cycle times;

or

"(IV) better terms and conditions;

"(ii) shall include an assessment of the specific impediments to participation by small business concerns as prime contractors that result from contract consolidation;

"(iii) shall specify actions designed to maximize small business participation as subcontractors, including suppliers, at various tiers under the consolidated contract; and

"(iv) shall not be justified under paragraph (A)(iii) by savings in administrative or personnel costs, unless the total amount of the cost savings is expected to be substantial in relation to the total cost of the procurement.

"(3) CONTRACT TEAMING.—

"(A) IN GENERAL.—If the head of an agency solicits offers for a consolidated contract, a small business concern may submit an offer that provides for the use of a particular team of subcontractors for the performance of the contract (referred to in this paragraph as 'teaming').

"(B) EVALUATION OF OFFER.—The head of the agency shall evaluate an offer submitted



by a small business concern under subparagraph (A) in the same manner as other offers, with due consideration to the capabilities of all of the proposed subcontractors.

“(C) NO EFFECT ON STATUS AS A SMALL BUSINESS CONCERN.—If a small business concern engages in teaming under subparagraph (A), its status as a small business concern shall not be affected for any other purpose.”.

(c) CONFORMING AMENDMENTS.—

(1) CONFORMING AMENDMENT TO THE SMALL BUSINESS REAUTHORIZATION ACT OF 1997.—Section 414 of the Small Business Reauthorization Act of 1997 (41 U.S.C. 405 note) is repealed.

(2) CONFORMING AMENDMENTS TO THE SMALL BUSINESS ACT.—The Small Business Act (15 U.S.C. 631 et seq.) is amended—

(A) in section 2(j)—

(i) by striking the subsection heading and inserting the following:

“(j) CONTRACT CONSOLIDATION.—”; and

(ii) in paragraph (3), by striking “bundling of contract requirements” and inserting “contract consolidation”;

(B) in section 8(d)(4)(G), by striking “a bundled contract” and inserting “a consolidated contract”;

(C) in section 15(a)—

(i) by striking “bundling of contract requirements” and inserting “contract consolidation”; and

(ii) by striking “the bundled contract” and inserting “the consolidated contract”; and

(D) in section 15(k)(5)—

(i) by striking “significant bundling of contract requirements” and inserting “consolidated contracts valued at more than \$2,000,000”; and

(ii) by striking “bundled contract” and inserting “consolidated contract”.

Mr. BOND. Madam President, today I join the Senator from Massachusetts, Mr. KERRY, in introducing this important legislation on an issue of vital concern to small businesses. This bill, a truly bipartisan effort, represents one of the best opportunities in a long time to remove the current logjam on controlling contract bundling.

We often say around here that, in some cases, all that is necessary to help small business is for government policy to stop visiting harm upon them. Contract bundling is one of those harmful policies. It eliminates small businesses from competing for contracts to sell the government some of the \$200 billion in goods and services it buys every year.

The Small Business Act says that small firms shall have the maximum practicable opportunity to compete for Federal contracts. This is good for small business, good for the purchasing agencies, and good for the taxpayer who pays the bills.

Small business benefits from having access to a stable revenue stream while they get up-and-running. The Small Business Act recognizes how government contracting can contribute to business development and economic renewal. For example, my HUBZone program provides contracting incentives for small firms to locate in blighted neighborhoods, helping them win Federal contracts and stabilize their revenues while they develop a nongovernmental customer base.

Federal agencies also benefit from small firms in Federal procurement.

Many of the most innovative solutions to our problems, such as new technologies in defense readiness, come from small firms. Large business can be just as bureaucratic as the worst Federal agencies.

Complex chains of command, the need to consult with the corporate headquarters, and repetitive sign-offs on a new idea that have to be cleared with Accounting, Marketing, and Human Resources can stifle innovation and creativity. The absence of all these structures can make small business able to “turn on a dime,” deliver new innovative products at lower cost, and clobber their big competitors. Agencies trying to carry out their governmental functions can take advantage of these innovations and deliver better quality services to our constituents.

Finally, the taxpayer wins when small business competes for contracts. The more competition, the lower the prices and the higher the quality.

But contract bundling gets in the way of all those benefits. To simplify the contracting process, agencies will take a bunch of small contracts and roll them into one massive contract. The result is a contract that a small business could not perform, due to its complexity or its obligation to do work in widely disparate geographic locations. A small business owner says, “I could not perform the contract, even if I won it. So I won’t even bid.” When that happens, we all lose.

During my tenure as Chairman of the Senate Small Business Committee, we took a stab at trying to control bundling. At that time, no statutory definition of bundling existed. It was like the Supreme Court trying to deal with pornography, we know it when we see it. In the Small Business Reauthorization Act of 1997, I pushed for a specific definition of bundling and created an administrative process to review instances of bundling. Agencies were supposed to make a determination whether a proposed bundle was “necessary and justified.”

Since that time, we have seen agencies poke holes in that definition. For example, they say that a proposed contract represents a new requirement. Since it is new, it was never issued previously as separate smaller contracts, so it isn’t bundling, they say. Now they don’t have to do the “necessary and justified” determination.

Or, they will point to another phrase in the current definition of bundling. Currently, a bundle involves consolidating contracts in a way that makes small business participation unlikely. If they structure a tiny piece of the contract so that a small business somewhere, someday might be able to win that piece, the rest of the massive contract isn’t technically bundling. Therefore, the agency doesn’t have to do the determination.

This bill will close those kinds of loopholes. It builds upon some very positive language introduced in last year’s Defense Authorization bill when

the Senator from Michigan, Mr. LEVIN, proposed a draft during markup in the Senate Armed Services Committee. The Senator from Michigan noticed that it doesn’t make sense for Federal agencies to avoid the “necessary and justified” determination. The goal of that process is to ask, does a proposed bundle make sense? Is it good value to the taxpayer and to the agency? Does it help or harm the vendor base that would be available to the agency in the future?

My colleague from Michigan decided it was time to make Defense agencies complete these bundling studies, to make sure we weren’t doing harm to our defense readiness through these acquisition policies. I think we need to do the studies to make sure the Small Business Act is not cast aside and ignored. Suddenly, after a long impasse on this issue, the Senators from Michigan and Massachusetts and I found we had common ground on this issue.

Unfortunately, we were unable to get these positive provisions included in last year’s Defense bill. That’s why we are trying again. The Bush Administration sought to have a single governmentwide policy apply to all Federal agencies, not just the Defense establishment. This is a sound approach, but it would have required making changes to the governmentwide bundling policy in the Small Business Act. We were ready to agree to such a change, but our counterparts in the other body objected, citing jurisdictional claims about using an Armed Services bill to make changes in Small Business Committee jurisdiction.

The bill we offer today should overcome these problems. It would make a uniform governmentwide policy, through the Small Business Act. It is a stand-alone bill. It builds upon an approach suggested by the Armed Services Committee as a reasonable one.

I thank the Senator from Massachusetts for his work on this issue and I am pleased to have been at the table with him in crafting this proposal. I look forward to its enactment.

By Ms. CANTWELL:

S. 2467. A bill to amend the Higher Education Act of 1965 to modify the computation of eligibility for certain Federal Pell Grants, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Ms. CANTWELL (for herself and Ms. COLLINS):

S. 2468. A bill to amend the Workforce Investment Act of 1986 to provide for strategic sectoral skills gap assessments, strategic skills gap action plans, and strategic training capacity enhancement seed grants, and for other purposes; to the Committee on Health, Education, Labor, and Pensions.

By Ms. CANTWELL:

S. 2469. A bill to amend section 171(b)(1)(D) the Workforce Investment Act of 1998 to provide for training service and delivery innovation grants; to

the Committee on Health, Education, Labor, and Pensions.

Ms. CANTWELL. Madam President, I come to the floor today to address a topic that I believe is key to the future competitiveness of our Nation, and that is the training of our workforce.

These have been tough times for the economy of my State, and certainly the economy of the Nation at large. The most recent employment data available from the Bureau of Labor Statistics have offered little comfort in Washington, which along with the other Pacific Northwest States of Oregon and Alaska, continue to have among the highest unemployment rates in the Nation.

This body moved quickly to provide immediate relief to the workers most impacted by the devastating economic impacts of the September 11th incidents, and I am proud that this Senate under the leadership of our Majority Leader was able to deliver some temporary assistance to workers who have exhausted unemployment benefits.

Nonetheless, our efforts should not stop with an unemployment insurance extension. We must continue pursuing long-term strategies for a sustained recovery. The fundamental strength of our economy lies in the working men and women of this Nation whose innovation and hard work propelled the massive economic expansion of the past decade.

The edge that will keep our workers ahead in this changing global economy is their skills. Our economy is global, linked by international markets and communications networks. The sustained success of U.S. companies depends on adaptability and innovation to survive, which means that workers themselves need to remain flexible and continually update job skills.

Even in this time of relatively high unemployment, businesses throughout the country are having hard times finding skilled workers. Last year, for example, 46 percent of American businesses had trouble finding qualified workers. Next year, 29 percent of American businesses expect that they will continue to have trouble hiring qualified workers, even in this sluggish economy.

At the same time, over 3 million workers are laid off each year, but well under 500,000 receive any sort of training in response to meet the skills demands of those hiring businesses.

But meeting those skills demands, and bridging the skills gaps that persist between will not widely occur without a strong financial commitment to ensuring access to skills training programs, and ongoing efforts to maximize the effectiveness of those funds that we already invest.

The decision we make today to invest in our workers will pay off many times over in the form of a stronger economy, healthier communities, and improved quality of life.

But the persistent truth is that we are delivering a trickle of funding while faced with a tidal wave of need.

During the Easter recess, I traveled across my State, from Olympia to Kelso, Vancouver to Bellingham, the Tri-cities to Mt. Vernon, and received a great deal of feedback from Washingtonians who are seeking training, are providing it, or are serving as employers who need to hire skilled workers. And I heard similar concerns repeated in each of these areas: first, as our economy continues to change, the demand for new skills has grown; second, that the State has experienced an enormous increase in demand for skills training by individual workers, a trend that appears to be widespread throughout the Nation; but third, that far too many of those workers seeking to access training cannot get the training they need due to limited availability of slots at training institutions and the limited availability of tuition assistance.

Last month my office released an informal study of this apparent shortfall in the capacity of training systems in my state to meet emerging demand, and the results of that study were staggering to me. Tens of thousands of workers who want to upgrade their skills have only a limited ability to do so because of budgetary limitations that prevent institutions from adequately adding capacity to deliver training, and because only limited numbers of training vouchers are available through the federal job training system.

I might add that our governor has truly been a leader in expanding access to training. In response to the recent wave of layoffs in our State, he managed to add more than 1,300 additional adult worker-training slots to the state's community and technical college system. Even in the face of our state's terrible revenue crunch, Governor Locke has made that commitment, and he deserves tremendous credit for it.

But it is clear that states need additional help from the Federal Government. Workforce investment must be a national priority.

As my colleagues know, the programs authorized by the Workforce Investment Act are only in their second year of implementation. Although we still have several job-training programs offered through the Federal Government, the WIA system is clearly the centerpiece. It is the only Federal system designed to meet a broad range of worker needs, and it emerged from years of bipartisan work by Congress to consolidate at least 17 Federal programs into one system for delivering employment and training services.

Continuing our financial commitment to WIA programs at this critical stage in their development is essential to effective implementation of these system-wide reforms.

Senators KENNEDY, DEWINE, WELLSTONE, and our other colleagues took an enouous step in passing WIA in 1998. And despite bumps in the road, the system is already showing great

promise. Nonetheless, as we move toward reauthorization of WIA and TANF, there are a number of issues that many of us will want to address in seeking to take the system to the next level.

We must, first and foremost, put an even higher priority on training. In developing human capital that maximizes the power of our economic engine, we must not get caught in the short-sighted quicksand of a work-first mentality. We will do ourselves a grave disservice if we simply force more people without the skills to obtain and hold a job in this dynamic economy, to work faster, in whatever job is available, often low paying jobs, rather than getting them the tools that they need to truly be self-sufficient.

Second, we must further enhance the seamlessness of our training systems. As GAO has documented in recent months, we still have partners in the WIA system that do not fully participate, and we still have numerous Federal training programs operating independently of one another, often duplicating effort and resources. We need to keep our eye on ball in this case, that the goal is to provide the highest possible service at the lowest unit cost on behalf of the customers of the system, its employment and training recipients, and we need to maximize the return on our Federal investment.

Third, in meeting these objectives, we need to maintain the flexibility of the systems while encouraging the types of activities and use of funds that will help us match skilled workers with available jobs. We need to take a serious look at whether the systems effectively balance the need for accountability with the flexibility for local boards in the use of federal dollars that is will allow them to most effectively target resources at the problems that most plague their communities.

Finally, in the short term, we must tailor all of our Federal training systems and programs to ensure the greatest possible access for workers who want to obtain training. That means that it is incumbent on us to keep the door open as wide as possible for adult students to access programs like Pell. And we must try to utilize the most current and powerful technologies to enhance the delivery of training.

Today, I am introducing three bills that are designed to build upon the existing workforce structure to expand access to training and improve its effectiveness.

The first piece of legislation would change the Pell Grant program to make certain that student financial aid is available to recently laid off workers.

A standard practice in the determination of Pell Grant eligibility for student aid is to base grant awards upon the applicant's income during the previous year. The use of tax forms for this purpose, in many cases, is the appropriate and easiest administrative method of obtaining a clear and official

statement of need. But as a result, many recently laid-off workers are often not eligible for critical financial assistance at a time when the worker's family is experiencing a dramatic decrease in income.

The legislation would explicitly provide the authority for educational institutions, after taking sufficient precautions to prevent fraud, to consider current-year income levels for applicants seeking training through Pell-eligible programs. It does this in a very narrow way, by ensuring that institutions in states with high unemployment rates consider current year financial circumstances rather than previous year, income.

The second bill also addresses issues of access and delivery of training. While many distance-learning technologies have been developed in recent years, those technologies have not necessarily reached many of those most in need of training. Many workers in need of training may not be aware of opportunities available online to engage in distance-learning training coursework and may not have sufficient access to technologies that provide the means to access such distance-learning technologies.

It may not be enough to create a distance-learning curriculum and passively provide it through an educational institution website. Rather, comprehensive solutions need to be developed that integrate curriculum innovations, technological access, and the promotion and linkage of workers in need of training with such opportunities. Additionally, sources of funding to obtain online coursework may not be available to many workers seeking to engage in such training.

