United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, FIRST SESSION

Vol. 147 WASHINGTON, TUESDAY, DECEMBER 11, 2001 No. 171

House of Representatives

The House met at 12:30 p.m. and was called to order by the Speaker pro tempore (Mr. OTTER).

DESIGNATION OF SPEAKER PRO TEMPORE

The SPEAKER pro tempore laid before the House the following communication from the Speaker:

Washington, DC, December 11, 2001.

I hereby appoint the Honorable C.L. ''BUTCH'' OTTER to act as Speaker pro tempore on this day.

J. DENNIS HASTERT,
Speaker of the House of Representatives.

MESSAGE FROM THE SENATE

A message from the Senate by Mr. Monahan, one of its clerks, announced that the Senate has passed without amendment Concurrent Resolutions of the House of the following titles:

H. Con. Res. 88. Concurrent Resolution expressing the sense of the Congress that the President should issue a proclamation to recognize the contribution of the Lao-Hmong in defending freedom and democracy and supporting the goals of Lao-Hmong Recognition Day.

H. Con. Res. 272. Concurrent Resolution expressing the sense of Congress regarding the crash of American Airlines Flight 587.

The message also announced that the Senate has passed with an amendment in which the concurrence of the House is requested, a bill of the House of the following title:

H.R. 3338. An act making appropriations for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes.

The message also announced that the Senate insists upon its amendment to the bill (H.R. 3338) ''An Act making appropriations for the Department of Defense for the fiscal year ending September 30, 2002, and for other purposes,'' requests a conference with the House on the disagreeing votes of the two Houses thereupon, and appoints Mr. INOUYE, Mr. HOLLINGS, Mr. BYRD, Mr. LEAHY, Mr. HARKIN, Mr. DORGAN, Mr. DURBIN, Mr. REID, Mrs. FEINSTEIN, Mr. KOHL, Mr. STEVENS, Mr. COCHRAN, Mr. SPECTER, Mr. DOMENICI, Mr. BOND, Mr. MCCONNELL, Mr. SHELBY, Mr. GREGG, and Mrs. HUTCHISON, to be the conferees on the part of the Senate.

The message also announced that the Senate has passed concurrent resolutions of the following titles in which the concurrence of the House is requested:

S. Con. Res. 73. Concurrent resolution expressing the profound sorrow of Congress for the deaths and injuries suffered by first responders as they endeavored to save innocent people in the aftermath of the terrorist attacks on the World Trade Center and the Pentagon on September 11, 2001.

S. Con. Res. 87. Concurrent resolution expressing the sense of Congress regarding the crash of American Airlines Flight 587.

S. Con. Res. 91. Concurrent resolution expressing deep gratitude to the government and the people of the Philippines for their sympathy and support since September 11, 2001, and for other purposes.

MORNING HOUR DEBATES

The SPEAKER pro tempore. Pursuant to the order of the House of January 3, 2001, the Chair will now recognize Members from lists submitted by the majority and minority leaders for morning hour debates. The Chair will alternate recognition between the parties, with each party limited to not to exceed 30 minutes, and each Member, except the majority leader, the minority leader, or the minority whip, limited to not to exceed 5 minutes.

The Chair recognizes the gentleman from Florida (Mr. STEARNS) for 5 minutes.

SALUTING OUR MILITARY ON THE 3-MONTH ANNIVERSARY OF THE SEPTEMBER 11 ATTACKS

Mr. STEARNS. Mr. Speaker, today we come upon the 3-month anniversary of the tragic terrorist attacks of September 11. Numerous ceremonies will be conducted in remembrance of this day, reflecting upon the loss of life and the senseless attack against our freedom. What also deserves reflection, recognition, and honor is the response of those tasked to defend our country and right the terrible wrong that occurred 3 months ago.

NOTICE

Effective January 1, 2002, the subscription price of the Congressional Record will be $422 per year or $211 for six months. Individual issues may be purchased for $5.00 per copy. The cost for the microfiche edition will remain $141 per year with single copies remaining $1.50 per issue. This price increase is necessary based upon the cost of printing and distribution.

Michael F. DiMario, *Public Printer*

Printed on recycled paper.

On September 14 the Congress authorized the President to use all necessary and appropriate force in retaliation for the attacks of September 11. That same day the President began a partial mobilization of our forces for homeland defense, later dubbed ''Operation Noble Eagle,'' with additional Guard and Reservists being called up over the next 2 months. Our response abroad became Operation Enduring Freedom. Upon the ruling Taliban's refusal to cooperate and hand over Osama bin Laden, our military sent a message, one that is being trumpeted by the administration today: if you provide aid and support to terrorists, you will find yourself on the wrong side of a very irate, heroic giant.

On October 7, our aircraft and warships, along with assistance from our allies, began systematically to eliminate suspected terrorist camps, air defense assets, and command and control installations. These attacks continued almost daily, which included the use of Special Forces aircraft such as the AC–130 gunship, providing devastating air-to-ground fire against Taliban military units.

Our Special Forces groups were on the ground early in October, assisting anti-Taliban fighters and calling in air strikes on frontline Taliban units. The dedication of our forces, the overwhelming firepower used, and the assistance of our allies has resulted in every major Taliban stronghold falling into the hands of the anti-Taliban forces.

The Taliban lost the pivotal town of Mazar-I-Sharif, and the capital city of Kabul fell to Northern Alliance forces by mid-November. The last Taliban stronghold in the north, Kunduz, fell by the end of November.

By December 7, despite Taliban promises to ''fight to the death,'' the last major Taliban stronghold fell and remaining Taliban forces fled the city.

Our forces are now working with local fighters to root out the remaining Taliban and al Qaeda forces in the cave complexes in Tora Bora. This is an extraordinary achievement.

The success of Operation Enduring Freedom has enabled the United States to begin reestablishing a diplomatic presence, 12 years absent in Afghanistan, with Marine forces securing the former American embassy in Kabul. During the Taliban's rule, only three countries legitimately recognized the government and have eventually severed their ties.

Now, with Afghanistan under new leadership, several countries, including Britain, Russia, France, and India, are beginning the process of reestablishing diplomatic relations.

As the President has stated, this campaign against terrorism will not be a war of ''instant gratification.'' Though our forces have succeeded in toppling the Taliban and ending its capability both as a military force and ruling authority, we are still engaged in action against remaining forces in the Afghan mountains. Further actions abroad to root out terrorism may well be necessary.

Our military has performed admirably. Our professional forces continue to demonstrate that they are the best in the world. Sadly, as with any military action, we have suffered casualties.

The success of our forces serves as a warning for those groups and governments that continue to harbor and support terrorism. The demise of the Taliban is an example of the resolve of the United States and the might of its cause. Terrorism and those that support it will no longer be allowed to flourish in this world.

So, today at 8:46 a.m., the President led a memorial to grieve the deaths of more than 3,000 people in suicide hijackings. He vowed to ''right this huge wrong.'' Secretary Rumsfeld, speaking at the Pentagon ceremony said, ''We will remember until freedom triumphs over fear, over repression, and long beyond.''

Eighty countries around the world are also recognizing this tragedy and renewing commitments.

Mr. Speaker, I too stand here to recognize these events and to also stand here to salute the men and women of our Armed Forces, both at home and abroad, in their extraordinary service and success to this country, to their families, and to our fellow citizens.