The third bill that I am introducing is designed to help WIA Boards access more, high-quality information to better understand regional labor market dynamics and improve system performance with goal of identifying emerging sectors and targeting employment and training resources appropriately.

While workforce areas may be conducting research now on the employment landscape in those areas and states, those assessments and statistical labor market data collected by the Bureau of Labor Statistics is not be sufficient to provide a level of detail for identifying actual job opportunities in regional labor markets and matching available workers to those business demands. As a result, local systems may not have the information needed to most efficiently target the use of available resources and training providers may not always build curricula and programs that most effectively address local workforce needs.

This legislation is designed to make resources available to maximize employment and training resources toward meeting emerging area skills needs. I want to make clear that this is not intended to simply reinvent the wheel for areas that are already developing sectoral approaches within exist-

ing workforce development systems. But it should in fact, allow those areas to take the next step by providing funds to enhance the capacity of systems to meet area employer needs.

This is a first step on a long journey as we work to improve Federal job training systems, and it is in no way independent of the need for additional resources to grow those systems.

Each of these bills is an important component of that broader strategy and I look forward to working with my colleagues as we begin to look at the reauthorization of TANF, of WIA, and of the Higher Education Act this year and next.

By Mrs. CARNAHAN:

S. 2470. A bill to encourage and facilitate the security of nuclear materials and facilities worldwide, to the Committee on Armed Services.

Mrs. CARNAHAN. Madam President, the disintegration of the Soviet Union more than a decade ago resulted in economic and political chaos.

The Soviet Union possessed more than 10,000 nuclear weapons, and dozens of nuclear weapons production facilities sprawled across 11 time zones. As a result of the economic collapse, funding fell short for security at nuclear weapons storage and production facilities. This left dangerous amounts of deadly weapons and materials vulnerable to theft.

Since 1991, there have been countless documented cases of individuals stealing plutonium and uranium from the former Soviet Union. So far, we believe no "nuclear smuggler" has taken enough material to make a nuclear device. The real problem is the uncertainty of the unknown.

Since the end of the Cold War, we have done a great deal to curb the threat posed by weapons of mass destruction. The United States has taken the lead in the international community to help Russia secure its nuclear weapons and material. The Department of Defense's Cooperative Threat Reduction Program and the sister programs at the Department of Energy are truly "defense by other means." The Defense Department's program is more commonly known as the Nunn-Lugar program, in recognition of its creators, my colleague from Indiana, Dick Lugar, and former Senator Sam Nunn of Georgia. Because of these two men, we face less of a threat from the Soviet Union's nuclear legacy than we would have otherwise.

The Department of Defense has focused on destroying nuclear weapons and improving security over weapons in transit and storage. The Department of Energy has focused its own threat reduction efforts on locking up uranium and plutonium that could be used in a nuclear weapon and helping develop peaceful, commercial job opportunities for weapons scientists. The investments made in these programs to secure Soviet nuclear weapons and materials have truly been in our national interest.

However, as far-reaching as these programs have been, they were not designed to address some of the terrorist threats we now face. In particular, there are three gaps in our nuclear threat reduction policies that need to be dealt with.

First, these programs do not apply to countries outside of the former Soviet Union. Second, these programs do not address the threat of radiological materials. Third, these programs do not deal with preventing terrorist sabotage of nuclear power plants.

Expanding our threat reduction programs globally is an important priority. So far, most of our efforts have focused on the dangerous situation in the former Soviet Union. This makes sense, since most of the under-secured nuclear weapons useable material is located in that part of the world.

However, we need to pay more attention to the smaller amounts of weapons material in other parts of the world that are not under tight enough lock and key. This means building up security at every type of nuclear facility worldwide, including nuclear power plants, processing facilities, storage sites and other related buildings.

We also need to start focusing on radiological materials.

And by radiological materials, I am referring to highly radioactive substances other than weapons-useable uranium or plutonium. A "dirty bomb" combines radioactive material that could be found at nuclear power plants, medical facilities or other industrial sites with explosives. This weapon would not be as immediately destructive as a nuclear bomb. But it would cause significant physical, environmental, economic, and psychological damage to our citizens, and to our national security.

Indeed, intelligence reports indicate that Osama bin Ladin has been actively pursuing the materials to develop a "dirty bomb." In fact, he called the acquisition of weapons of mass destruction a "religious duty." In addition, there have been reports of meetings between Pakistani nuclear weapons scientists and al-Qaeda operatives and between Iraqi officials and al-Qaeda representatives. We will never know what went on at these meetings. But we must take every step possible to thwart their evil plans.

Finally, we will contribute to our national security by improving nuclear power plant security outside the United States. The Department of Energy has been working for years to improve the safety of Soviet-designed nuclear power plants in the former Soviet Union and Eastern Europe. This is to prevent the possible repeat of the Chernobyl disaster.

However, to date, protecting these plants from terrorist sabotage has never been addressed. Before the tragedies of September 11, we never thought such an attack was realistic. Now that our reality has changed, we are providing greater security to protect our

power plants here at home. These efforts will serve as good models to upgrade the security at nuclear plants in Russia and elsewhere.

Today I am introducing a bill that would help bolster our national security by improving the security of all nuclear and radiological material worldwide. My bill addresses each of the three gaps in our current efforts that I have just identified.

First, it calls on the Department of Energy in cooperation with the Departments of State and Defense to develop a program that would encourage all countries to adhere to the highest security standards for their nuclear material wherever it is used or stored;

Second, it requires the Department of Energy to establish a systematic approach for securing radiological materials other than uranium and plutonium outside the United States; and

Third, it directs the Department of Energy, in consultation with the Nuclear Regulatory Commission and the International Atomic Energy Agency, to develop plans for preventing terrorist attacks on nuclear power plants outside the United States.

This bill is a cost-effective and short-term way to counter current threats to our national security and it promotes world cooperation in securing nuclear materials. Already, this bill has gained the endorsement of several world leaders in the field of nuclear nonproliferation, including: Dr. William Potter, Director of the Monterey Institute's Center for Nonproliferation Studies; Dr. Graham Allison, former Assistant Secretary of Defense; and Rose Gottemoeller, former Deputy UnderSecretary at the Department of Energy.

At this time I ask unanimous consent that letters of support from each of these individuals and organizations be printed in the RECORD.

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

CENTER FOR NONPROLIFERATION  
STUDIES,  
Monterey, CA, April 29, 2002.

Senator JEAN CARNAHAN,  
Hart Senate Building, Washington, DC.

DEAR SENATOR CARNAHAN: As the director of the Monterey Institute's Center for Nonproliferation Studies, I have long been involved in research and training activities designed to combat the spread of weapons of mass destruction. I have focused especially on proliferation risks associated with the former Soviet Union and have sought to enhance the safety and security of fissile material and nuclear facilities in that region. As you are well aware, this task has acquired even greater urgency in the aftermath of September 11, as has the need to consolidate and secure the smaller amounts of fissile material that are inadequately safeguarded in other parts of the world.

Although the highest priority should be given to consolidating, securing, and reducing the global stocks of fissile material—the stuff of nuclear weapons—it also is important for more attention and resources to be devoted to countering nuclear threats posed by the sabotage of nuclear power plants, research reactors, and spent fuel storage sites,

and the risks associated with so-called “dirty bombs” or radiological dispersal devices, which could be made by matching conventional explosives with radioactive source material. These dangers, while global in nature, are especially acute in Russia due to the amount of nuclear material present, the absence of adequate safeguards, and the vulnerability of many nuclear facilities to sabotage and/or terrorist attack. Although experts at Russian nuclear facilities have highlighted these vulnerabilities for a long time, their remediation has not typically been a high priority for U.S. nonproliferation assistance.

In light of these serious nuclear dangers, I strongly support your efforts to develop new legislation to counter nuclear terrorism and to improve the security of fissile and radiological material and nuclear facilities both in Russia and worldwide. In this regard, there are many useful lessons to be learned from the decade of U.S.-Russian collaboration in cooperative threat reduction, a topic many of my staff and I have analyzed carefully. Please feel free to contact me if you would like more detailed information on our prior work or if I can be of any assistance to you as you pursue your exceptionally timely and important legislation.

Sincerely,

WILLIAM C. POTTER,  
Director, CNS and CRES and  
Institute Professor.

HARVARD UNIVERSITY,  
Cambridge MA, April 30, 2002.

Senator JEAN CARNAHAN,  
Hart Senate Building, Washington, DC.

DEAR SENATOR CARNAHAN: I am writing to support your draft legislation focused on addressing the threat of nuclear terrorism. As a member of the Baker-Cutler panel and a longtime Russia watcher, I have seen with my own eyes security systems for potential bomb material that would make it an easy task for terrorists to steal. As a former Senator, now Ambassador Howard Baker has testified to his colleagues on the Senate Foreign Relations Committee, “I don't mean to be unduly philosophical or psychological about it, but it really boggles my mind that there could be 40,000 nuclear weapons, or maybe 80,000 in the former Soviet Union, poorly controlled and poorly stored, and that the world isn't in a near-state of hysteria about the danger.” And the problem is not limited to Russia: around the world, there are dozens of facilities with enough highly enriched uranium or a bomb—some of them civilian research facilities with a single night watchman and a chain link fence providing the only security.

In the aftermath of September 11, with Osama bin Laden declaring that acquiring weapons of mass destruction is a “religious duty,” allowing such conditions to continue would pose an unacceptable threat to the security of the United States and the world. If a nuclear weapon were to fall in the hands of those who organized the September 11 attacks, there would be no threats and no negotiations. Tens of thousands of innocent victims would die in a flash; if the bomb were in lower Manhattan, it would destroy everything up to Grammercy Park.

That terrible vision must guide our efforts now, and our sense of urgency. We must be asking ourselves: “on the day after a U.S. city is destroyed in a nuclear blast, what would we wish we had done to prevent it?” And then we must take those actions now, as quickly as we practically can.

What is needed is a fast-paced, focused effort to eliminate stockpiles of potential bomb material wherever they are no longer needed, while instilling rapid security upgrades wherever these materials will remain.

The goal should be to attain a stringent, global standard for security for all stockpiles of nuclear weapons and materials—for if these cannot be stolen, then terrorists cannot get the means for a nuclear attack. At the same time, we must be doing more to guard against potential Chernobyls caused by terrorist attacks on nuclear facilities or terrorist acquisition and use of radiological material for a “dirty bomb.”

Thus the objectives outlined in your legislation are precisely what is needed. Should this legislation become law, the security of the United States would be measurably improved, and our children and grandchildren will thank you. I commend you for your leadership in this crucial endeavor. Let me know if I can be of any assistance in pushing it through.

Sincerely,

GRAHAM T. ALLISON,  
Douglas Dillon Professor of International  
Affairs, Former Assistant Secretary of  
Defense.

CARNEGIE ENDOWMENT FOR  
INTERNATIONAL PEACE,  
Washington, DC, April 12, 2002.

Senator JEAN CARNAHAN,  
Hart Senate Building, Washington, DC.

DEAR SENATOR CARNAHAN: Please allow me to introduce myself. My name is Rose Gottemoeller, and I am a Senior Associate at the Carnegie Endowment. I have previously served in senior positions both in and out of the U.S. government, most recently (until October 2000) as Deputy Undersecretary of Energy for Defense Nuclear Nonproliferation, and Assistant Secretary of Energy for Nonproliferation and National Security. From 1994 to 1997, I was Deputy Director of the International Institute for Strategic Studies in London, after serving in 1993 and 1994 as the White House National Security Council Director responsible for denuclearization of Ukraine, Kazakhstan and Belarus. Prior to that time, I was at the RAND Corporation as a senior researcher on issues related to Soviet defense and arms control policy.

Based on my long experience working on nuclear security issues, I strongly believe that more needs to be done, both in the former Soviet Union and throughout the rest of the world, to ensure a safe and secure future for all Americans. For the better part of the last ten years, the United States has borne the brunt of helping Russia and its neighbors improve security of its civilian and military facilities that house weapons-usable fissile material. As you know, the United States has contributed millions of dollars to secure the Soviet nuclear legacy, but not out of altruism: it is clearly in our national interest to do so.

While I strongly believe that the support of the U.S. must continue, I now also emphasize that the only way to develop a comprehensive effort to address poorly secured nuclear materials in other parts of the world is for our friends and allies to shoulder some of the burden. The security of nuclear material is in every country's best interest, and every country should be an active participant.

Thus far, most cooperative efforts to improve the physical protection of nuclear materials have taken place in the former Soviet Union. This is logical, given that most weapons-usable fissile material is located in that region of the world, and much of it has been adequately protected since the break-up of the USSR.

However, particularly since September 11th, I believe that we all need to pay more attention to the smaller caches of fissile material that exist in other parts of the world. Many of them are not protected to a level commensurate with international standards.

It is important to note that while terrorists might have aspirations of developing advanced weapons of mass destruction, it is more likely that a terrorist organization would be able to develop a Radiological Dispersal Device (RDD). This weapon of mass disruption could be created with conventional explosives and some spent fuel or other radiological source material. To the best of my knowledge, there are no non-proliferation efforts for radiological materials. This needs to change. One approach would be to improve the physical protection of such materials, although this task would be so enormous and expensive on a world-wide basis that I believe careful priorities need to be set for such projects. It would also be important to consider emergency response and public information efforts, so that local governments and citizens will have the tools at hand to respond to such an attack.

The security of nuclear power plants has also come under scrutiny lately. The DOE has been working for years to improve the safety of Soviet-designed nuclear power plants, with significant successes. However, to date, protecting these plants from terrorist sabotage has been less of a priority, and thus has not received attention or funding. This, too, must change.

The DOE could very easily and usefully take the lessons it has learned from its experience during the last decade of cooperation with Russia and apply them to these new and evolving threats to our national security.

Therefore, I strongly support your endeavors, and am thankful for your vision in developing new legislation to address these issues. In the absence of a determined program of action, we have every reason to anticipate acts of nuclear terrorism against American targets before this decade is out.

Please feel free to contact me if I can provide you any further information or clarification. Again, thank you for your commitment to this important issue.