PARTISAN VOTING MEANS LOSS OF OPPORTUNITY FOR NEW TRADE ERA

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Oregon (Mr. BLUMENAUER) is recognized during morning hour debates for 5 minutes.

Mr. BLUMENAUER. Mr. Speaker, the December 6 House vote on Presidential Trade Promotion Authority continued a sad string of hard-edge partisan votes since September 11 and the loss of an historic opportunity to move to a new era of trade.

The pattern was established when the leadership took the legitimate need for stabilizing the airline industry and rushed through a program to lavishly reward airlines, but with no consideration of the needs of American workers.

The antiterrorism legislation, produced unanimously by the Committee on the Judiciary in the House, was rejected in favor of a narrow, more partisan alternative that did not even have a hearing. The economic stimulus bill was shoe-horned through by a single vote. Its package of corporate tax breaks, with no connection to investment or economic growth, has been roundly criticized by liberals and conservatives alike. Even legislation to stabilize the insurance industry was hijacked by other ideological and political agendas.

The trade promotion legislation fell victim to this same treatment when the House Republican leadership prevented any effort to resolve other legitimate concerns, with the active support, sadly, of the Bush administration, instead focusing on advancing partisan political objectives.

The President could have openly repudiated the partisan ideological posturing here in Congress. He could have demanded and would have been given a bipartisan bill with broad support that would have helped place trade promotion above the political fray. That would have placed, in a stressful time for the country and our economy, a majority of the House of Representatives, like the majority of Americans, in a position to give benefit of the doubt to the President, as they have done repeatedly since September 11. The President could have achieved this objective by making modest adjustments to the trade legislation.

The concern about disadvantage to American workers, with the extension of NAFTA to the entire western hemisphere, could have been answered by making a principal trade objective adherence to, and enforcement of, the International Labor Organization's core labor standards, which all of these countries say they support. To the fear that chapter XI investor protections under NAFTA put foreign investors in a superior position to undermine American environmental protections, a simple answer would have been to mandate that no foreign investor be given a superior position to American companies, and the House would have gone along.

Finally, we could have made provisions for the continued enforceability of environmental treaties. When both parties to trade disputes are signatories, we can insist that these agreements' provisions being enforced is not an unfair trade barrier.

These three simple changes, together with meaningful assistance to the financially distressed and unemployment, that were promised months ago and have yet to be meaningfully delivered, would have produced a comfortable margin of votes from Democrats and Republicans alike. Instead, the administration chose to wheel and deal in ways that will only become clear from careful observation and good journalism. It is bad enough that the price of passing poor trade legislation might be funding for unnecessary public works projects.

What is worse is that the administration and the Republican leadership abandoned their commitment to free trade in the poorest of countries by gutting the Caribbean Basin Initiative. This hard-fought trademark legislation was a proud bipartisan achievement that would have helped some of the poorest and most distressed countries. We are now jettisoning our principles, denying hundreds of millions of the world's poorest citizens the power of trade benefits.

□ 1245

Of course, we await to learn the concessions, not just to citrus growers but

to the whole tired American agricultural regime. Our current policy works to the detriment of most American farmers and the taxpayers and undercuts our ability at the bargaining table to open up foreign markets to American agriculture.

It is not too late for the President to restore integrity to our trade negotiations by abandoning these narrow, ideological partisan approaches. The Senate can easily make this a better bill by jettisoning the trade-corrupting provisions, letting the legislative process work, and listening to the critics who have legitimate concerns.

We are not going to end the debates on the role of globalization and trade policy; but by addressing these legitimate concerns, we can narrow the debate and enable the administration to pursue the policies that United States Trade Representative Zoellick sincerely wants to achieve, I believe.

Given the right bill, we will not be held hostage to narrow special interests at home while we make the poorest of countries pay the price for our lack of political leadership and policy clarity.

SOCIAL SECURITY SOLVENCY

The SPEAKER pro tempore (Mr. OTTER). Under the Speaker's announced policy of January 3, 2001, the gentleman from Michigan (Mr. SMITH) is recognized during morning hour debates for 5 minutes.

Mr. SMITH of Michigan. Mr. Speaker, I just returned from the Presidential Commission on Social Security meeting. This morning they released their plan that they will be reviewing and presenting to the President on the 21st of this month.

They presented three proposals. Earlier this year, I encouraged the commission to come to agreement on one proposal. I am somewhat concerned, with three proposals, that we end up bickering in this Chamber about the advantages and disadvantages of each proposal and use it as an excuse to do nothing. It would have been much better if the commission had developed one proposal.

Briefly, the three proposals allow optional, worker owned investments.

The first proposal allows an investment of 2 percent of our taxable income and then offsets future Social Security benefits to the extent and with the assumption that that investment in private accounts will accumulate 3.5 percent return on investment. So they assume that that is 3.5 percent, and deduct that compounded earnings value from future benefits.

The second proposal allows 4 percent of taxable income, not to exceed $1,000 a year, but provides that they are only assuming 2 percent return on that proposal to determine reductions in future benefits. Investments would be limited to safe investments, and all plans are optional. Everything that our personal account would accrue above the 2 percent would be an increase in ultimate retirement benefits.

These plans are especially beneficial for those individuals under 40 years of age that have a period of time for the magic of compound interest to work.

The third proposal is based on the premise that it is important to resolve Social Security, but it is more important to keep promised benefits. So it appears that it would take a tremendous amount of financing from other sources other than the payroll tax to accommodate that particular proposal.

Mr. Speaker, earlier this year I told the commission that I was concerned that they must do a better job communicating to the American people the predicament that Social Security now finds itself in. Social Security is insolvent.

We know how many people there are and when they are going to retire. We know that people will live longer in retirement. We know how much they will pay in and how much they will take out. We also know that payroll taxes will not cover benefits, starting in 2015, and that the shortfalls will add up to $120 trillion in the 75 years following 2015.

Today's value of that shortfall is a little over $9 trillion. This graph simply represents our short-term benefit, because we have been increasing taxes, payroll taxes. Every time Social Security was in trouble, we would increase the taxes. So in the short run, until 2015, 2016, 2017, someplace in those years, there is more money coming in than we need. But after that, the red portion of this graph represents the $120 trillion that will be needed in addition to Social Security taxes. Something needs to be done if we are going to keep this most important program secure and solvent.

A lot of people have said that the economic growth will fix Social Security. That is not true, because as wages increase, so do the benefits. So increasing the economy of this country with more jobs and more benefits in the long run simply results in a greater requirement for payouts. When the economy grows, workers pay more in taxes, but they are going to get it out. Growth makes the number look better now, but leaves a larger hole later.

I think this Social Security Commission has done a service by at least laying out three proposals, all of which eventually will add to the solvency of Social Security. The question is, do we want to allow some privately owned account for private investments?

This is a graph that I made up just to show what has happened in the last 100 years in terms of the returns of stock investments. We see the ups and downs, but the average over the last 100 years is 6.7 percent. That compares to about 1.7 percent that the average retiree is going to receive as a return on the money they and their employer put into Social Security for them.

So, that is the problem: there is not a very good return on your Social Security taxes. It is not a good investment. Everybody, on average, that is working now and paying in can expect at retirement time the equivalent of a 1.7 percent return.

I would like to conclude by congratulating the commission for their work. I will help increase a understanding by the American people that there is a huge problem. We have come a long way since my first Social Security bill in 1994. I hope this report is the kind of stimulus and catalyst that will allow this Chamber to move forward to assure that we save Social Security.

AN ALTERNATIVE PLAN TO PRIVATIZATION TO SECURE SOCIAL SECURITY FOR THE FUTURE

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Oregon (Mr. DEFAZIO) is recognized during morning hour debates for 5 minutes.

Mr. DEFAZIO. Mr. Speaker, responding to the gentleman that preceded me, I agree that there is a problem with Social Security, and it is something that this House and this administration should deal with. We do agree there.

However, the problem is a little different than described. In the year 2016, Social Security will get to the point where the income, it is true, will not equal benefits; but it will begin only to draw on the interest on its accumulated trust funds.

Now, we either have assets in Social Security, because we are paying much more in taxes today and accumulating trust funds, or we do not. There is some disagreement over whether Federal Treasury notes deposited for Social Security constitute real assets. In fact, the Secretary of the Treasury went so far as to say that there are no real economic assets in the trust fund, only obligations, the full faith and credit of the Federal Government of the United States of America, which the last time I checked was the safest investment in the world.

So from 2016 to 2025, we will only spend down interest. In 2025, just like someone in retirement, then the government would begin to redeem the bonds, the investments, the principle. And yes, in 2038, there will be a real problem. In 2038, Social Security will only have income sufficient to pay 70 percent of promised benefits. So starting in 37 years, we have a 30 percent problem.

Now, the question becomes, do we destroy the entire existing system, which benefits more than 40 million Americans today and many more millions in the future, or do we adjust it a little bit, especially with 37 years lead time?

There are three ways to do it:

First, we can increase the income, which either means some different kind of investments other than Federal debt; or we can increase taxes, which has been ruled out by this administration.

Next, we can decrease expenditures, that is, lower benefits; or we can have deficits, as the gentleman alluded to under option three of this commission; or we can have a combination of those three things.

Now, the President appointed a commission that was supposed to deal with this. Unfortunately, the commission's charge was not to stabilize the financing of the most successful social program in the history of the United States. The charge of this group, and every single member was hand-picked because of this, was to privatize the system, to begin to undermine that system for the future. That was their charge. And even there, they really kind of failed.

Now, they are led by the CEO of Time Warner, of course, who has a vital interest in the future of Social Security. He had to divert part, part of his bonus last year to buy a winery in Tuscany. Imagine that, he had to spend part of last year's bonus for that, so he is vitally concerned. He knows some day he will need that Social Security, like tens of millions of working Americans.

Then we have a former Democratic Senator who used to say that raising taxes was the answer, but late in his career he changed his mind and said privatization was the answer. So their pronouncements are sort of a mix here. Actually, all three of their solutions worsen the financial situation of Social Security. Is that not interesting, a commission to solve the problems of Social Security, but since they were charged only to privatize it, they did not even deal with the financing problems?

In their first solution, they would bring us insolvency 5 years sooner than the current system. They would reduce benefits under the premise that people's benefits are being reduced but they will gain more with their diverted investments. But if the investments do not pan out, well, hey, that is the way it goes. Mr. Parsons will be living on his vineyard in Tuscany, and they will be down at the local Dumpster trying to find food.

Now, we could go with the second option: a 4 percent diversion of trust funds. Then they would change the way they index future benefits, reducing the benefits for everybody in the program, even those who do not choose the option of the 4 percent diversion; and they would have to inject general funds, that is, subsidize Social Security, beginning in 2025. That means insolvency comes 30 years sooner than under the current system.

Finally, in their last option, which no one can describe, the Wall Street Journal said, for option three, ''Suffice it to say, it is so complicated we are not even sure we understand it,'' but it does have a combination of a benefit reduction, of benefit reductions, increase in age of retirement, and huge trust fund transfers from the general fund.

There is a much simpler solution; but this commission, this President, will never touch it, because it revolves around tax fairness.

Americans only pay the regressive Social Security tax on the first $850,400 of income. So that means someone who earns $160,000 pays Social Security taxes at half the rate of someone who earns $80,000 or half the rate of someone who earns $10,000 a year on every dollar they earn. If they earn twice that, it goes down to a quarter.

Now, one simple solution would solve the problem of Social Security forever: have every working American pay the same tax on every penny they earn; that is, Mr. Parsons, the CEO of Time Warner, would contribute the same percentage of his income in taxes as would the minimum wage worker.

It is fair, and the Social Security trustees tell us that in fact that is more money than we need to assure the future of Social Security forever. Unfortunately, this commission and this President will never go there.

REPUBLICAN GIVEAWAYS TO INSURANCE COMPANIES AND LARGE CORPORATIONS DO NOT SOLVE AMERICA'S ECONOMIC CRISIS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentleman from Ohio (Mr. BROWN) is recognized during morning hour debates for 5 minutes.

Mr. BROWN of Ohio. Mr. Speaker, 3 months ago today, as we all know, was September 11. That afternoon, gas stations, some number of gas stations all over the country raised their prices to $4 and $5 and $6 a gallon. We all remember that. Most of us would call that war profiteering.

However, others around the country, the great, great majority of people in this country, came together. They put out their flags, they gave blood, they volunteered, some went to New York to volunteer, went to the Pentagon to volunteer, and schoolchildren all over the country collected pennies, nickels, and dimes to send to the victims and their families.

But something else emerged in Washington, not war profiteering in the simple sense of raising gas prices, but a more sophisticated kind of political profiteering: this Congress, pushed by the President and the Republican leadership in this Congress, first of all gave a huge multi-billion dollar bailout to the airlines, requiring nothing from the airline executives, requiring nothing for airport security, requiring nothing of airline safety.

Then this Congress turned around and gave tax cuts for the largest corporations in the country: a check, a tax refund to IBM, a check from the Federal Government for $1.4 billion; $1 billion to Ford; $900 million to GM, and the list went on and on and on.

Then, this Congress gave a huge bailout to insurance companies, insurance executives who usually preach ''We want government off our backs, we believe in free enterprise, except when we have our hand out and want money from the Federal Government.''

Then last week this Congress, with unemployment creeping upward to the highest 2-month increase we have seen in 21 years, with the anxiety that people have about their jobs, with LTV workers and other steel industry workers losing their jobs around the country, this Congress passed, at the behest of the Republican leadership and the largest corporations in the country, Trade Promotion Authority, which will send more of our jobs ultimately to Latin America and around the world.

My dad used to talk about World War II and shared sacrifice, about war bonds and WAVES and WACs and victory gardens and scrap metal drives. But instead, this Republican Congress and this President demand tax cuts for IBM while ignoring 100,000 airline workers, doing zero for them. This President and this Congress demand a bailout for the insurance companies while ignoring workers who have lost their jobs and not trying to help them with any health insurance and any health care costs.

Instead, instead of shared sacrifice, this Republican Congress and this President demand of Congress that we pass Trade Promotion Authority, instead of providing public investments for our broken-down schools and broken-down infrastructure and broken-down highway and rail system.

□ 1300

Imagine though, Mr. Speaker, if the President and the Republican Congress called on us like in World War II for shared sacrifice. Imagine if the President called on young patriotic Americans to enlist in the Army or the Peace Corps, to enlist in the Navy or Americorp, to enlist in the Air Force or Teach for America. That is what waving the American flag is all about.

Imagine if the President said to his friends, and the Republican leadership said to their friends in the drug industry, no more special favors; we are not going to allow them to charge American consumers and America's elderly more for prescription drugs than anywhere else in the world; we are not going to allow that anymore in this Congress. That is what waving the American flag is all about.