Sincerely yours,

ROSE E. GOTTEMOELLER,  
*Senior Associate.*

RUSSIAN AMERICAN NUCLEAR  
SECURITY ADVISORY COUNCIL,  
*Washington, DC, May 1, 2002.*

Hon. JEAN CARNAHAN,  
*Hart Senate Office Building,  
Washington, DC.*

DEAR SENATOR CARNAHAN: On behalf of the Russian-American Nuclear Security Advisory Council (RANSAC), I want to thank you for sponsoring legislation in support of expanded and improved international efforts to control nuclear and radiological materials. Few objectives are more central to ensuring international security than keeping these and other weapon of mass destruction materials out of hostile hands.

Since its inception, RANSAC and its members have been very active in promoting efforts to improve nuclear controls in Russia and the former Soviet Union. But we also believe that it is essential to engage the rest of the international community in this effort.

Since last September there has been some forward progress in programs working to reduce the global nuclear materials threat, but the pace of these efforts remains drastically out of synch with the magnitude of the risks. And, the international community must devote more time, attention, and resources—both in the former Soviet Union and the rest of the world—to diminish these obvious nuclear dangers. I applaud and support the goals of your legislation as a practical step toward accelerating and expanding these efforts.

Thank you for your leadership on this critical issue.

Sincerely,

KENNETH N. LUONGO,  
*Executive Director.*

NUCLEAR THREAT REDUCTION CAMPAIGN  
STATEMENT FROM THE NUCLEAR THREAT REDUCTION CAMPAIGN, ON THE INTRODUCTION OF THE GLOBAL NUCLEAR SECURITY ACT OF 2002

Since 1993, the International Atomic Energy Agency has documented almost 400 cases of trafficking in nuclear and other radioactive materials. Of those, 18 involved small volumes of weapons-grade plutonium or highly enriched uranium, and most of those cases originated in the former Soviet Union. Recent revelations from American intelligence officials indicate that Osama Bin Laden and his al Qaeda network have been trying to acquire radiological material to build a co-called "dirty" bomb for use against American targets.

At present, there are no cooperative programs to secure radiological materials in Russia or elsewhere. The Nuclear Threat Reduction Campaign (NTRC) applauds Senator Jean Carnahan (D-MO) for taking important measures to address this serious threat by introducing the Global Nuclear Security Act, 2002. In the wake of the tragic events of September 11th, Senator Carnahan's bill will begin the difficult, but necessary, process of securing radiological materials from potential terrorist theft, tighten international nuclear safety standards, and develop plans for mitigating the threat of terrorist attacks on nuclear power plants outside of the United States.

This bill supports the President's pledge that, "Our highest priority is to keep terrorists from acquiring weapons of mass destruction." The Global Nuclear Security Act, 2002 is an immediate and cost-effective mechanism to counter current threats to our national security.

(The NTRC has put forth a five-part agenda encouraging Congress and the Bush Administration to: work toward a comprehensive inventory of nuclear weapons and weapons-grade materials; pass the Debt-Reduction-for-Non-Proliferation Act; sign a legally-binding agreement to reduce stockpiles of strategic weapons held by the United States and Russia; strengthen joint U.S.-Russia threat reduction and non-proliferation programs; and expand existing programs to mitigate the threat of bioterrorism. The NTRC is a project of the Vietnam Veterans of America Foundation and The Justice Project.)

Mrs. CARNAHAN. In January of this year, I traveled, with eight of my colleagues, to meet with the leaders of Pakistan, Turkey, Afghanistan, and several countries of the former Soviet Union.

We were impressed with their level of commitment to the war against terrorism, and to making the world safe from weapons of mass destruction. We are all in this struggle against terrorism together. The only way to lock up all nuclear and radiological material is for friends and allies to work together and share the burden. We will spend several billions of dollars this year to improve our homeland security, and rightly so. But we also must recognize that we are only as safe as the weakest link in the chain-link fence guarding some nuclear material in far away country.

I fully support President Bush's call to action, when he said late last year,

with Russian President Putin by his side, that "Our highest priority is to keep terrorists from acquiring weapons of mass destruction."

I hope my colleagues will join me as well in supporting this effort.

STATEMENTS ON SUBMITTED  
RESOLUTIONS

SENATE RESOLUTION 261—EX-  
PRESSING THE SENSE OF THE  
SENATE THAT PUBLIC SERV-  
ANTS SHOULD BE COMMENDED  
FOR THEIR DEDICATION AND  
CONTINUED SERVICE TO THE NA-  
TION DURING PUBLIC SERVICE  
RECOGNITION WEEK

Mr. AKAKA (for himself, Mr. COCHRAN, Mr. DURBIN, Mr. LEVIN, Mr. LIEBERMAN, Mr. VOINOVICH, Ms. COLLINS, and Mr. THOMPSON) submitted the following resolution; which was considered and agreed to:

S. RES. 261

Whereas Public Service Recognition Week provides an opportunity to honor and celebrate the commitment of individuals who meet the needs of the Nation through work at all levels of government;

Whereas over 20,000,000 men and women work in government service in every city, county, and State across America and in hundreds of cities abroad;

Whereas the United States of America is a great and prosperous Nation, and public service employees have contributed significantly to that greatness and prosperity;

Whereas Americans benefit daily from the knowledge and skills of these highly trained individuals;

Whereas public servants—

(1) help the Nation recover from natural disasters and terrorist attacks;

(2) fight crime and fire;

(3) deliver the mail;

(4) teach and work in the schools;

(5) deliver Social Security and Medicare benefits;

(6) fight disease and promote better health;

(7) protect the environment and national parks;

(8) improve transportation and the quality of water and food;

(9) build and maintain roads and bridges;

(10) provide vital strategic and support functions to our military;

(11) keep the Nation's economy stable;

(12) defend our freedom; and

(13) advance United States interests around the world;

Whereas public servants at the Federal, State, and local level are the first line of defense in maintaining homeland security;

Whereas for every essential service disrupted by the terrorist attacks on September 11, 2001, public servants responded quickly and effectively, many giving their lives for their country;

Whereas public servants demonstrated once again on September 11, 2001, that civil servants at every level of government are decent, hard-working men and women, committed to doing a good job regardless of the circumstances;

Whereas America's Federal employees have risen to the occasion and demonstrated professionalism, dedication, and courage during the attacks of September 11, 2001, and in their aftermath;

Whereas after September 11, 2001, thousands of Federal employees were deployed in

disaster response teams, and government employees continue to contribute in the war on terrorism as a part of their normal duties;

Whereas each agency has a role in ensuring that the Nation is secure and prosperous despite renewed attention to those agencies which are directly fighting the war on terrorism;

Whereas May 6 through 12, 2002, has been designated Public Service Recognition Week to honor America's Federal, State, and local government employees; and

Whereas Public Service Recognition Week will be celebrated through job fairs, student activities, and agency exhibits: Now, therefore, be it

*Resolved*, That the Senate—

(1) commends government employees for their outstanding contributions to this great Nation;

(2) salutes their unyielding dedication and spirit for public service;

(3) honors those public servants who have given their lives in service to their country.

(4) calls upon a new generation of workers to consider a career in public service as an honorable profession; and

(5) encourages efforts to promote public service careers at all levels of government.

#### SENATE RESOLUTION 262—COMMENDING THE UNIVERSITY OF HAWAII WARRIOR MEN'S VOLLEYBALL TEAM FOR WINNING THE 2002 NATIONAL COLLEGIATE ATHLETIC ASSOCIATION MEN'S VOLLEYBALL NATIONAL CHAMPIONSHIP

Mr. AKAKA (for himself and Mr. INOUE) submitted the following resolution; which was considered and agreed to:

S. RES. 262

Whereas on May 4, 2002, the University of Hawaii Warrior Men's Volleyball Team won the national championship for the first time;

Whereas the University of Hawaii defeated Pepperdine University in 4 games in the championship match, having previously defeated Penn State University in the semifinals;

Whereas this is the first national championship ever for any men's athletic program at the University of Hawaii in 30 years of NCAA Division I competition;

Whereas the victory in the championship game gave Coach Mike Wilton his first career NCAA title and his 200th victory at the University of Hawaii;

Whereas the University of Hawaii Warrior Volleyball fans are the best in the Nation, leading the country in attendance for 7 consecutive seasons;

Whereas 3-time All-American junior outside hitter Costas Theocharidis—

(1) was named the Final Four Most Outstanding Player;

(2) was the 2001 American Volleyball Coaches Association national Player of the Year; and

(3) holds a number of men's volleyball school records;

Whereas 2 University of Hawaii Warrior volleyball players, junior outside hitter Costas Theocharidis and senior middle blocker Dejan Miladinovic, were voted to the American Volleyball Coaches Association All-American first team;

Whereas the Hawaii team is representative of Hawaii's celebrated cultural diversity, with players from Hawaii, the United States mainland, Guam, Puerto Rico, Canada, Cuba, Greece, Israel, and Serbia; and

Whereas all of the team's players showed tremendous dedication throughout the sea-

son toward the goal of winning the National Championship: Now, therefore, be it

*Resolved*, That the Senate—

(1) commends the University of Hawaii Warrior Men's Volleyball Team for winning the 2002 NCAA Men's Volleyball National Championship;

(2) recognizes the achievements of all the team's players, coaches, and support staff, and invites them to the United States Capitol to be honored;

(3) requests that the President—

(A) recognize the achievements of the University of Hawaii men's volleyball team; and  
(B) invite the team to the White House for an appropriate ceremony honoring a national championship team; and

(4) directs the Secretary of the Senate to—  
(A) make available enrolled copies of this resolution to the University of Hawaii for appropriate display; and

(B) transmit an enrolled copy of this resolution to every coach and member of the 2002 NCAA Men's Volleyball National Championship Team.

#### SENATE CONCURRENT RESOLUTION 106—TO CORRECT THE ENROLLMENT OF H.R. 3525

Mr. KENNEDY (for himself, Mr. BROWNBACK, Mrs. FEINSTEIN, and Mr. KYL) submitted the following concurrent resolution; which was considered and agreed to:

S. CON. RES. 106

*Resolved by the Senate (the House of Representatives concurring)*, That, in the enrollment of the bill (H.R. 3525) to enhance the border security of the United States, and for other purposes, the Clerk of the House of Representatives shall make the following corrections:

(1) Strike section 205.

(2) In the table of contents of the bill, strike the item relating to section 205.

#### SENATE CONCURRENT RESOLUTION 107—EXPRESSING THE SENSE OF CONGRESS THAT FEDERAL LAND MANAGEMENT AGENCIES SHOULD FULLY SUPPORT THE WESTERN GOVERNORS ASSOCIATION "COLLABORATIVE 10-YEAR STRATEGY FOR REDUCING WILDLAND FIRE RISKS TO COMMUNITIES AND THE ENVIRONMENT", AS SIGNED AUGUST 2001, TO REDUCE THE OVERABUNDANCE OF FOREST FUELS THAT PLACE NATIONAL RESOURCES AT HIGH RISK OF CATASTROPHIC WILDFIRE, AND PREPARE A NATIONAL PRESCRIBED FIRE STRATEGY THAT MINIMIZES RISKS OF ESCAPE

Mr. CRAIG (for himself and Mrs. FEINSTEIN) submitted the following concurrent resolution; which was referred to the Committee on Energy and Natural Resources:

S. CON. RES. 107

Whereas catastrophic wildfires not only cause environmental damage to forests and other lands but place the lives of firefighters at risk and pose threats to human health, personal property, sustainable ecosystems, wildlife habitat, and air and water quality;

Whereas upon completion of the 2001 wildfire season, 81,681 fires burned 3,555,138 acres, which threatened rural communities nationwide and killed 15 firefighters;

Whereas more than 7,400,000 acres burned during the 2000 wildfire season—equivalent to a six-mile-wide swath from Washington, D.C., to Los Angeles, California—destroying 861 structures, killing 16 firefighters, and costing the Federal Government \$1,300,000,000 in suppression costs;

Whereas an April 1999 General Accounting Office report to the United States House of Representatives, entitled "Western National Forests: A Cohesive Strategy is Needed to Address Catastrophic Wildfire Threats" (GAO/RCED-99-65) states that "The most extensive and serious problem related to the health of national forests in the interior West is the overaccumulation of vegetation, which has caused an increasing number of large, intense, uncontrollable and catastrophically destructive wildfires";

Whereas an April 2000 United States Forest Service report, entitled "Protecting People and Sustaining Resources in Fire-Adapted Ecosystems: A Cohesive Strategy", in response to the 1999 General Accounting Office report, confirms the previous report's conclusion and further warns that "Without increased restoration treatments..., wildfire suppression costs, natural resource losses, private property losses, and environmental damage are certain to escalate as fuels continue to accumulate and more acres become high-risk";

Whereas the July 2001 General Accounting Office testimony entitled "The National Fire Plan: Federal Agencies Are Not Organized to Effectively and Efficiently Implement the Plan" (GAO-01-1022T) before the United States House of Representatives Subcommittee on Forests and Forest Health reported that "The Federal Government's decades-old policy of suppressing all wildland fires, including naturally occurring ones, have resulted in dangerous accumulations of hazardous fuels on Federal lands. As a result, conditions on 211,000,000 acres, or almost one-third of all Federal lands, continue to deteriorate" and "[t]he list of at-risk communities ballooned to over 22,000";

Whereas the escaped prescribed burn that created the Cerro Grande Fire in May 2000, that consumed 48,000 acres and destroyed 400 homes with losses exceeding \$1,000,000,000 in Los Alamos, New Mexico, and the escaped prescribed burn that created the Lowden Fire in 1999 that destroyed 23 homes in Lewiston, California, highlight the unacceptable risks of using prescribed burning as the sole forest fuel reduction practice by Federal land management agencies;

Whereas similar catastrophic wildfire resolutions were passed by the California Legislature (AJR 69) and Western Legislative Forestry Task Force (R00-1) in 2000 and Oregon (HJM 22), Idaho (SJM 104) and Montana (HJ 22) in 2001;

Whereas the Western Governors Association's "Collaborative 10-year Strategy for Reducing Wildland Fire Risks to Communities and the Environment" was signed in 2001; and

Whereas in 2000, the United States Congress provided an unprecedented \$2,900,000,000 in funding for the United States Departments of Agriculture and Interior wildfire fire fighting agencies to prepare for future fire-suppression efforts and take proactive steps to reduce wildfire risk on all Federal lands: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring)*, That it is the sense of Congress that—

(1) in the interest of protecting the integrity and posterity of United States forests and wildlands, wildlife habitats, watersheds, air quality, human health and safety, and private property, the Forest Service and other Federal land management agencies should—



(A) fully implement the Western Governors Association's "Collaborative 10-year Strategy for Reducing Wildland Fire Risks to Communities and the Environment", as signed August 2001, to reduce the overabundance of forest fuels that place these resources at high risk of catastrophic wildfire;

(B) use an appropriate mix of fire prevention activities and management practices, including forest restoration, thinning of at-risk forest stands, grazing, selective tree removal, and other measures to control insects and pathogens, removal of excessive ground fuels, and small-scale prescribed burns;

(C) increase the role for private, local, and State contracts for fuel reduction treatments on Federal forest lands and adjoining private properties; and

(D) pursue more effective fire suppression on Federal forest lands through increased funding of mutual aid agreements with professional State and local public fire fighting agencies;

(2) in the interest of forest protection and public safety, the Departments of Agriculture and the Interior should immediately prepare for public review a national prescribed fire strategy for public lands that creates a process for evaluation of worst-case scenarios for risk of escape and identifies alternatives that will achieve land management objectives while minimizing the risk associated with prescribed fire; and

(3) a national prescribed fire strategy for public lands as described in paragraph (2) should be incorporated into any regulatory land use planning programs that propose the use of prescribed fire as a management practice.