Imagine if the President called on Americans to volunteer for Meals on Wheels or cleaning up the neighborhood or tutoring children that are having difficulty keeping up. That is what waving the American flag is all about.

Imagine if the President would say to his friends in the oil business, imagine if he would say we are going to wean ourselves off Middle Eastern oil, we are going to find a way to help Americans conserve and get better gas mileage and turn their thermostats down and all the things the President could do to appeal to Americans, to appeal to his friends in the corporate boardrooms and the oil companies, to wean ourselves off that Middle Eastern oil. That

is what waving the American flag is all about.

Instead of this Republican President and Republican leadership bestowing tax cuts on the wealthiest Americans, imagine if we helped those who needed help the most, and imagine, instead of the President and the Republican leadership bestowing tax cuts on the largest corporations in the world in this country, imagine instead if they appealed to the best in America.

Imagine.

RECESS

The SPEAKER pro tempore (Mr. OTTER). Pursuant to clause 12 of rule I, the Chair declares the House in recess until 2 p.m. today.

Accordingly (at 1 o'clock and 2 minutes p.m.), the House stood in recess until 2 p.m. today.

□ 1400

AFTER RECESS

The recess having expired, the House was called to order by the Speaker pro tempore (Mrs. BIGGERT) at 2 p.m.

PRAYER

Dr. Lloyd J. Ogilvie, Chaplain, United States Senate, offered the following prayer:

Gracious Father, whom to know is to love and whom to love is to serve, we ask for a fresh empowering of Your Spirit today. Renew in us the excitement of being partners with You in bringing Your best for America. We are here by Your divine appointment. Therefore we need not fear. You will supply exactly what we need each hour of this day. Replenish our enthusiasm. May we do old duties with new delight. Revive our expectation. You have plans for us and power to accomplish them. Regenerate our hope.

Make us hopeful people who expect great strength from You and attempt great strategies for You. Fill this Chamber with Your presence and each Representative with Your power. Replenish their inner wells with Your peace that passes understanding. We claim Your promise through Isaiah, ''Fear not, for I am with you; be not dismayed, for I am your God, I will strengthen you, yes, I will help you, I will uphold you with My righteous right hand.'' Amen.

THE JOURNAL

The SPEAKER pro tempore. The Chair has examined the Journal of the last day's proceedings and announces to the House her approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

PLEDGE OF ALLEGIANCE

The SPEAKER pro tempore. Will the gentleman from Delaware (Mr. CASTLE) come forward and lead the House in the Pledge of Allegiance.

Mr. CASTLE 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.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that she will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken after debate has concluded on all motions to suspend the rules, but not before 6:30 p.m. today.

RICHARD B. RUSSELL NATIONAL SCHOOL LUNCH ACT AMENDMENTS

Mr. CASTLE. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 3216) to amend the Richard B. Russell National School Lunch Act to exclude certain basic allowances for housing of an individual who is a member of the uniformed services from the determination of eligibility for free and reduced price meals of a child of the individual.

The Clerk read as follows:

H.R. 3216

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. EXCLUSION OF CERTAIN MILITARY BASIC ALLOWANCES FOR HOUSING FOR DETERMINATION OF ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS.

Section 9(b)(3) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)(3)) is amended by adding at the end the following: ''For the two-year period beginning on the date of the enactment of this sentence, the amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of an individual who is a member of the uniformed services for housing that is acquired or constructed under the authority of subchapter IV of chapter 169 of title 10, United States Code, or any other related provision of law, shall not be considered to be income for purposes of determining the eligibility of a child of the individual for free or reduced price lunches under this Act.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Delaware (Mr. CASTLE) and the gentlewoman from California (Mrs. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Delaware (Mr. CASTLE).

GENERAL LEAVE

Mr. CASTLE. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 3216.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Delaware?

There was no objection.

Mr. CASTLE. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, to address the decline in the condition of military family housing, the Department of Defense initiated a housing program which would allow commercial contractors to replace traditional base housing with newly built or renovated privately managed base housing, so-called privatized housing.

Yet as this program is being implemented, the gentleman from Texas (Mr. RODRIGUEZ) brought to my attention a serious and unintended consequence of the program, children of junior enlisted personnel living in privatized housing were being denied free or reduced price meals at lunchtime. Due to DOD accounting changes, servicemembers receiving a housing allowance under the privatized housing program were being treated differently from those who were assigned traditional housing and not paid an allowance. This is because the income-based National School Lunch Program considered the housing allowance, but not the actual house income. For this reason, servicemembers living in traditional base housing at no cost were presumed to have less income than servicemembers of the same rank who received a housing allowance, but used those funds to pay a private contractor for rent and utilities.

Unfortunately, this distinction caused military families in privatized housing to exceed the income-based eligibility requirements for the school lunch program, and it resulted in the loss of the free or reduced price meals for their children. DOD intended the privatization housing program to provide quality housing at no out-of-pocket expense for servicemembers and their families. Unfortunately, these families are now finding that they will have to pay approximately $75 per child per month to replace the benefit that they received previously under the school lunch program.

This problem is further compounded by the fact that numerous State and Federal education, nutrition and technology programs are contingent on the number of children eligible for the school lunch program. As a result, entire school districts could be affected.

To adjust these problems, my legislation, H.R. 3216, amends the school lunch program to exclude the housing allowance of servicemembers in privatized housing for the determination of eligibility for free and reduced price meals. Although this only affects families at about 15 military installations currently, that number is expected to increase to about 70 installations, encompassing 70,000 housing units, including 450 units at the Dover Air Force Base in Dover, Delaware.

Our uniformed services are being asked to make tremendous personal sacrifices to ensure the defense of our Nation. I believe we should do all we

can to improve the quality of life for the families they leave behind.

Madam Speaker, for that reason, I am pleased that we are considering this legislation today.

In conclusion, I thank the gentleman from Ohio (Mr. BOEHNER), the chairman of the Committee on Education and the Workforce, and the ranking member, the gentleman from California (Mr. GEORGE MILLER) for allowing this measure to come to the floor. I also thank the gentleman from Texas (Mr. RODRIGUEZ) and the gentlewoman from California (Mrs. DAVIS) for their personal interest and leadership on this issue. I urge an ''aye'' vote on this bill.

Madam Speaker, I reserve the balance of my time.

Mrs. DAVIS of California. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in strong support of this bill which will correct an unintended consequence of an important program. First, I would like to thank the gentleman from Delaware (Mr. CASTLE) for introducing this legislation. I also thank the chairman and ranking member of the Committee on Education and the Workforce for their consideration of this measure.

I raised this issue in the spring of this year, and I am happy to see that we have come to a reasonable conclusion. In an effort to leverage its limited quality life and resources, the Armed Services are privatizing military family housing. Such privatization of military family housing is a welcomed solution to a difficult problem in my district and across the Nation. However, as my colleague from Delaware mentioned, one of the unintended consequences of a well-intentioned program is the loss of income to school districts resulting from reduced eligibility for free and reduced school lunch programs.

Compounding this problem, numerous State and Federal education, nutrition and technology programs are contingent on the number of children eligible for the free and reduced meal program; and this program we all know well as title I. The program affects only a small number of military children today, but it will affect tens of thousands of military families and the schools their children attend as the military housing privatization program expands.

Many children and listed personnel living in the privatized housing are disqualified for eligibility for free and reduced price lunch. This is because the servicemember living in the privatized house has the basic allowance for earnings included on their earnings statement, although the money flows directly through the member to the private housing developer. This added income, which is not reported for members living in traditional on-base housing, causes many servicemembers' children to lose eligibility for free and reduced price meals because under Department of Agriculture rules, this amount is included as income in determining eligibility for free and reduced price school lunches. The Department of Defense adds the allowance to the pay statement to assist in accounting, but the servicemember loses.

Madam Speaker, let me explain. On a Sunday, a housing community is owned and operated by the military. And on Monday, the housing community is operated by a private company still on Federal land, but the servicemember, who never moved, is impacted by all this. Earlier this year, the superintendent of the Coronado school district, Dr. Marilyn Wheeler, first made me aware of this problem. She contacted me when she learned that as a result of the privatization of the Silver Strand housing area, her small district could lose more than $90,000 in title I Federal funds which she already budgeted for in the 2001 and 2002 school year.

Title I funds have been utilized to improve school achievement at the Silver Strand School. Student achievement has steadily improved for the entire student body, and those identified as title I eligible have made significant gains in closing the achievement gap.

This year's funding would have hired a full-time certificated teacher to work with small groups of students below grade level in reading, language arts and math; and a half-time reading specialist to work one on one with students below the grade level in reading, and certificated staff to work with small groups of students before or after school in reading and math. With all of our hard work on education, it would really be a travesty to leave this problem unresolved.

Madam Speaker, I know that others around the country were facing similar circumstances, and I contacted the Department of Defense, the Department of Agriculture and the Social Security Administration. Initially, the Department of Defense did not believe it was feasible to eliminate the housing allowance from the military leave and earnings statement because of the negative impact it would have on the entire housing privatization program. However, the Department now believes it is possible, although the change will take at least 16 months.

This bill will give DOD the time it needs to adjust its practices; and short of this effort, will correct the problem until it can be permanently fixed in the 2003 National School Lunch Reauthorization.

Madam Speaker, I urge my colleagues to support our schools and our military and vote ''yes'' on this legislation.

Madam Speaker, I reserve the balance of my time.

Mr. CASTLE. Madam Speaker, I reserve the balance of my time.

Mrs. DAVIS of California. Madam Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. RODRIGUEZ).

Mr. RODRIGUEZ. Madam Speaker, in 1995, Congress took important steps to address the deterioration of conditions by nearly half of the military families in housing by enacting the Military Housing Privatization Initiative. The program has expedited the renovation and construction of military family housing by having developers construct private family housing on Federal property, which is then made available to military personnel.

The unintended consequence of this worthwhile program is that children of many junior personnel living in privatizing housing are disqualified from being eligible for free and reduced price meals. The bill before the House today will temporarily solve the problem, and will ensure that 10,000 military children do not lose their eligibility for free and reduced price meals.

□ 1415

A service member living in privatized housing has their housing allowance included on their monthly earnings statement even though the funding passes directly to the privatized housing developer. This reported housing allowance, which is not reported for members living in traditional on-base housing, causes certain service members' children to lose eligibility for free and reduced-price meals. So you have a certain person who receives the same wages but is housed in traditional types of homes, those kids can qualify; but the other kids that are in a different housing do not qualify. Compounding the problem, numerous State and Federal education, nutrition and technology programs are contingent on the number of children eligible for the free and reduced-price meals program. And so both the schools suffer as well as the students suffer and families.

At Fort Hood, Texas, for example, the Army privatized nearly 6,000 housing units earlier this year. Because of the privatization effort, more than 1,000 children of Army families will lose eligibility for free or reduced-price meals. The Killeen, Texas, Independent School District would lose about $1.1 million annually in State and Federal funding.

I want to take this time to thank the Military Impacted School Association for their efforts because they were out there in support of all the military schools throughout the country. Working with them, I contacted the Department of Defense to remedy this quality-of-life problem that they were encountering. The Department of Defense responded that it could not fix the problem without dismantling the entire housing privatization finance method that they had intact and suggested instead that Congress amend the national school lunch program. In October, I introduced legislation to amend the national school lunch program to permanently fix the problem.

The bill before the House today will fix the problem for 2 years with no cost, as estimated by the Congressional Budget Office. A permanent fix can

then be addressed in the reauthorization of the national lunch program in the 108th Congress.

I want to thank Chairman BOEHNER of the Committee on Education and the Workforce and Subcommittee Chairman CASTLE for their efforts in introducing and expediting consideration of H.R. 3216. Without their strong support and the efforts of all the staff that have been extremely helpful, we would not be able to be here on the floor.

As members of the Armed Forces are fighting terrorism abroad and at home, I would urge my colleagues in the House of Representatives to pass H.R. 3216 unanimously. In these difficult times, the least we can do while these people are serving our country is to make sure that we take care of their children and their education.

Once again, I want to thank both chairmen and the gentlewoman from California (Mrs. DAVIS) for helping out in this effort. I think it is something that we have to come back in the 108th and make sure we take care of it completely. In addition to that, I know that there are about 16,000 housing projects that have been implemented. There is an additional 15,000 whose contracts are out. And then in the future we hope to improve the housing quality for all our military. We have over 51,000 housing projects, so it is an area that we really need to look at very seriously.

I once again thank very much both sides for this effort. The children will appreciate it.

Mrs. DAVIS of California. Madam Speaker, I yield myself such time as I may consume.

I want to thank my distinguished colleague from Texas. I know he has worked tirelessly on this issue. I appreciate all of that and so do the children in our school districts.

Madam Speaker, this is important bipartisan legislation that improves the quality of life of our service members, many of whom are deployed overseas in the face of danger, and removes a handicap to education faced by school districts across the Nation. I urge my colleagues to support this bill.

Madam Speaker, I yield back the balance of my time.

Mr. CASTLE. Madam Speaker, I yield myself such time as I may consume.

I thank the gentlewoman from California and the gentleman from Texas for their kind words and the concept of actually going forward with this. I agree with the gentlewoman from California, this is legislation which is of extreme importance, particularly in helping children who need the extra help in an income circumstance.

I would encourage everybody also to support the legislation.

Ms. JACKSON-LEE of Texas. Madam Speaker, I rise in support of H.R. 3216. H.R. 3216 corrects a problem created by the Department of Defense housing allowance policy by exempting military housing allowances as income for the purpose of determining a student's eligibility for the National School Lunch Program. It will prevent the loss of free- and reduced-priced meal eligibility by school-age children of military when their family home becomes privatized, or when the family moves into a new, privatized home. This measure will take effect for two years from the date of enactment and a permanent fix is anticipated in the 2003 National School Lunch Act reauthorization.

Military personnel generally receive in-kind housing or a housing allowance. In-kind housing usually takes the form of housing on a military base. Several years ago, however, the Department of Defense initiated a pilot program that allowed private developers to build military housing on Federal land, or manage existing military base housing.

Currently, the Department of Agriculture treats this privatized housing allowance as income. The result is that a family's income is raised above the level needed to receive free- or reduce-price lunches. There is little distinction between these families and those living in regular civilian housing because military families living in these privatized housing sign their housing allowance over to the developer. Therefore, military families in privatized military housing should remain eligible for the National School Lunch Program.

We must remember that individual directly benefiting from the National School Lunch Program are the children. Mr. Speaker, we cannot take away these children's free- or reduced-price lunches because of some technicality they have no control over. These are innocent children who require the nourishment to get them through the school day just like any other student. Especially now, when many American mothers and fathers are being called to war to defend our safety and freedom, we should not deny this benefit to their deserving children. For these children, I urge my colleagues to support H.R. 3216.