Mrs. FEINSTEIN. Madam President, I am pleased to support my colleague, Senator CRAIG on this concurrent resolution on protecting our Western forests from catastrophic fire.

It could not be more timely.

Unfortunately, this year is shaping up to be one of the worst fire years on record for many States in the West and for southern California in particular.

The fire season usually begins in California in early summer and can last all the way up to November.

A few years ago it became clear to me that we had a potential disaster on our hand beginning every June.

In the 106th Congress Senator DOMENICI, several of our colleagues and I worked to greatly increase funding for fire prevention.

That included millions of dollars for the removal of dead and dying and small diameter trees and thick underbrush that have accumulated in our national forests, dramatically increasing the likelihood of serious and highly destructive forest fires.

Recently, the Forest Service identified 24 million acres of land in the Continental U.S. as being at the absolute highest level of catastrophic fire risk.

Almost a full one third of this area, 7.8 million acres, lies in California; this is more than any other State.

It includes the entire Sierra Nevada mountain range, the newly designated Sequoia National Monument, it also includes the Plumas and Lassen Forests in and around the Quincy area, where forest fires in the past have destroyed homes and businesses and spotted owl habitat.

And it includes the Lake Tahoe Basin, where one-quarter of the trees are either dead or dying.

And the probability of major fire conflagration remains and grows each year. Such a fire around Lake Tahoe for instance could permanently destroy the water quality of one of the most pristine lakes in the world.

Not to mention a potential loss of life, habitat and property that could be devastating.

Each year, the Forest Service spends hundreds of millions of dollars putting out fires.

This money would be much better spent preventing fires in the first place rather than cleaning up after the fact.

And that is what our resolution seeks to address.

How did things get this way?

Well through the turn of the 20th century, the U.S. population was predominantly spread out and agrarian.

Forest fires burned naturally at fairly predictable intervals and they burned hot enough to restrict encroaching vegetation and prevent fuel from loading up on the ground, but not hot enough to kill old growths.

Forests in the U.S. survived in this fashion for literally thousands of years.

By the middle of the twentieth century, however an increasing population began to occupy new urban-wildland interface zones on what had once been forests.

Suddenly, forest fires had to be put out or suppressed in order to protect the surrounding communities.

It seemed intuitive to simply continue fighting fires as they arose and leave the forests otherwise, untouched.

So nothing was done to groom the forests, to remove the dead and dying, to reduce undergrowth, and to prevent subsequent conflagrations.

What is called fuel load has grown to astronomical proportions in many of our national forests.

Dead and dying trees which were no longer consumed by fire, lingered while brush began to build up at ground level.

Newer, different species of trees, no longer stifled by natural fire, began to crowd out some of the older growth trees.

Forests became crowded and severely fire-prone.

Newer, different species of trees, no longer stifled by natural fire, began to crowd out some of the older growth trees.

In the meantime, what we learned was that one-size does not fit all when it comes to managing our forests.

Each forest is distinct. Differences in topography, geography, flora and fauna, elevation, and climate dictate how a particular forest should be managed.

A forest in the California Sierras is different from a forest in Alaska or Pennsylvania or Idaho.

It is imperative that the Forest Service use all available tools to clean up the forests and reduce fire risks.

This includes removing dead and dying trees, thinning overgrowth, and using mechanical treatment and controlled burning.

It should also include the fuel breaks demonstrated by the Quincy Library Group Project.

If we don't use all these tools, incidents of serious fire will only continue to increase.

In California, fire susceptible Douglas and White firs have grown underneath old growth ponderosa pines.

The newer firs which are not resistant to fire, create potential fuel ladders that permit a fire to reach the tops, or crowns of old growths for the first time.

For most of recent history an old growth pine was impervious to fire since rarely did a fire reach all the way up to its crown.

Now with these relatively new fuel ladders, fire threats to old growths are very real.

Drought periods have further stressed the forest, predisposing it to insect infestations, disease and of course, severe wildfire.

California forests provide homes for dozens of endangered and threatened species including the Marbled Murrelet and the Spotted owl.

It is an understatement to say that today, the risk of fire is the most serious threat to our forests and these species.

It may be the most immediate short-term environmental threat that our western forests face.

That is why this policy of fire prevention and this resolution are so important.

And I urge my colleagues to support the Craig-Feinstein resolution.

#### SENATE CONCURRENT RESOLUTION 108—TO DESIGNATE MAY 4-12, 2002, AS "NATIONAL TOURISM WEEK"

Mr. BURNS (for himself and Mr. REID) submitted the following concurrent resolution; which was considered and agreed to:

##### S. CON. RES. 108

Whereas travel and tourism has a major impact on the economy of the United States as the third largest retail sales industry in the Nation;

Whereas 1 out of every 7 people employed in the United States civilian labor force is employed in the travel and tourism industry;

Whereas international travel to the United States is the largest service export, having generated a trade surplus for 13 consecutive years;

Whereas domestic and international travel generated an estimated \$545,000,000,000 in expenditures in 2001, supporting more than 7,800,000 jobs, and creating more than

\$94,400,000,000 in tax revenue for Federal, State, and local governments;

Whereas the slowing of the United States economy and the horrific terrorist attacks of September 11, 2001, have had a tremendous negative effect on the tourism industry;

Whereas according to the Travel Industry Association, the travel and tourism industry would suffer a \$43,000,000,000 decrease in spending from domestic and international travelers due to the September 11, 2001, attacks;

Whereas the Department of Commerce has issued preliminary figures indicating that international travel to the United States decreased 11 percent between 2000 and 2001, resulting in a 45 percent decrease in the travel trade surplus (from \$14,000,000,000 to \$7,700,000,000), and that it may take 3 years for international travel to return to the 2000 level;

Whereas decreased spending in 2001 caused the travel and tourism industry to lose an estimated 600,000 jobs, and resulted in an estimated 3 percent decrease in tax revenues from such industry;

Whereas National Tourism Week was established by Congress in 1983, and first celebrated in May 1984, when President Ronald Reagan signed a Presidential Proclamation urging citizens to observe the week "with appropriate ceremonies and activities;

Whereas since 1984, National Tourism Week has been celebrated each May by the Travel Industry Association of America, as well as many States, cities, and other travel industry associations: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring), That Congress—*

(1) designates May 4-12, 2002, as "National Tourism Week; and

(2) requests that the President issue a proclamation calling upon the people of the United States to observe National Tourism Week with appropriate ceremonies and activities.

#### AMENDMENTS SUBMITTED AND PROPOSED

SA 3393. Mr. CLELAND submitted an amendment intended to be proposed to amendment SA 3386 proposed by Mr. DASCHLE to the bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table.

#### TEXT OF AMENDMENTS

**SA 3393.** Mr. CLELAND submitted an amendment intended to be proposed to amendment SA 3386 proposed by Mr. DASCHLE to the bill (H.R. 3009) to extend the Andean Trade Preference Act, to grant additional trade benefits under that Act, and for other purposes; which was ordered to lie on the table; as follows:

Section 204(b)(5)(B) of the Andean Trade Preference Act, as amended by section 3102, is amended by inserting the following new clauses:

"(iii) The extent to which the country complies with the Agreement on Agriculture (including Article 4) described in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2)).

"(iv) The extent to which the country complies with its obligation under the Agreement on the Implementation of Tariffs VII of the General Agreement on Tariffs and Trade 1994, described in section 101(d)(8) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(8))."

#### NOTICES OF HEARINGS MEETINGS

##### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BINGAMAN. Mr. President, I would like to announce for the information of the Senate and the public that three hearings have been scheduled before the Committee on Energy and Natural Resources on S.J. Res. 34, a joint resolution approving the site at Yucca Mountain, Nevada, for the development of a repository for the disposal of high-level radioactive waste and spent nuclear fuel, pursuant to the Nuclear Waste Policy Act of 1982.

The purpose of the three hearings is to take testimony on S.J. Res. 34, the President's recommendation of the Yucca Mountain site for development of a repository, and the objections of the Governor of Nevada to the President's recommendation.

The hearings will take place on Tuesday, May 14, in SH-216; Thursday, May 16, in SH-216; and Thursday, May 23, room to be announced. Each hearing will begin at 9:30 a.m.

Because of the limited time available for the hearing, witnesses may testify by invitation only. Those wishing to submit written testimony for the hearing should e-mail it to *Amanda.Goldman@energy.senate.gov* or fax it to 202-224-9026.

For further information, please contact Sam Fowler of the committee staff at (202) 224-4971.]

#### AUTHORITY FOR COMMITTEES TO MEET

##### COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to hold a hearing during the session of the Senate on Tuesday, May 7, 2002, at 9:30 a.m. in SD-366.

The purpose of this hearing is to review the outlook for this year's wildland fire season as well as assess the Federal land management agencies' state of readiness and preparedness for the wildland fire season.

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

##### COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet on Tuesday, May 7, 2002 at 11:00 a.m. to hold a hearing to receive testimony from John P. Suarez, nominee to be Assistant Administrator of the Office of Enforcement and Compliance Assurance, Environmental Protection Agency. The hearing will be held in SD-406.

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

##### COMMITTEE ON FOREIGN RELATIONS

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be author-

ized to meet during the session of the Senate on Tuesday, May 7, 2002 at 10:00 a.m. to hold a hearing on environmental treaties.

#### Agenda

##### Treaties

Treaty Doc. 106-32: An amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer (the "Montreal Protocol"), adopted at Beijing on December 3, 1999, by the Eleventh Meeting of the Parties to the Montreal Protocol (the "Beijing Amendment").

Treaty Doc. 106-10: An amendment to the Montreal Protocol on Substances that Deplete the Ozone Layer (the "Montreal Protocol"), adopted at Montreal on September 15-17, 1997, by the Ninth Meeting of the Parties to the Montreal Protocol.

Treaty Doc. 103-5: A Protocol Concerning Specially Protected Areas and Wildlife to the Convention for the Protection and Development of the Marine Environment of the Wider Caribbean Region, done at Kingston on January 18, 1990.

Treaty Doc. 105-32: An agreement Establishing the South Pacific Regional Environment Programme, done at Apia on June 16, 1993.

Treaty Doc. 105-53: A Treaty Between the Government of the United States of America and the Government of Niue on the Delimitation of a Maritime Boundary.

Treaty Doc. 107-2: A Protocol to Amend the 1949 Convention on the Establishment of an Inter-American Tropical Tuna Commission, done at Guayaquil, June 11, 1999, and signed by the United States, subject to ratification, in Guayaquil, Ecuador, on the same date.

##### Witnesses

Panel 1: The Honorable John Turner, Assistant Secretary for Oceans and Environmental Scientific Affairs, Department of State, Washington, DC.

Panel 2: Mr. Thomas Grasso, Director, Marine Conservation Program, World Wildlife Fund, Washington, DC; and Dr. David Read Barker, President, Monitor International, Annapolis, MD.

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

##### PERMANENT SUBCOMMITTEE ON INVESTIGATIONS

Mr. HARKIN. Mr. President, I ask unanimous consent that the Permanent Subcommittee on Investigations of the Committee on Governmental Affairs be authorized to meet on Tuesday, May 7, 2002, at 9:30 a.m., for a hearing entitled "The Role of the Board of Directors in Enron's collapse."

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

##### SUBCOMMITTEE ON AGING

Mr. HARKIN. Mr. President, I ask unanimous consent that the Committee on Health, Education, Labor, and Pensions, Subcommittee on Aging be authorized to meet for a hearing on national Family Caregiver Support

Program: Getting Behind Our Nation's Families during the session of the Senate on Tuesday, May 7, 2002, at 2:30 p.m. in SD-430.

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

#### SUBCOMMITTEE ON AIRLAND

Mr. HARKIN. Mr. President, I ask unanimous consent that the Subcommittee on Airland of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, May 7 at 3:00 p.m. in closed session to mark up the Airland Programs and provisions contained in the Department of Defense Authorization Act for Fiscal Year 2002.

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

#### SUBCOMMITTEE ON PERSONNEL

Mr. HARKIN. Mr. President, I ask unanimous consent that the Subcommittee on Personnel of the Committee on Armed Services be authorized to meet during the session of the

Senate on Tuesday, May 7 at 4:00 p.m. in closed session to mark up the personnel programs and provisions contained in the Department of Defense Authorization Act for Fiscal Year 2003.

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

#### SUBCOMMITTEE ON READINESS AND MANAGEMENT SUPPORT

Mr. HARKIN. Mr. President, I ask unanimous consent that the Subcommittee on Readiness and Management Support of the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, May 7, 2002 at 5:00 p.m. in closed session to mark up the readiness and management programs and provisions contained in the Department of Defense Authorization Act for Fiscal Year 2003.

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

#### PRIVILEGES OF THE FLOOR

Mr. REID. Madam President, I ask unanimous consent that Sarah Lennon, a fellow in Senator CARNAHAN's office, be granted the privilege of the floor during the session of the Senate on Tuesday, May 7, 2002.

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

Mr. LUGAR. Madam President, I ask unanimous consent that the following detailees to the Agriculture Committee be granted privileges on the floor during debate on the farm bill: Benjamin Young, Dave White, Pat Sweeney, and Carol Olander.

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

Mr. WELLSTONE. Madam President, I ask unanimous consent that Erin Trenda, an intern in my office, be allowed to be on the floor during the duration of the conference report debate.

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

#### FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

AMENDED 1ST QUARTER REPORT; CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Mary Alice Hayward:									
United States .....	Dollar .....				9,445.53				9,445.53
Kazakhstan .....	Dollar .....		442.90		66.08				508.98
Uzbekistan .....	Dollar .....		872.00		20.00		30.96		922.96
Netherlands .....	Dollar .....						10.25		10.25
Madeyn R. Crendon:									
United States .....	Dollar .....				9,445.62				9,445.62
Kazakhstan .....	Dollar .....		462.00				3.00		465.00
Uzbekistan .....	Dollar .....		930.00				115.00		1,045.00
Netherlands .....	Dollar .....						35.25		35.25
Total .....			2,706.90		18,977.23		194.46		21,878.59

CARL LEVIN,  
Chairman, Committee on Armed Services, Apr. 10, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Jeff Sessions:									
South Korea .....	Won .....		547.30				70.00		617.30
Japan .....	Dollar .....		20.00		5,464.69		2.00		5,486.69
Armand DeKeyser:									
South Korea .....	Won .....		650.00				66.00		716.00
Japan .....	Dollar .....		60.00		5,514.69		35.00		5,609.69
Archie Galloway:									
South Korea .....	Won .....		649.00				20.00		669.00
Japan .....	Dollar .....		23.00		5,504.69		30.00		5,557.69
Gary M. Hall:									
South Korea .....	Dollar .....		572.02						572.02
Japan .....	Dollar .....		24.00		5,464.69				5,488.69
Michael J. McCord:									
United States .....	Dollar .....				3,528.55				3,528.55
South Korea .....	Won .....		747.65		3.84				751.49
Japan .....	Yen .....		264.78		3.78		23.78		292.34
Maren Lead:									
South Korea .....	Won .....		854.05		11.52				865.57
Japan .....	Yen .....		238.12		3.78		24.00		265.90
United States .....	Dollar .....				3,528.55				3,528.55
George W. Lauffer:									
United States .....	Dollar .....				3,528.55				3,528.55
South Korea .....	Won .....		122.00				16.00		138.00
South Korea .....	Dollar .....		667.00						667.00
Japan .....	Yen .....		92.00						92.00
Japan .....	Dollar .....		197.00				10.00		207.00
Senator James M. Inhofe:									
Germany .....	Dollar .....		400.00		4,963.20				5,363.20

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22  
U.S.C. 1754(b), COMMITTEE ON ARMED SERVICES FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002—Continued

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
John A. Bonsell:									
Germany .....	Dollar .....		220.93				15.29		236.12
Italy .....	Dollar .....		63.90				4.00		67.90
United States .....	Dollar .....				4,963.20				4,963.20
Senator John McCain:									
Germany .....	Euro .....		415.67						415.67
Daniel C. Twining:									
Germany .....	Euro .....		718.00						718.00
Senator Joseph I. Lieberman:									
Germany .....	Dollar .....		394.00						394.00
Frederick M. Downey:									
Germany .....	Dollar .....		414.00						414.00
Edward H. Edens IV:									
China .....	Dollar .....		330.00		7,698.49				8,028.49
South Korea .....	Dollar .....		480.00						480.00
Japan .....	Dollar .....		586.00						586.00
Philippines .....	Dollar .....		383.00						383.00
Evelyn N. Farkas:									
China .....	Yuan .....		324.00		6,434.59				6,758.59
South Korea .....	Won .....		470.25						470.25
Japan .....	Yen .....		565.00						565.00
Philippines .....	Peso .....		366.00						366.00
Total .....			11,858.57		56,616.81		316.07		68,791.45

CARL LEVIN,  
Chairman, Committee on Armed Services, Apr. 1, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22  
U.S.C. 1754(b), COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Katherine Scheeler:									
Brazil .....	Dollar .....		770.00		2,507.50				3,277.50
Catherine Cruz-Wojtasik:									
Brazil .....	Dollar .....		1,070.00		2,507.50				3,577.50
Thomas Loo:									
Brazil .....	Dollar .....		650.00		2,507.50				3,157.50
Total .....			2,490.00		7,522.50				10,012.50

PAUL S. SARBANES,  
Chairman, Committee on Banking, Housing, and Urban Affairs,  
Apr. 12, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22  
U.S.C. 1754(b), COMMITTEE ON INTELLIGENCE FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Richard Shelby .....			4,240.00						4,240.00
William Duhnke .....			3,274.00						3,274.00
Kathleen Casey .....			4,040.00						4,040.00
Senator John D. Rockefeller .....			450.00						450.00
Melvin Dube .....	Dollar .....				6,843.33				6,843.33
			506.00						506.00
Senator Richard Lugar .....	Dollar .....				6,843.33				6,843.33
			818.00						818.00
Kenneth A. Myers, Jr .....			846.00						846.00
	Dollar .....				4,564.66				4,564.66
Kenneth A. Myers, III .....			868.00						868.00
	Dollar .....				4,564.66				4,564.66
Senator Mike DeWine .....							6,534.72		6,534.72
Laura Parker .....			414.00						414.00
Senator Jon Kyl .....			299.13						299.13
Robert Filippone .....			732.00						732.00
	Dollar .....				5,928.40				5,928.40
Paula DeSutter .....			1,122.00						1,122.00
	Dollar .....				5,928.40				5,928.40
James Barnett .....			1,556.00						1,556.00
	Dollar .....				5,306.60				5,306.60
Christopher Jackson .....			1,256.00						1,256.00
	Dollar .....				5,327.90				5,327.90
Christopher Ford .....			1,556.00						1,556.00
	Dollar .....				5,327.90				5,327.90
Robert Filippone .....			1,632.00						1,632.00
	Dollar .....				7,099.22				7,099.22
Peter Dorn .....			1,757.00						1,757.00
	Dollar .....				7,099.22				7,099.22
Total .....			25,366.13		69,398.28		6,534.72		101,299.13

BOB GRAHAM,  
Chairman, Committee on Intelligence, Apr. 19, 2002.

May 7, 2002

## CONGRESSIONAL RECORD—SENATE

S3969

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22  
U.S.C. 1754(b), THE COMMISSION ON SECURITY AND COOPERATION IN EUROPE FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Orest Deychakiwsky:									
U.S.A .....	Dollar .....				5,506.26				5,506.26
Ukraine .....	Dollar .....		661.00						661.00
U.S.A .....	Dollar .....				5,508.00				5,508.00
Ukraine .....	Dollar .....		1,238.00						1,238.00
Chadwick Gore:									
U.S.A .....	Dollar .....				4,211.43				4,211.43
Austria .....	Dollar .....		854.18						854.18
Janice Helwig:									
U.S.A .....	Dollar .....				4,209.29				4,209.29
Austria .....	Dollar .....		10,727.87						10,727.87
Representative Steny Hoyer:									
U.S.A .....	Dollar .....				4,811.75				4,811.75
Austria .....	Dollar .....		944.00						944.00
Marlene Kaufmann:									
U.S.A .....	Dollar .....				4,811.75				4,811.75
Austria .....	Dollar .....		944.00						944.00
Hamilton Thames:									
U.S.A .....	Dollar .....				7,127.42				7,127.42
Turkey .....	Dollar .....		1,109.44						1,109.44
France .....	Dollar .....		462.67						462.67
Total .....			16,941.16		36,185.90				53,127.06

BEN NIGHORSE CAMPBELL,  
Chairman, Commission on Security and Cooperation in Europe,  
Apr. 15, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22  
U.S.C. 1754(b), COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION FOR TRAVEL FROM DEC. 28, 2001 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ernest F. Hollings:									
Belgium .....	Franc .....		514.00						514.00
Germany .....	Mark .....		798.00						798.00
Czech Republic .....	Koruna .....		606.00						606.00
Hungary .....	Forint .....		554.00						554.00
Austria .....	Euro .....		392.00						392.00
England .....	Pound .....		1,376.00						1,376.00
Joab M. Lesesne III:									
Belgium .....	Franc .....		514.00						514.00
Germany .....	Mark .....		798.00						798.00
Czech Republic .....	Koruna .....		606.00						606.00
Hungary .....	Forint .....		554.00						554.00
Austria .....	Euro .....		392.00						392.00
England .....	Pound .....		1,376.00						1,376.00
Stephen Hartell:									
Belgium .....	Franc .....		514.00						514.00
Germany .....	Mark .....		798.00						798.00
Czech Republic .....	Koruna .....		606.00						606.00
Hungary .....	Forint .....		554.00						554.00
Austria .....	Euro .....		392.00						392.00
England .....	Pound .....		1,376.00						1,376.00
Total .....			12,720.00						12,720.00

FRITZ HOLLINGS,  
Chairman, Committee on Commerce, Science, and Transportation,  
Mar. 28, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22  
U.S.C. 1754(b), SENATE JUDICIARY COMMITTEE FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Jeffrey Miller:									
Thailand .....	Baht .....		824.91		2,469.28		150.00		3,444.19
Marcia Lee:									
Thailand .....	Baht .....		785.34		2,469.28		150.00		3,404.62
Neil Macbride:									
Thailand .....	Baht .....		928.11		2,469.28		75.00		3,472.39
David Hantman:									
Thailand .....	Baht .....		942.89		2,469.28		167.97		3,580.14
Leah Belaire:									
Thailand .....	Baht .....		945.79		2,469.28		120.00		3,535.07
Senator Maria Cantwell:									
Cuba .....	Dollar .....		276.50		313.00		92.15		681.65
Travis Sullivan:									
Cuba .....	Dollar .....		717.56		610.00		161.00		1,488.56
Caroline Fredrickson:									
Cuba .....	Dollar .....		771.85		682.00		29.70		1,483.55
Total .....			6,192.95		13,951.40		945.82		21,090.17

PATRICK LEAHY,  
Chairman, Senate Judiciary Committee, Apr. 26, 2002.

AMENDED 1ST QUARTER 2001 CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(c), COMMITTEE ON VETERANS' AFFAIRS FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2001

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Arlen Specter:									
Germany .....	Dollar .....		241.00						241.00
Yugoslavia .....	Dollar .....		434.00						434.00
Egypt .....	Dollar .....		223.00						223.00
Israel .....	Dollar .....		152.00						152.00
Jordan .....	Dollar .....		235.00						235.00
India .....	Dollar .....		1,376.00						1,376.00
Pakistan .....	Dollar .....		240.00						240.00
Turkey .....	Dollar .....		306.00						306.00
Netherlands .....	Dollar .....		207.00						207.00
David Urban:									
Germany .....	Dollar .....		241.00						241.00
Yugoslavia .....	Dollar .....		434.00						434.00
Egypt .....	Dollar .....		223.00						223.00
Israel .....	Dollar .....		152.00						152.00
Jordan .....	Dollar .....		235.00						235.00
India .....	Dollar .....		1,376.00						1,376.00
Pakistan .....	Dollar .....		240.00						240.00
Turkey .....	Dollar .....		306.00						306.00
Netherlands .....	Dollar .....		207.00						207.00
Seema Singh:									
India .....	Dollar .....		1,376.00						1,376.00
Pakistan .....	Dollar .....		240.00						240.00
Turkey .....	Dollar .....		306.00						306.00
Netherlands .....	Dollar .....		207.00						207.00
United States .....	Dollar .....				3,565.24				3,565.24
Total .....			8,957.00		3,565.24				12,522.24

ARLEN SPECTER,  
Chairman, Committee on Veterans' Affairs, Apr. 15, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22 U.S.C. 1754(b), MAJORITY AND REPUBLICAN LEADERS FOR TRAVEL FROM FEB. 17 TO FEB. 24, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Daniel Inouye:									
Belgium .....	Euro .....		257.00						257.00
Pakistan .....	Dollar .....		484.00						484.00
Uzbekistan .....	Dollar .....		359.00						359.00
Italy .....	Euro .....		370.00						370.00
Senator Ted Stevens:									
Belgium .....	Euro .....		257.00						257.00
Pakistan .....	Dollar .....		484.00						484.00
Uzbekistan .....	Dollar .....		359.00						359.00
Italy .....	Euro .....		370.00						370.00
Senator Olympia Snowe:									
Belgium .....	Euro .....		161.22						161.22
Pakistan .....	Dollar .....		356.06						356.06
Uzbekistan .....	Dollar .....		336.66						336.66
Italy .....	Euro .....		370.00						370.00
Senator Benjamin Nelson:									
Belgium .....	Euro .....		157.00						157.00
Pakistan .....	Dollar .....		356.00						356.00
Uzbekistan .....	Dollar .....		334.65						334.65
Italy .....	Euro .....		370.00						370.00
Senator Tim Hutchinson:									
Belgium .....	Euro .....		257.00						257.00
Pakistan .....	Dollar .....		484.00						484.00
Uzbekistan .....	Dollar .....		359.00						359.00
Italy .....	Euro .....		370.00						370.00
Steve Cortese:									
Belgium .....	Euro .....		257.00						257.00
Pakistan .....	Dollar .....		484.00						484.00
Uzbekistan .....	Dollar .....		359.00						359.00
Italy .....	Euro .....		370.00						370.00
Charlie Houy:									
Belgium .....	Euro .....		257.00						257.00
Pakistan .....	Dollar .....		484.00						484.00
Uzbekistan .....	Dollar .....		359.00						359.00
Italy .....	Euro .....		370.00						370.00
Sid Ashworth:									
Belgium .....	Euro .....		257.00						257.00
Pakistan .....	Dollar .....		484.00						484.00
Uzbekistan .....	Dollar .....		359.00						359.00
Italy .....	Euro .....		370.00						370.00
Dave Morrison:									
Belgium .....	Euro .....		257.00						257.00
Pakistan .....	Dollar .....		484.00						484.00
Uzbekistan .....	Dollar .....		359.00						359.00
Italy .....	Euro .....		370.00						370.00
Dr. John Eisold:									
Belgium .....	Euro .....		257.00						257.00
Pakistan .....	Dollar .....		484.00						484.00
Uzbekistan .....	Dollar .....		359.00						359.00
Italy .....	Euro .....		370.00						370.00
Delegation Expenses: <sup>1</sup>									
Belgium .....	Euro .....						2,129.47		2,129.47
Pakistan .....	Dollar .....						3,025.00		3,025.00
Afghanistan .....	Dollar .....						1,533.00		1,533.00
Italy .....	Euro .....						3,499.70		3,499.70
Total .....			14,201.59				10,187.17		24,388.76

<sup>1</sup> Delegation expenses include payments and reimbursements to the Department of State, under the authority of Sec. 502(b) of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95-384, and S. Res. 179 agreed to May 25, 1977.