Mr. BOEHNER. Madam Speaker, recently, I was disheartened to learn that some children of the men and women who proudly serve our country in the U.S. armed services are unfairly losing their eligibility to receive free- and reduced-priced school meals. This is occurring for no reason other than that their family home is being privatized or they have been asked to move into a new, privatized military home. Because program eligibility is based on income, the additional compensation in the form of a housing allowance received by military personnel to pay for privatized military housing can result in the loss of meal benefits, although there is no real increase in salary or disposable income. In addition, schools attended by the children of military personnel could lose Federal and State education aid based on free- and reduced-priced meal counts, including their designation and funding as title I schools.

I support the Department of Defenses' plan to improve the standards of military housing through privatization, but Congress must resolve this unintended consequence of the Department of Defense's housing policy before more otherwise qualified children lose access to free- and reduced-priced school meals.

H.R. 3216 addresses and solves this problem for the next two school years at no cost. By excluding housing allowances used to live in privatized military housing from income when determining a child's eligibility to receive a free- and reduced-priced lunch, we can restore and preserve this benefit for qualified military families.

Many of our service men and women take comfort in knowing that their children can receive a nutritious meal in school at little or no cost. Especially now, when many of our service men and women are being called to war to defend our safety and freedom, we should not deny this benefit to their deserving children.

Mr. CASTLE. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Delaware (Mr. CASTLE) that the House suspend the rules and pass the bill, H.R. 3216.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GLOBAL ACCESS TO HIV/AIDS PREVENTION, AWARENESS, EDUCATION, AND TREATMENT ACT OF 2001

Mr. HYDE. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2069) to amend the Foreign Assistance Act of 1961 to authorize assistance to prevent, treat, and monitor HIV/AIDS in sub-Saharan African and other developing countries, as amended.

The Clerk read as follows:

H.R. 2069

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 ''Global Access to HIV/AIDS Prevention, Awareness, Education, and Treatment Act of 2001''.

SEC. 2. FINDINGS; SENSE OF CONGRESS.

(a) FINDINGS.—Congress makes the following findings:

(1) According to the Joint United Nations Programme on HIV/AIDS (UNAIDS) more than 58,000,000 people worldwide have already been infected with HIV/AIDS, a fatal disease that is devastating the health and economies in dozens of countries in Africa and increasingly in Asia, the Caribbean region, and Eastern Europe.

(2) The HIV/AIDS pandemic has erased decades of progress in improving the lives of families in the developing world and has claimed 22,000,000 lives since its inception.

(3) More than 17,000,000 individuals have died from HIV/AIDS in sub-Saharan Africa alone.

(4) The HIV/AIDS pandemic in sub-Saharan Africa has grown beyond an international public health issue to become a humanitarian, national security, and developmental crisis.

(5) The HIV/AIDS pandemic is striking hardest among women and girls. According to UNAIDS, by the end of 2000, fifty-five percent of the HIV-positive population in sub-Saharan Africa and 40 percent of such population in North Africa and the Middle East were women, infected mainly through heterosexual transmission. In Africa, 6 out of 7 children who are HIV positive are girls.

(6) An estimated 1,400,000 children under age 15 were living with HIV/AIDS at the end of 2000, of which 1,100,000 were children living

in sub-Saharan Africa. An estimated 500,000 children died of AIDS during 2000, of which 440,000 were children in sub-Saharan Africa. In addition there are an estimated 13,200,000 children worldwide who have lost one or both of their parents to HIV/AIDS, of which 12,100,000 are children in sub-Saharan Africa.

(7) Mother-to-child transmission is the largest source of HIV infection in children under age 15 and the only source for very young children. The total number of births to HIV-infected pregnant women each year in developing countries is approximately 700,000.

(8) Counseling and voluntary testing are critical services to help infected women accept their HIV status and the risk it poses to their unborn child. Mothers who are aware of their status can make informed decisions about treatment, replacement feeding, and future child-bearing.

(9) Although the HIV/AIDS pandemic has impacted the sub-Saharan Africa disproportionately, HIV infection rates are rising rapidly in India and other South Asian countries, Brazil, Russia, Eastern European countries, and Caribbean countries, and pose a serious threat to the security and stability in those countries.

(10) By 2010, it is estimated that approximately 40,000,000 children worldwide will have lost one or both of their parents to HIV/AIDS.

(11) In January 2000, the United States National Intelligence Council estimates that this dramatic increase in AIDS orphans will contribute to economic decay, social fragmentation, and political destabilization in already volatile and strained societies. Children without care or hope are often drawn into prostitution, crime, substance abuse or child soldiery. The Council also stated that, in addition to the reduction of economic activity caused by HIV/AIDS to date, the disease could reduce GDP by as much as 20 percent or more by 2010 in some countries in sub-Saharan Africa.

(12) The HIV/AIDS epidemic is not just a health crisis but is directly linked to development problems, including chronic poverty, food security and personal debt that are reflected in the capacity of affected households, often headed by elders or orphaned children, to meet basic needs. Similarly, heavily-indebted countries are stripped of the resources necessary to improve health care delivery systems and infrastructure and to prevent, treat, and care for individuals affected by HIV/AIDS.

(13) On March 7, 2001, the United States Secretary of State testified before Congress that the United States has an obligation '' . . . if we believe in democracy and freedom, to stop this catastrophe from destroying whole economies and families and societies and cultures and nations''.

(14) A continuing priority for responding to the HIV/AIDS crisis should be to emphasize and encourage awareness, education, and prevention, including prevention activities that promote behavioral change, while recognizing that behavioral change alone will not conquer this disease. In so doing, priority and support should be given to building capacity in the local public health sector through technical assistance as well as through nongovernmental organizations, including faith-based organizations where practicable.

(15) Effective use should be made of existing health care systems to provide treatment for individuals suffering from HIV/AIDS.

(16) Many countries in Africa facing health crises, including high HIV/AIDS infection rates, already have well-developed and high functioning health care systems. Additional resources to expand and improve capacity to respond to these crises can easily be absorbed by the private and public sectors, as well as by nongovernmental organizations, community-based organizations, and faith-based organizations currently engaged in combatting the crises.

(17) An effective response to the HIV/AIDS pandemic must also involve assistance to stimulate the development of sound health care delivery systems and infrastructure in countries in sub-Saharan Africa and other developing countries, including assistance to increase the capacity and technical skills of local public health professionals and other personnel in such countries, and improved access to treatment and care for those already infected with HIV/AIDS.

(18) Access to effective treatment for HIV/AIDS is determined by issues of price, health care delivery system and infrastructure, and sustainable financing and such access can be inhibited by the stigma and discrimination associated with HIV/AIDS.

(19) The HIV/AIDS crisis must be addressed by a robust, multilateral approach such as the one envisioned by the Congress in the Global AIDS and Tuberculosis Relief Act of 2000, which directed the United States Government to seek to negotiate the creation of an international HIV/AIDS trust fund involving the World Bank.

(20) The Secretary General of the United Nations has called for a global fund to halt and reverse the spread of HIV/AIDS and other infectious diseases. The Secretary General has also called for annual expenditures of $7,000,000,000 to $10,000,000,000, financed by donor governments and private contributors, for all efforts to combat the HIV/AIDS pandemic and, equally important, called on leaders from developing countries to give a much higher priority in their budgets to development of comprehensive health systems.

(21) The Administration has advocated a fiduciary role for the World Bank in the Global Fund to Fight AIDS, Tuberculosis, and Malaria and the Transitional Working Group for that fund has decided to invite the World Bank to play such a role.

(22) An effective United States response to the HIV/AIDS crisis must also focus on the development of HIV/AIDS vaccines to prevent the spread of the disease as well as the development of microbicides, effective diagnostics, and simpler treatments.

(23) The innovative capacity of the United States in the commercial and public pharmaceutical research sectors is among the foremost in the world, and the active participation of both these sectors should be supported as it is critical to combat the global HIV/AIDS pandemic.

(24) Appropriate treatment of individuals with HIV/AIDS can prolong the lives of such individuals, preserve their families and prevent children from becoming orphans, and increase productivity of such individuals by allowing them to lead active lives and reduce the need for costly hospitalization for treatment of opportunistic infections caused by HIV.

(25) United States nongovernmental organizations, including faith-based organizations, with experience in healthcare and HIV/AIDS counseling, have proven effective in combatting the HIV/AIDS pandemic and can be a resource in assisting sub-Saharan African leaders of traditional, political, business, and women and youth organizations in their efforts to provide treatment and care for individuals infected with HIV/AIDS.

(26) Most of the HIV infected poor of the developing world die of deadly diseases such as tuberculosis and malaria. Accordingly, effective HIV/AIDS treatment programs should address the growing threat and spread of tuberculosis, malaria, and other infectious diseases in the developing world.

(27) Law enforcement and military personnel of foreign countries often have a high rate of prevalence of HIV/AIDS, and therefore, in order to be effective, HIV/AIDS awareness, prevention, and education programs must include education and related services to such law enforcement and military personnel.

(28) Microenterprise development and other income generation programs assist communities afflicted by the HIV/AIDS pandemic and increase the productive capacity of communities and afflicted households. Microenterprise programs are also an effective means to support the productive activities of healthy family members caring for the sick and orphaned. Such programs should give priority to women infected with the AIDS virus or in HIV/AIDS affected families, particularly women in high-risk categories.

(29) The exploding global HIV/AIDS pandemic has created new challenges for United States bilateral assistance programs and will require a substantial increase in the capacity of the United States Agency for International Development and other agencies of the United States to manage and monitor bilateral HIV/AIDS programs and resources. To meet this challenge, the Agency will need to recruit and retain appropriate technical expertise in the United States as well as in foreign countries to help develop and implement HIV/AIDS strategies in concert with multilateral agencies, host country governments, and nongovernmental organizations.

(b) SENSE OF CONGRESS.—It is the sense of Congress that—

(1)(A) combatting the HIV/AIDS pandemic in countries in sub-Saharan Africa and other developing countries should be a global effort and include the financial support of all developed countries and the cooperation of governments and the private sector, including faith-based organizations; and

(B) the United States should provide additional funds for multilateral programs and efforts to combat HIV/AIDS and also seek to leverage public and private resources to combat HIV/AIDS on a global basis through the Global Development Alliance Initiative of the United States Agency for International Development and other public and private partnerships with an emphasis on HIV/AIDS awareness, education, prevention, and treatment programs;

(2)(A) in addition to HIV/AIDS awareness, education, and prevention programs, the United States Government should make its best efforts to support programs that safely make available to public and private entities in countries in sub-Saharan Africa and other developing countries pharmaceuticals and diagnostics for HIV/AIDS therapy in order—

(i) to effectively and safely assist such countries in the delivery of HIV/AIDS therapy pharmaceuticals through the establishment of adequate health care delivery systems and treatment monitoring programs; and

(ii) to provide treatment for poor individuals with HIV/AIDS in such countries; and

(B) in carrying out such programs, priority consideration for participation should be given to countries in sub-Saharan Africa;

(3)(A) combatting the HIV/AIDS pandemic requires that United States Government programs place a priority on the vulnerable populations at greatest risk for contracting HIV;

(B) these populations should be determined through qualitative and quantitative assessments at the local level by local government, nongovernmental organizations, people living with HIV/AIDS, and other relevant sectors of civil society; and

(C) such assessments should be included in national HIV/AIDS strategies;

(4) the United States should promote efforts to expand and develop programs that support the growing number of children orphaned by the HIV/AIDS pandemic;

(5) in countries where the United States Government is conducting HIV/AIDS awareness, prevention, and education programs, such programs should include education and related services to law enforcement and military personnel of foreign countries to prevent and control HIV/AIDS, malaria, and tuberculosis;

(6) prevention and treatment for HIV/AIDS should be a component of a comprehensive international effort to combat deadly infectious diseases, including malaria and tuberculosis, and opportunistic infections, that kill millions annually in the developing world;

(7) programs developed by the United States Agency for International Development to address the HIV/AID pandemic should preserve personal privacy and confidentiality, should not include compulsory HIV/AIDS testing, and should not be discriminatory;

(8)(A) the United States Agency for International Development should carry out HIV/AIDS awareness, prevention, and treatment programs in conjunction with effective international tuberculosis and malaria treatment programs and with programs that address the relationship between HIV/AIDS and a number of opportunistic diseases that include bacterial diseases, fungal diseases, viral diseases and HIV-associated malignancies, such as Kaposi sarcoma, lymphoma, and squamous cell carcinoma; and

(B) effective intervention against opportunistic diseases requires not only the appropriate drug or other medication for a given medical condition, but also the infrastructure necessary to diagnose the condition, monitor the intervention, and provide counseling services; and

(9) the United States Agency for International Development should expand and replicate successful microenterprise programs in Uganda, Zambia, Zimbabwe, and other African countries that provide poor families affected by HIV/AIDS with the means to care for themselves, their children, and orphans;

(10) the United States Agency for International Development should substantially increase and improve its capacity to manage and monitor HIV/AIDS programs and resources;

(11) the United States Agency for International Development must recruit and retain appropriate technical expertise in the United States as well as in foreign countries to help develop and implement HIV/AIDS strategies in conjunction with multilateral agencies, host country governments, and nongovernmental organizations;

(12) the United States Agency for International Development must strengthen coordination and collaboration between the technical experts in its central and regional bureaus and foreign country missions in formulating country strategies and implementing HIV/AIDS programs;

(13) strong coordination among the various agencies of the United States, including the Department of State, the United States Agency for International Development, the Department of Health and Human Services, including the Centers for Disease Control and the National Institutes of Health, the Department of the Treasury, the Department of Defense, and other relevant Federal agencies must exist to ensure effective and efficient use of financial and technical resources within the United States Government; and

(14) to help alleviate human suffering, and enhance the dignity and quality of life for patients debilitated by HIV/AIDS, the United States should promote, both unilaterally and through multilateral initiatives, the use of palliative and hospice care, and provide financial and technical assistance to palliative and hospice care programs, including programs under which such care is provided by faith-based organizations.

SEC. 3. ASSISTANCE TO COMBAT HIV/AIDS.

(a) ASSISTANCE.—Section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)) is amended—

(1) by striking paragraphs (4) through (6); and

(2) by inserting after paragraph (3) the following:

''(4)(A) Congress recognizes that the alarming spread of HIV/AIDS in countries in sub-Saharan Africa and other developing countries is a major global health, national security, and humanitarian crisis. Accordingly, the United States and other developed countries should provide assistance to countries in sub-Saharan Africa and other developing countries to control this crisis through HIV/AIDS prevention, treatment, monitoring, and related activities, particularly activities focused on women and youth, including mother-to-child transmission prevention strategies.