TOM DASCHLE,  
Majority Leader, Apr. 22, 2002.  
TRENT LOTT,  
Republican Leader, Apr. 22, 2002.



May 7, 2002

## CONGRESSIONAL RECORD—SENATE

S3971

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22  
U.S.C. 1754(b), CODEL LIEBERMAN/McCAIN FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Joe Lieberman:									
Turkey .....	Dollar .....		184.00						184.00
Uzbekistan .....	Dollar .....		324.00						324.00
Pakistan .....	Dollar .....		304.00						304.00
Oman .....	Rial .....		202.00						204.00
Senator John McCain:									
Turkey .....	Dollar .....		155.75						155.75
Uzbekistan .....	Dollar .....		395.75						395.75
Pakistan .....	Dollar .....		335.75						335.75
Oman .....	Rial .....		173.75						173.75
Senator Fred Thompson:									
Turkey .....	Dollar .....		164.00						164.00
Uzbekistan .....	Dollar .....		414.00						414.00
Pakistan .....	Dollar .....		344.00						344.00
Oman .....	Rial .....		189.00						189.00
Senator Jack Reed:									
Turkey .....	Dollar .....		212.00						212.00
Uzbekistan .....	Dollar .....		285.00						285.00
Pakistan .....	Dollar .....		358.00						358.00
Oman .....	Rial .....		178.00						178.00
Senator Chuck Hagel:									
Turkey .....	Dollar .....		184.00						184.00
Uzbekistan .....	Dollar .....		424.00						424.00
Pakistan .....	Dollar .....		364.00						364.00
Oman .....	Rial .....		202.00						202.00
Senator Susan Collins:									
Turkey .....	Dollar .....		184.00						184.00
Uzbekistan .....	Dollar .....		402.00						402.00
Pakistan .....	Dollar .....		344.00						344.00
Oman .....	Rial .....		202.00						202.00
Senator John Edwards:									
Turkey .....	Dollar .....		184.00						184.00
Uzbekistan .....	Dollar .....		424.00						424.00
Pakistan .....	Dollar .....		364.00						364.00
Oman .....	Rial .....		202.00						202.00
Senator Bill Nelson:									
Turkey .....	Dollar .....		184.00						184.00
Uzbekistan .....	Dollar .....		424.00						424.00
Pakistan .....	Dollar .....		364.00						364.00
Oman .....	Rial .....		202.00						202.00
Senator Jean Carnahan:									
Turkey .....	Dollar .....		134.00						134.00
Uzbekistan .....	Dollar .....		374.00						374.00
Pakistan .....	Dollar .....		314.00						314.00
Oman .....	Rial .....		152.00						152.00
Fred Downey:									
Turkey .....	Dollar .....		184.00						184.00
Uzbekistan .....	Dollar .....		344.00						344.00
Pakistan .....	Dollar .....		304.00						304.00
Oman .....	Rial .....		162.00						162.00
Mark Esper:									
Turkey .....	Dollar .....		159.00						159.00
Uzbekistan .....	Dollar .....		400.00						400.00
Pakistan .....	Dollar .....		364.00						364.00
Oman .....	Rial .....		177.00						177.00
Julia Hart:									
Turkey .....	Dollar .....		184.00						184.00
Uzbekistan .....	Dollar .....		424.00						424.00
Pakistan .....	Dollar .....		364.00						364.00
Oman .....	Rial .....		202.00						202.00
Elizabeth King:									
Turkey .....	Dollar .....		184.00						184.00
Uzbekistan .....	Dollar .....		424.00						424.00
Pakistan .....	Dollar .....		309.00						309.00
Oman .....	Rial .....		179.76						179.76
Miles Lackey:									
Turkey .....	Dollar .....		184.00						184.00
Uzbekistan .....	Dollar .....		424.00						424.00
Pakistan .....	Dollar .....		364.00						364.00
Oman .....	Rial .....		202.00						202.00
Andrew Parasiliti:									
Turkey .....	Dollar .....		184.00						184.00
Uzbekistan .....	Dollar .....		424.00						424.00
Pakistan .....	Dollar .....		364.00						364.00
Oman .....	Rial .....		202.00						202.00
Dan Twining:									
Turkey .....	Dollar .....		184.00						184.00
Uzbekistan .....	Dollar .....		424.00						424.00
Pakistan .....	Dollar .....		364.00						364.00
Oman .....	Rial .....		202.00						202.00
Delegation Expenses: <sup>1</sup>									
Turkey .....	Dollar .....						7,658.84		7,658.84
Uzbekistan .....	Dollar .....						11,907.30		11,907.30
Pakistan .....	Dollar .....						6,515.19		6,515.19
Oman .....	Rial .....						5,552.83		5,552.83
Cypress .....	Dollar .....						1,259.18		1,259.18
Total .....			17,733.76				32,893.34		50,627.10

<sup>1</sup> Delegation expenses include payments and reimbursements to the Department of State, and the Department of Defense under the authority of Sec. 502(b) of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95-384, and S. Res. 179 agreed to May 25, 1977.

TOM DASCHLE,  
Majority Leader, Mar. 4, 2002.  
TRENT LOTT,  
Republican Leader, Mar. 5, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22  
U.S.C. 1754(b), CODEL DASCHLE FOR TRAVEL FROM JAN. 10 TO JAN. 19, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Tom Daschle:									
Germany .....	Euro .....		582.00						582.00
Uzbekistan .....	Dollar .....		1,626.00						1,626.00
Ireland .....	Euro .....		258.00						258.00
Senator Bob Smith:									
Germany .....	Euro .....		582.00						582.00
Uzbekistan .....	Dollar .....		1,626.00						1,626.00
Ireland .....	Euro .....		258.00						258.00
Senator Byron Dorgan:									
United States .....	Dollar .....				2,337.27				2,337.27
Germany .....	Euro .....		291.00						291.00
Uzbekistan .....	Dollar .....		1,626.00						1,626.00
Ireland .....	Euro .....		258.00						258.00
Senator Richard Durbin:									
Germany .....	Euro .....		241.00						241.00
Uzbekistan .....	Dollar .....		1,026.00						1,026.00
Ireland .....	Euro .....		258.00						258.00
Senator Mark Dayton:									
Germany .....	Euro .....		555.28						555.28
Uzbekistan .....	Dollar .....		880.33						880.33
Ireland .....	Euro .....		270.96						270.96
Tim Hogan:									
Germany .....	Euro .....		582.00						582.00
Uzbekistan .....	Dollar .....		1,126.00						1,126.00
Ireland .....	Euro .....		258.00						258.00
Denis McDonough:									
Germany .....	Euro .....		582.00						582.00
Uzbekistan .....	Dollar .....		1,126.00						1,126.00
Ireland .....	Euro .....		258.00						258.00
Russell Thomasson:									
Germany .....	Euro .....		582.00						582.00
Uzbekistan .....	Dollar .....		1,626.00						1,626.00
Ireland .....	Euro .....		258.00						258.00
Sally Walsh:									
Germany .....	Euro .....		582.00						582.00
Uzbekistan .....	Dollar .....		1,626.00						1,626.00
Ireland .....	Euro .....		258.00						258.00
Delegation Expenses: <sup>1</sup>									
Germany .....	Euro .....					13,865.14			13,865.14
Uzbekistan .....	Dollar .....					21,330.17			21,330.17
Pakistan .....	Dollar .....					1,186.88			1,186.88
Afghanistan .....	Dollar .....					1,040.24			1,040.24
Kyrgyzstan .....	Dollar .....					1,273.99			1,273.99
Turkmenistan .....	Dollar .....					3,142.61			3,142.61
Ireland .....	Euro .....					7,161.83			7,161.83
Total .....			19,202.57		2,337.27		49,000.86		70,540.70

<sup>1</sup> Delegation expenses include payments and reimbursements to the Department of State, under the authority of Sec. 502b of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95-384, and S. Res. 179 agreed to May 25, 1977.

TOM DASCHLE,  
Majority Leader, Mar. 4, 2002.

CONSOLIDATED REPORT OF EXPENDITURE OF FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE U.S. SENATE, UNDER AUTHORITY OF SEC. 22, P.L. 95-384—22  
U.S.C. 1754(b), CODEL LOTT FOR TRAVEL FROM JAN. 1 TO MAR. 31, 2002

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Trent Lott:									
South Korea .....	Won .....		436.00		7,197.50				7,633.50
Eric Womble:									
South Korea .....	Won .....		436.00		3,553.50				3,989.50
Angel Campbell:									
South Korea .....	Won .....		436.00		3,319.00				3,755.00
Delegation Expenses <sup>1</sup> .....						3,855.33			3,855.33
Total .....			1,308.00		14,070.00		3,855.33		19,233.33

<sup>1</sup> Delegation expenses include payments and reimbursements to the Department of State, under the authority of Sec. 502b of the Mutual Security Act of 1954, as amended by Sec. 22 of P.L. 95-384, and S. Res. 179 agreed to May 25, 1977.

TRENT LOTT,  
Republican Leader, Apr. 2, 2002.

UNANIMOUS CONSENT REQUEST—  
S. 180

Mr. REID. Madam President, I ask unanimous consent that the Chair lay before the Senate a message from the House on S. 180, that the Senate disagree to the House amendment, agree to the request for a conference on the disagreeing votes of the two Houses, and that the Chair be authorized to appoint conferees.

The PRESIDING OFFICER. Is there objection?

Mr. NICKLES. Madam President, I understand there is objection on our

side. I am not fully aware of what the concerns are, but at this point I object.

The PRESIDING OFFICER. Objection is heard.

Mr. REID. Madam President, I say to my friend from Oklahoma, we will work to see if this can be worked out at the staff level. Otherwise we will see what we can do at the Senate level.

Mr. DASCHLE. Madam President, I have tried again tonight to appoint conferees on the Sudan Peace Act. The House took this simple step late last year. This will be the third time we have sought consent to take this very

simple procedural step. Each time our Republican colleagues have objected.

What is happening in Sudan is a travesty. The government in Khartoum, the same government, incidentally, that gave shelter to Osama bin Laden, is waging a brutal civil war against the Christians in the south of that country. We are reminded of the brutality of this war in occasional newspaper stories, but the people of that ravaged land live this brutality daily.

We all have our views on what the final Sudan Peace Act should look like,

and I understand that there is significant concern with some of the provisions of the House-passed version of this bill. That's to be expected. What is unexpected—and unacceptable—is that there would be an objection to a simple procedural step to get to conference to resolve these differences.

## EXECUTIVE SESSION

### EXECUTIVE CALENDAR

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to executive session to consider the following nominations: Calendar Nos. 816 through 823; that the nominations be confirmed; the motions to reconsider be laid on the table; any statements thereon be printed in the RECORD; the President be immediately notified of the Senate's action; and the Senate resume legislative session, with the preceding all occurring without any intervening action or debate.

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

The nominations were considered and confirmed as follows:

#### DEPARTMENT OF JUSTICE

Steven M. Biskupic, of Wisconsin, to be United States Attorney for the Eastern District of Wisconsin for the term of four years

James E. McMahon, of South Dakota, to be United States Attorney for the District of South Dakota for the term of four years

Jan Paul Miller, of Illinois, to be United States Attorney for the Central District of Illinois for the term of four years

Walter Robert Bradley, of Kansas, to be United States Marshal for the district of Kansas for the term of four years

Randy Paul Ely, of Texas, to be United States Marshal for the Northern District of Texas for the term of four years

William P. Kruziki, of Wisconsin, to be United States Marshal for the Eastern District of Wisconsin for the term of four years

Stephen Robert Monier, of New Hampshire, to be United States Marshal for the District of New Hampshire for the term of four years

Gary Edward Shovlin, of Pennsylvania, to be United States Marshal for the Eastern District of Pennsylvania for the term of four years

### LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will return to legislative session.

### COMMENDING PUBLIC SERVANTS DURING "PUBLIC SERVICE RECOGNITION WEEK"

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to S. Res. 261, submitted earlier today by Senators AKAKA, CONRAD, and others.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 261) expressing the sense of the Senate that public servants should be commended for their dedication and continued service to the Nation during Public Service Recognition Week.

There being no objection, the Senate proceeded to consider the resolution.

Mr. AKAKA. Madam President, it is with pleasure that I support a resolution commending public servants, especially our federal workforce, for their dedication and continued service to the nation during Public Service Recognition Week, which began yesterday and runs through May 12, 2002. I am delighted to be joined in this effort by Senators COCHRAN, DURBIN, LEVIN, LIEBERMAN, VOINOVICH, COLLINS, and THOMPSON.

As my colleagues know, public service is a long and honored tradition in the United States. Today, more than ever, our nation is faced with challenges that affect not only our way of life, but also the security of our country. Although we are still grappling with these changes, there has been one steady and true beacon of hope and inspiration through this uncertainty—our federal workforce. Their dedication, commitment, and tireless service have contributed greatly to the country's recovery from the tragic events of September 11th and the anthrax attacks through the U.S. Mail.

Public Service Recognition Week represents an opportunity for us to honor and celebrate the commitment of individuals who serve the needs of the nation through work at all levels of government. Public Service Recognition Week is also a time to call on a new generation to consider public service. As Chairman of the Subcommittee on International Security, Proliferation, and Federal Services, I am pleased that there is renewed interest in working for the federal government. This trend is particularly heartening given that 50 percent of our federal workforce will be eligible to retire in the next five years. I also wish to point out that every federal agency has a role in ensuring that our nation is protected and that it prospers, not just those agencies and federal employees that are directly fighting the war on terrorism.

I invite my colleagues to honor the patriotic commitment to public service that our federal employees exemplify and to join in the federal government's annual celebration. From May 9–12, 2002, there will be an extensive exhibit on the National Mall in Washington, D.C., showcasing many of our federal agencies and branches of the military, as well as highlighting the services these agencies provide.

In addition to the Mall exhibits, I encourage my colleagues to recognize federal employees, as well as state and local government employees within their states, to let them know how much their work is appreciated. Our resolution details the tremendous contributions that our public servants make to their country and communities.

I am very proud of the men and women who serve our country, both in and out of uniform. I urge my fellow members to use next week to thank

our federal employees for their enthusiasm and selfless dedication to public service.

Mr. REID. Madam President, I ask unanimous consent that the resolution and preamble be agreed to en bloc, the motion to reconsider be laid upon the table, that any statements relating thereto be printed in the RECORD, all without any intervening action or debate.

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

The resolution (S. Res. 261) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

#### S. RES. 261

Whereas Public Service Recognition Week provides an opportunity to honor and celebrate the commitment of individuals who meet the needs of the Nation through work at all levels of government;

Whereas over 20,000,000 men and women work in government service in every city, county, and State across America and in hundreds of cities abroad;

Whereas the United States of America is a great and prosperous Nation, and public service employees have contributed significantly to that greatness and prosperity;

Whereas Americans benefit daily from the knowledge and skills of these highly trained individuals;

Whereas public servants—

- (1) help the Nation recover from natural disasters and terrorist attacks;
- (2) fight crime and fire;
- (3) deliver the mail;
- (4) teach and work in the schools;
- (5) deliver Social Security and Medicare benefits;
- (6) fight disease and promote better health;
- (7) protect the environment and national parks;
- (8) improve transportation and the quality of water and food;
- (9) build and maintain roads and bridges;
- (10) provide vital strategic and support functions to our military;
- (11) keep the Nation's economy stable;
- (12) defend our freedom; and
- (13) advance United States interests around the world;

Whereas public servants at the Federal, State, and local level are the first line of defense in maintaining homeland security;

Whereas for every essential service disrupted by the terrorist attacks on September 11, 2001, public servants responded quickly and effectively, many giving their lives for their country;

Whereas public servants demonstrated once again on September 11, 2001, that civil servants at every level of government are decent, hard-working men and women, committed to doing a good job regardless of the circumstances;

Whereas America's Federal employees have risen to the occasion and demonstrated professionalism, dedication, and courage during the attacks of September 11, 2001, and in their aftermath;

Whereas after September 11, 2001, thousands of Federal employees were deployed in disaster response teams, and government employees continue to contribute in the war on terrorism as a part of their normal duties;

Whereas each agency has a role in ensuring that the Nation is secure and prosperous despite renewed attention to those agencies which are directly fighting the war on terrorism; and

Whereas May 6 through 12, 2002, has been designated Public Service Recognition Week

to honor America's Federal, State, and local government employees; and

Whereas Public Service Recognition Week will be celebrated through job fairs, student activities, and agency exhibits: Now, therefore, be it

*Resolved*, That the Senate—

(1) commends government employees for their outstanding contributions to this great Nation;

(2) salutes their unyielding dedication and spirit for public service;

(3) honors those public servants who have given their lives in service to their country;

(4) calls upon a new generation of workers to consider a career in public service as an honorable profession; and

(5) encourages efforts to promote public service careers at all levels of government.

#### COMMENDING THE UNIVERSITY OF HAWAII WARRIOR MEN'S VOLLEYBALL TEAM FOR WINNING THE 2002 NCAA NATIONAL CHAMPIONSHIP

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the immediate consideration of S. Res. 262, submitted earlier by Senators AKAKA and INOUE.

The PRESIDING OFFICER. The clerk will state the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 262) commending the University of Hawaii Volleyball Team for winning the 2002 National Collegiate Athletic Association Men's Volleyball National Championship.

There being no objection, the Senate proceeded to the consideration of the resolution.

Mr. AKAKA. Madam President, I am pleased to join my distinguished colleague, the senior Senator from Hawaii, Mr. INOUE, in congratulating the University of Hawaii's Warrior Volleyball team, the 2002 NCAA National Champions. The Warriors captured the title by beating top-ranked Pepperdine University in four games Saturday evening in State College, Pennsylvania. The national championship is the first for any men's athletic program at the University of Hawaii in over 30 years of NCAA Division I competition.

Hawaii finished its championship season with a 24-8 record, and out-hit and out-blocked a Pepperdine team that had beaten the Warriors in their three previous meetings this season. Saturday's victory also marked the 200th win for Warrior coach Mike Wilton in his ten-year tenure at Hawaii.

Sports fans in Hawaii love the men's and women's volleyball teams at the University of Hawaii. Hawaii has led the nation in attendance for seven consecutive seasons. This season the Warriors drew 89,387 fans for 16 home matches, an average of 5,587 per match, breaking the record set last year. It is not unusual for almost 8,000 fans to pack the Stan Sheriff Center on the UH-Manoa campus for a contest against a conference rival. When you factor in the fact that all home matches are televised, you get an appreciation of the popularity of Hawaii's volleyball program.

The 2002 Volleyball National Champions are an extraordinary team. They are also an international team. Three-time All-American and Final Four MVP Costas Theocharidis is from Greece; Team captain Eyal Zimet is from Israel; senior All-American Dejan Miladinovic is from Serbia. Along with Hawaii's best prep players, men from Canada, the mainland U.S., Puerto Rico, Cuba, and Guam, are a part of the 2002 Hawaii Warrior's championship team this season. It is a credit to the players, coaches, trainers and staff, that outstanding teamwork, years of hard work and conditioning, and dedication to the sport they love, have earned them the national championship.

The multinational 2002 champions are splendid representatives and ambassadors for Hawaii. Hawaii is a multicultural State, where no race or ethnicity has a majority. Our Culture reflects the rich mosaic of Native Hawaiian, Asian, and Western cultures and traditions which are shared, celebrated, and appreciated by Hawaii's people and visitors to the islands. Immigrants from nations around the world have shared their rich cultures and traditions, which in combination with the indigenous Hawaiian culture, have created a special and wonderful place for residents and visitors alike.

So it is with great pride and appreciation that I join my colleague from Hawaii and the people of Hawaii in honoring the 2002 National Champion University of Hawaii Warrior Volleyball team by offering a resolution commending their championship season. I ask unanimous consent that a roster of Warrior Volleyball players, coaches, and staff be printed in the RECORD at the conclusion of my remarks.

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

(See Exhibit 1.)

Mr. AKAKA. Congratulations to the Warriors players and Coach Mike Wilton and his staff for a wonderful and historic season. Hawaii no ka oi!

#### EXHIBIT NO. 1

#### 2002 HAWAII WARRIORS VOLLEYBALL ROSTER

No. and player	Pos.	Ht.	Yr.	Hometown
1. Dejan Miladinovic ..	MB	6-7	Sr.	Kraljevo, Serbia
2. Geronimo Chala .....	OH	6-6	Jr.	Santiago de Cuba, Cuba
3. Rob Drew .....	MB	6-8	Sr.	San Diego, CA
4. Kimo Yuyay .....	S	6-2	So.	San Diego, CA
5. Jake Muise .....	L	6-0	So.	Halifax, Nova Scotia
6. Eyal Zimet .....	OH	6-2	Jr.	Kibbutz Ein Hamifratz, Israel
7. Vernon Podewski ..	L	5-8	Sr.	Halimaile, Maui
8. Jeffrey Gleason .....	OH	6-3	Jr.	Hillsboro, OR
9. Costas Theocharidis ..	OH	6-3	Jr.	Orestiada, Greece
10. Jose Delgado .....	OH	6-3	Fr.	San Juan, Puerto Rico
11. Kyle Denitz .....	DS	6-0	Jr.	Carpineria, CA
12. Marvin Yamada .....	DS	5-8	So.	Barrigada Heights, Guam
13. Matt Bender .....	OH	6-3	Fr.	Tucson, AZ
14. Ryan Woodward .....	OH	6-3	Jr.	Mililani, Oahu
15. Tony Ching .....	OH	6-2	Jr.	Honolulu
16. Brian Nordberg .....	MB	6-5	Jr.	Milwaukee, WI
17. Delano Thomas .....	MB	6-7	Fr.	Sacramento, CA
18. Daniel Rasay .....	S	6-2	Fr.	Kailua-Kona, Hawaii

Head Coach: Mike Wilton (BYU-Hawaii, 1969); Assistant Coaches: Tino Beyes (Cal Poly, 1984), Aaron Wilton (Hawaii, 1997); Manager: Mario Torres; Volunteer: Radford Nakamura; and Trainer: Michelle Landis.

Mr. REID. I ask unanimous consent that the resolution and preamble be

agreed to en bloc, the motion to reconsider be laid upon the table, and that any statements related thereto be printed in the RECORD, all without any intervening action or debate.

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

The resolution (S. Res. 262) was agreed to.

The preamble was agreed to.

The resolution, with its preamble, reads as follows:

#### S. RES. 262

Whereas on May 4, 2002, the University of Hawaii Warrior Men's Volleyball Team won the national championship for the first time;

Whereas the University of Hawaii defeated Pepperdine University in 4 games in the championship match, having previously defeated Penn State University in the semifinals;

Whereas this is the first national championship ever for any men's athletic program at the University of Hawaii in 30 years of NCAA Division I competition;

Whereas the victory in the championship game gave Coach Mike Wilton his first career NCAA title and his 200th victory at the University of Hawaii;

Whereas the University of Hawaii Warrior Volleyball fans are the best in the Nation, leading the country in attendance for 7 consecutive seasons;

Whereas 3-time All-American junior outside hitter Costas Theocharidis—

(1) was named the Final Four Most Outstanding Player;

(2) was the 2001 American Volleyball Coaches Association national Player of the Year; and

(3) holds a number of men's volleyball school records;

Whereas 2 University of Hawaii Warrior volleyball players, junior outside hitter Costas Theocharidis and senior middle blocker Dejan Miladinovic, were voted to the American Volleyball Coaches Association All-American first team;

Whereas the Hawaii team is representative of Hawaii's celebrated cultural diversity, with players from Hawaii, the United States mainland, Guam, Puerto Rico, Canada, Cuba, Greece, Israel, and Serbia; and

Whereas all of the team's players showed tremendous dedication throughout the season toward the goal of winning the National Championship: Now, therefore, be it

*Resolved*, That the Senate—

(1) commends the University of Hawaii Warrior Men's Volleyball Team for winning the 2002 NCAA Men's Volleyball National Championship;

(2) recognizes the achievements of all the team's players, coaches, and support staff, and invites them to the United States Capitol to be honored;

(3) requests that the President—

(A) recognize the achievements of the University of Hawaii men's volleyball team; and

(B) invite the team to the White House for an appropriate ceremony honoring a national championship team; and

(4) directs the Secretary of the Senate to—

(A) make available enrolled copies of this resolution to the University of Hawaii for appropriate display; and

(B) transmit an enrolled copy of this resolution to every coach and member of the 2002 NCAA Men's Volleyball National Championship Team.

#### VIOLENCE AGAINST WOMEN ACT OF 2000 AMENDMENTS

Mr. REID. Madam President, I ask unanimous consent that the Senate

proceed to the consideration of Calendar No. 350, S. 410.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 410) to amend the Violence Against Women Act of 2000 by expanding legal assistance for victims of violence grant program to include assistance for victims of dating violence.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Madam President, I ask unanimous consent that the bill be read the third time and passed, the motion to reconsider be laid upon the table, and that any statements relating thereto be printed in the RECORD.

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

The bill (S. 410) was read the third time and passed, as follows:

S. 410

*Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,*

# SECTION 1. LEGAL ASSISTANCE FOR VICTIMS OF VIOLENCE.

Section 1201 of the Violence Against Women Act of 2000 (42 U.S.C. 3796gg-6) is amended—

(1) in subsection (a), by inserting “dating violence,” after “domestic violence,”;

(2) in subsection (b)—

(A) by inserting before paragraph (1) the following:

“(1) DATING VIOLENCE.—The term ‘dating violence’ means violence committed by a person—

“(A) who is or has been in a social relationship of a romantic or intimate nature with the victim; and

“(B) where the existence of such a relationship shall be determined based on a consideration of the following factors:

“(i) the length of the relationship;

“(ii) the type of relationship; and

“(iii) the frequency of interaction between the persons involved in the relationship.”;

(B) by redesignating paragraphs (1), (2), and (3) as paragraphs (2), (3), and (4) respectively; and

(C) in paragraph (3), as redesignated by subparagraph (B) of this paragraph, by inserting “dating violence,” after “domestic violence,”;

(3) in subsection (c)—

(A) in paragraph (1), by inserting—

(i) “, dating violence,” after “domestic violence”; and

(ii) “dating violence,” after “domestic violence,”;

(B) in paragraph (2), by inserting “dating violence,” after “domestic violence,”; and

(C) in paragraph (3), by inserting “dating violence,” after “domestic violence,”;

(4) in subsection (d)—

(A) in paragraph (1), by inserting “, dating violence,” after “domestic violence,”;

(B) in paragraph (2), by inserting “, dating violence,” after “domestic violence,”;

(C) in paragraph (3), by inserting “, dating violence,” after “domestic violence,”; and

(D) in paragraph (4), by inserting “dating violence,” after “domestic violence,”;

(5) in subsection (e), by inserting “dating violence,” after “domestic violence,”; and

(6) in subsection (f)(2)(A), by inserting “dating violence,” after “domestic violence,”.

## AMENDING THE OMNIBUS CRIME CONTROL AND SAFE STREETS ACT OF 1968

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 364, S. 2431.

The PRESIDING OFFICER. The clerk will state the bill by title.

The legislative clerk read as follows:

A bill (S. 2431) to amend the Omnibus Crime Control and Safe Streets Act of 1968 to ensure that chaplains killed in the line of duty receive public safety officer death benefits.

There being no objection, the Senate proceeded to consider the bill which was reported by the Committee on the Judiciary, with an amendment, as follows:

[Omit the part in black brackets and insert the part printed in italic:]

S. 2431

*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 “Mychal Judge Police and Fire Chaplains Public Safety Officers’ Benefit Act of 2002”.

### SEC. 2. BENEFITS FOR CHAPLAINS.

(a) IN GENERAL.—Section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b) is amended—

(1) by redesignating paragraphs (2) through (7) as (3) through (8), respectively;

(2) by inserting after paragraph (1) the following:

“(2) ‘chaplain’ [means] includes any individual serving as an officially recognized or designated member of a legally organized volunteer fire department or legally organized police department, or an officially recognized or designated public employee of a legally organized fire or police department who was responding to a fire, rescue, or police emergency;”;

(3) in subparagraph (A) of paragraph (8), as redesignated by paragraph (1), by inserting after “firefighter,” the following: “as a chaplain.”;

(b) ELIGIBLE BENEFICIARIES.—Section 1201(a) of such Act (42 U.S.C. 3796(a)) is amended—

(1) in paragraph (3), by striking “or” at the end;

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph:

“(4) if there is no surviving spouse or surviving child, to the individual designated by such officer as beneficiary under such officer’s most recently executed life insurance policy, provided that such individual survived such officer; or”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on September 11, 2001, and shall apply to injuries or deaths that occur in the line of duty on or after such date.

Mr. LEAHY. Madam President, I am pleased that the Senate is taking up expeditiously the Mychal Judge Police and Fire Chaplains Public Safety Officers’ Benefit Act of 2002. I thank Senators CAMPBELL, SCHUMER, CLINTON, and BIDEN for cosponsoring our bipartisan measure. I also commend Representatives MANZULLO and NADLER for their leadership on the House version of this bill, H.R. 3297.

Named for Chaplain Mychal Judge, who was killed while responding with the New York City Fire Department to the September 11 terrorist attacks on the World Trade Center, this legislation recognizes the invaluable service of police and fire chaplains in crisis situations by allowing for their eligibility in the Public Safety Officers’ Benefit Program. Father Judge, while deemed eligible for public safety officer benefits, was survived by his two sisters who, under current law, are ineligible to receive payments through the PSOB Program. This is simply wrong and must be remedied.

Indeed, Father Judge is among ten public safety officers who were killed on September 11, but who are ineligible for federal death benefits because they died without spouses, children, or parents. This bill would retroactively correct this injustice by expanding the list of those who may receive public safety officer benefits to the beneficiaries named on the most recently executed life insurance policy of the deceased officer. This change would go into effect on September 11 of last year to make sure the families of Father Judge and the nine other fallen heroes receive their public safety officer benefits.

In addition, this bill would retroactively restructure the Public Safety Officers’ Benefit Program to specifically include chaplains as members of the law enforcement and fire units they serve, and would make these chaplains eligible for the one-time \$250,000 benefit available to public safety officer who have been permanently disabled as a result of injuries sustained in the line of duty, or to the survivors of officers who have died.

We have yet another unique opportunity to provide much-needed relief for the survivors of the brave public servants who selflessly risk and sacrifice their own lives everyday so that others might live or be comforted.

Finally, I applaud the National Association of Police Organization, the Fraternal Order of Police, and American Federation of State, County and Municipal Employees for their leadership and strong support for public safety officers and their families. I ask unanimous consent that their letters in support of the Mychal Judge Police and Fire Chaplains Public Safety Officers’ Benefit Act be printed in the RECORD.

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

GRAND LODGE,  
FRATERNAL ORDER OF POLICE,  
Washington, DC, May 1, 2002.

Hon. PATRICK J. LEAHY,  
Chairman, Committee on the Judiciary, U.S.  
Senate, Washington, DC.

DEAR MR. CHAIRMAN: I am writing on behalf of the membership of the Fraternal Order of Police to advise you of our strong support for S. 2431, the “Mychal Judge Police and Fire Chaplains Public Safety Officers’ Benefit Act of 2002.”

None of us in the public safety community will ever forget the tremendous courage exhibited by our police, fire, and rescue personnel as they responded to the devastating

terrorist attacks of 11 September. Nor will we forget the examples of heroism and self-sacrifice exemplified by Father Judge and the other dedicated public servants who lost their lives on that day.

The legislation you have introduced affords Congress the opportunity to further honor these American heroes by making two important enhancements to the Public Safety Officers' Benefits Program (PSOB). First, S. 2431 will specifically recognize police and fire chaplains who were killed or injured in the line of duty while responding to a fire, rescue, or police emergency among those who are eligible for PSOB benefits. In addition, the bill would expand the list of those allowed to receive such benefits in the event of an officer's death to include, in the event that there is no surviving spouse or child, the individual designated by the officer as a beneficiary under their most recently executed life insurance policy.

On behalf of the more than 300,000 members of the Fraternal Order of Police, thank you for your leadership on this issue and for your continuing commitment to America's Federal, State and local law enforcement officers. Please do not hesitate to contact me, or Executive Director Jim Pasco, if we can provide you with any additional information or assistance.

Sincerely,

STEVE YOUNG,  
National President.

NATIONAL ASSOCIATION OF POLICE  
ORGANIZATIONS, INC.,  
Washington, DC, May 1, 2002.

Hon. PATRICK J. LEAHY,  
Chairman, Senate Judiciary Committee, U.S.  
Senate, Russell Senate Office Building,  
Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the National Association of Police Organizations (NAPO), representing 220,000 rank-and-file police officers from across the United States, I would like to advise you of our wholehearted support for S. 2431, the "Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefit Act of 2002." This bill will recognize the invaluable service of police and fire chaplains in crisis situations by allowing for their eligibility in the Public Safety Officers' Benefit program.

Created by congress in 1976, the PSOB program is administered by the Bureau of Justice Assistance of the U.S. Department of Justice and pays a one-time death benefit to the families of public safety officers who die in the line of duty.

S. 2431 is named after Franciscan Friar Mychal Judge who was the Chaplain of the New York City Fire Department. Father Judge was killed by the falling debris of the World Trade Center on September 11, 2001, while giving last rites to another firefighter who died in the terrorist attack.

NAPO thanks you for introducing this important piece of legislation and expeditiously bringing it before the Senate Judiciary Committee for full consideration. We commend you for your continued and strong support of law enforcement and look forward to working with you for the bill's passage.

Sincerely,

WILLIAM J. JOHNSON,  
Executive Director.

AFSCME,  
Washington, DC, May 2, 2002.

Hon. PATRICK LEAHY,  
Chairman, Committee on the Judiciary,  
U.S. Senate, Washington, DC.

DEAR MR. CHAIRMAN: On behalf of the 1.3 million members of the American Federation of State, County and Municipal Employees (AFSCME) and the corrections and law enforcement officers and emergency medical

technicians that we represent, I am writing to express our support for the Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefit Act of 2002 (S. 2431).

Father Mychal Judge was a courageous and humane chaplain and public servant who deserves the honor you bestow on him posthumously by the introduction of this legislation which expressly includes chaplains as eligible members of the law enforcement and fire units for public safety death benefits purposes. We know firsthand about his bravery because Father Judge was an AFSCME member.

Not only does this legislation resolve any ambiguities regarding coverage of chaplains, but it would also expand the list of those who may receive benefits in the event of a public safety officer's death in the line of duty. Currently, if the officer does not have a surviving wife, children or parents, no benefit would be paid as was the case with Father Judge. Your legislation would allow this monetary benefit to be paid to the individual designated by such officer as a beneficiary under the officer's most recently executed life insurance policy and then to the parents of the officer. As you mentioned in your statement, approximately 450 public safety officers killed in the September 11th attacks died without spouses, children or parents so the \$250,000 death benefit will not be paid. Your legislation would correct this inequity.

AFSCME wholeheartedly endorses the Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefits Act of 2002. Thank you for recognizing the need for this legislative change in the benefits program.

Sincerely,

CHARLES M. LOVELESS,  
Director of Legislation.

Mr. REID. Madam President, I ask unanimous consent that the committee amendment be agreed to, the bill, as amended, be read the third time and passed, the motion to reconsider be laid upon the table, that any statements relating thereto be printed in the RECORD, all without any intervening action or debate.

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

The committee amendment was agreed to.

The bill (S. 2431), as amended, was read the third time and passed, as follows:

#### S. 2431

*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 "Mychal Judge Police and Fire Chaplains Public Safety Officers' Benefit Act of 2002".

#### SEC. 2. BENEFITS FOR CHAPLAINS.

(a) IN GENERAL.—Section 1204 of the Omnibus Crime Control and Safe Streets Act of 1968 (42 U.S.C. 3796b) is amended—

(1) by redesignating paragraphs (2) through (7) as (3) through (8), respectively;

(2) by inserting after paragraph (1) the following:

“(2) ‘chaplain’ includes any individual serving as an officially recognized or designated member of a legally organized volunteer fire department or legally organized police department, or an officially recognized or designated public employee of a legally organized fire or police department who was responding to a fire, rescue, or police emergency;”;

(3) in subparagraph (A) of paragraph (8), as redesignated by paragraph (1), by inserting

after “firefighter,” the following: “as a chaplain.”.

(b) ELIGIBLE BENEFICIARIES.—Section 1201(a) of such Act (42 U.S.C. 3796(a)) is amended—

(1) in paragraph (3), by striking “or” at the end;

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph:

“(4) if there is no surviving spouse or surviving child, to the individual designated by such officer as beneficiary under such officer's most recently executed life insurance policy, provided that such individual survived such officer; or”.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on September 11, 2001, and shall apply to injuries or deaths that occur in the line of duty on or after such date.

#### CRIMINAL JUSTICE COORDINATING COUNCIL RESTRUCTURING ACT OF 2001

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 362, H.R. 2305.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2305) to authorize certain Federal officials with responsibility for the administration of the criminal justice system of the District of Columbia to serve on and participate in the activities of the District of Columbia Criminal Justice Coordinating Council, and for other purposes.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Madam President, I ask unanimous consent that the bill be read a third time, passed, the motion to reconsider be laid upon the table, and any statements relating to the bill be printed in the RECORD, without intervening action or debate.

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

The bill (H.R. 2305) was read the third time and passed.

#### REPORT ON OPERATIONS OF THE STATE JUSTICE INSTITUTE

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the consideration of Calendar No. 290, H.R. 2048.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 2048) to require a report on the operations of the State Justice Institute.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Madam President, I ask unanimous consent that the bill be read a third time, passed, the motion to reconsider be laid upon the table, with no intervening action or debate, and that any statements relating to the bill be printed in the RECORD.

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

The bill (H.R. 2048) was read the third time and passed.



## NATIONAL TOURISM WEEK

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to the consideration of S. Con. Res. 108, which is at the desk.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Con. Res. 108) to designate May 4–12, 2002, as “National Tourism Week.”

There being no objection, the Senate proceeded to consider the concurrent resolution.

Mr. REID. Madam President, I ask unanimous consent that the resolution and preamble be agreed to, the motion to reconsider be laid upon the table, and that any statement relating to the resolution be printed in the RECORD.

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

The concurrent resolution (S. Con. Res. 108) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 108

Whereas travel and tourism has a major impact on the economy of the United States as the third largest retail sales industry in the Nation;

Whereas 1 out of every 7 people employed in the United States civilian labor force is employed in the travel and tourism industry;

Whereas international travel to the United States is the largest service export, having generated a trade surplus for 13 consecutive years;

Whereas domestic and international travel generated an estimated \$545,000,000,000 in expenditures in 2001, supporting more than 7,800,000 jobs, and creating more than \$94,400,000,000 in tax revenue for Federal, State, and local governments;

Whereas the slowing of the United States economy and the horrific terrorist attacks of September 11, 2001, have had a tremendous negative effect on the tourism industry;

Whereas according to the Travel Industry Association, the travel and tourism industry would suffer a \$43,000,000,000 decrease in spending from domestic and international travelers due to the September 11, 2001, attacks;

Whereas the Department of Commerce has issued preliminary figures indicating that international travel to the United States decreased 11 percent between 2000 and 2001, resulting in a 45 percent decrease in the travel trade surplus (from \$14,000,000,000 to \$7,700,000,000), and that it may take 3 years for international travel to return to the 2000 level;

Whereas decreased spending in 2001 caused the travel and tourism industry to lose an estimated 600,000 jobs, and resulted in an estimated 3 percent decrease in tax revenues from such industry;

Whereas National Tourism Week was established by Congress in 1983, and first celebrated in May 1984, when President Ronald Reagan signed a Presidential Proclamation urging citizens to observe the week “with appropriate ceremonies and activities;

Whereas since 1984, National Tourism Week has been celebrated each May by the Travel Industry Association of America, as well as many States, cities, and other travel industry associations: Now, therefore, be it

*Resolved by the Senate (the House of Representatives concurring), That Congress—*

(1) designates May 4–12, 2002, as “National Tourism Week; and

(2) requests that the President issue a proclamation calling upon the people of the United States to observe National Tourism Week with appropriate ceremonies and activities.

## ORDERS FOR WEDNESDAY, MAY 8, 2002

Mr. REID. Madam President, I ask unanimous consent that when the Senate completes its business today, it adjourn until 10 a.m., Wednesday, May 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 the farm conference report under the previous order.

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

## PROGRAM

Mr. REID. Madam President, the Senate will tomorrow morning resume

work on the farm conference report. There will be 6 hours of debate. Following disposition of the conference report, wherein that will include a vote sometime tomorrow, the Senate will resume consideration of the trade bill. It should be sometime tomorrow evening when we complete this. The leader has a lot of other work we need to do this week. There is not much time, I suggest, before the Memorial Day recess. There are many items the President wants and the committee chairmen want. A number of bills have been referred from the House. We have a lot of work to do. People should be ready to do a lot of work starting tomorrow night.

## ADJOURNMENT UNTIL 10 A.M. TOMORROW

Mr. REID. Madam 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 5:36 p.m., adjourned until Wednesday, May 8, 2002, at 10 a.m.

## CONFIRMATIONS

Executive nominations confirmed by the Senate May 7, 2002:

## DEPARTMENT OF JUSTICE

STEVEN M. BISKUPIC, OF WISCONSIN, TO BE UNITED STATES ATTORNEY FOR THE EASTERN DISTRICT OF WISCONSIN FOR THE TERM OF FOUR YEARS.

JAMES E. MCMAHON, OF SOUTH DAKOTA, TO BE UNITED STATES ATTORNEY FOR THE DISTRICT OF SOUTH DAKOTA FOR THE TERM OF FOUR YEARS.

JAN PAUL MILLER, OF ILLINOIS, TO BE UNITED STATES ATTORNEY FOR THE CENTRAL DISTRICT OF ILLINOIS FOR THE TERM OF FOUR YEARS.

WALTER ROBERT BRADLEY, OF KANSAS, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF KANSAS FOR THE TERM OF FOUR YEARS.

RANDY PAUL ELY, OF TEXAS, TO BE UNITED STATES MARSHAL FOR THE NORTHERN DISTRICT OF TEXAS FOR THE TERM OF FOUR YEARS.

WILLIAM P. KRUIZIKI, OF WISCONSIN, TO BE UNITED STATES MARSHAL FOR THE EASTERN DISTRICT OF WISCONSIN FOR THE TERM OF FOUR YEARS.

STEPHEN ROBERT MONIER, OF NEW HAMPSHIRE, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF NEW HAMPSHIRE FOR THE TERM OF FOUR YEARS.

GARY EDWARD SHOVLIN, OF PENNSYLVANIA, TO BE UNITED STATES MARSHAL FOR THE EASTERN DISTRICT OF PENNSYLVANIA FOR THE TERM OF FOUR YEARS.