''(B)(i) The Administrator of the United States Agency for International Development is authorized to provide assistance to prevent, treat, and monitor HIV/AIDS, and carry out related activities, in countries in sub-Saharan Africa and other developing countries.

''(ii) It is the sense of Congress that the Administrator should provide an appropriate level of assistance under clause (i) through nongovernmental organizations in countries in sub-Saharan Africa and other developing countries affected by the HIV/AIDS pandemic.

''(iii) The Administrator shall coordinate the provision of assistance under clause (i) with the provision of related assistance by the Joint United Nations Programme on HIV/AIDS (UNAIDS), the United Nations Children's Fund (UNICEF), the World Health Organization (WHO), the United Nations Development Programme (UNDP), other appropriate international organizations, such as the World Bank and the relevant regional multilateral development institutions, national, state, and local governments of foreign countries, and other appropriate governmental and nongovernmental organizations.

''(C) Assistance provided under subparagraph (B) shall, to the maximum extent practicable, be used to carry out the following activities:

''(i) Prevention of HIV/AIDS through activities including—

''(I) education, voluntary testing, and counseling (including the incorporation of confidentiality protections with respect to such testing and counseling), including integration of such programs into women's and children's health programs;

''(II) assistance to ensure a safe blood supply and to provide post-exposure prophylaxis to victims of rape and sexual assault; and

''(III) assistance through nongovernmental organizations, including faith-based organizations, particularly those organizations that utilize both professionals and volunteers with appropriate skills and experience, to establish and implement culturally appropriate HIV/AIDS education and prevention programs.

''(ii) The treatment and care of individuals with HIV/AIDS, including—

''(I) assistance to establish and implement programs to strengthen and broaden indigenous health care delivery systems and the capacity of such systems to deliver HIV/AIDS pharmaceuticals and otherwise provide for the treatment of individuals with HIV/AIDS, including clinical training for indigenous organizations and health care providers;

''(II) assistance aimed at the prevention of transmission of HIV/AIDS from mother to child, including medications to prevent such transmission and access to infant formula and other alternatives for infant feeding; and

''(III) assistance to strengthen and expand hospice and palliative care programs to assist patients debilitated by HIV/AIDS, their families, and the primary caregivers of such patients, including programs that utilize faith-based organizations.

''(iii) The monitoring of programs, projects, and activities carried out pursuant to clauses (i) and (ii), including—

''(I) monitoring to ensure that adequate controls are established and implemented to provide HIV/AIDS pharmaceuticals and other appropriate medicines to poor individuals with HIV/AIDS; and

''(II) appropriate evaluation and surveillance activities.

''(iv) The conduct of related activities, including—

''(I) the care and support of children who are orphaned by the HIV/AIDS pandemic, including services designed to care for orphaned children in a family environment which rely on extended family members;

''(II) improved infrastructure and institutional capacity to develop and manage education, prevention, and treatment programs, including the resources to collect and maintain accurate HIV surveillance data to target programs and measure the effectiveness of interventions;

''(III) vaccine research and development partnership programs with specific plans of action to develop a safe, effective, accessible, preventive HIV vaccine for use throughout the world; and

''(IV) the development and expansion of financially-sustainable microfinance institutions and other income generation programs that strengthen the economic and social viability of communities afflicted by the HIV/AIDS pandemic, including support for the savings and productive capacity of affected poor households caring for orphans.

''(D)(i) Not later than January 31 of each calendar year, the Administrator shall submit to Congress an annual report on the implementation of this paragraph for the prior fiscal year.

''(ii) Such report shall include—

''(I) a description of efforts made to implement the policies set forth in this paragraph;

''(II) a description of the programs established pursuant to this paragraph and section 4 of the Global Access to HIV/AIDS Prevention, Awareness, Education, and Treatment Act of 2001; and

''(III) a detailed assessment of the impact of programs established pursuant to this paragraph, including the effectiveness of such programs in reducing the spread of HIV infection, particularly in women and girls, in reducing HIV transmission from mother to child, in reducing mortality rates from HIV/AIDS, and the progress toward improving health care delivery systems and infrastructure to ensure increased access to care and treatment.

''(iii) The Administrator shall consult with the Global Health Advisory Board established under section 6 of the Global Access to HIV/AIDS Prevention, Awareness, Education, and Treatment Act of 2001 in the preparation of the report under clause (i) and on other global health activities carried out by the United States Agency for International Development.

''(E)(i) There is authorized to be appropriated to the President to carry out this paragraph $485,000,000 for fiscal year 2002.

''(ii) Not more than six percent of the amount appropriated pursuant to the authorization of appropriations under clause (i) for fiscal year 2002, and not more than four percent of the amount made available to carry out this paragraph for any subsequent fiscal year, may be used for the administrative expenses of the Agency in carrying out this paragraph.

''(iii) Amounts appropriated pursuant to the authorization of appropriations under clause (i) are in addition to amounts otherwise available for such purposes and are authorized to remain available until expended.

''(F) In this paragraph:

''(i) The term 'HIV' means infection with the human immunodeficiency virus.

''(ii) The term 'AIDS' means acquired immune deficiency syndrome.''.

(b) AVAILABILITY OF ASSISTANCE UNDER SECTION 104(c).—Section 104(c) of the Foreign Assistance Act of 1961 (22 U.S.C. 2151b(c)) is amended—

(1) by redesignating paragraph (7) as paragraph (5); and

(2) by adding at the end the following:

''(6) Assistance made available under any paragraph of this subsection, and assistance made available under chapter 4 of part II of this Act to carry out the purposes of any paragraph of this subsection, may be made available notwithstanding any other provision of law.''.

SEC. 4. ASSISTANCE FOR PROCUREMENT AND DISTRIBUTION OF HIV/AIDS PHARMACEUTICALS AND RELATED MEDICINES.

(a) ASSISTANCE.—The Administrator of the United States Agency for International Development shall provide assistance to countries in sub-Saharan Africa and other developing countries for—

(1) the procurement of HIV/AIDS pharmaceuticals, anti-viral therapies, and other appropriate medicines; and

(2) the distribution of such HIV/AIDS pharmaceuticals, anti-viral therapies, and other appropriate medicines to qualified national, regional, or local organizations for the treatment of individuals with HIV/AIDS in accordance with appropriate HIV/AIDS testing and monitoring requirements and for the prevention of transmission of HIV/AIDS from mother to child.

(b) ADDITIONAL AUTHORITY.—The authority contained in section 104(c)(6) of the Foreign Assistance Act of 1961, as amended by section 3(b) of this Act, shall apply to assistance made available under subsection (a).

(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the President to carry out this section $50,000,000 for fiscal year 2002.

SEC. 5. INTERAGENCY TASK FORCE ON HIV/AIDS.

(a) ESTABLISHMENT.—The President shall establish an interagency task force (hereafter referred to as the ''task force'') to ensure coordination of all Federal programs related to the prevention, treatment, and monitoring of HIV/AIDS in foreign countries.

(b) DUTIES.—The duties of the task force shall include—

(1) reviewing all Federal programs related to the prevention, treatment, and monitoring of HIV/AIDS in foreign countries to ensure proper coordination and compatibility of activities and policies of such programs;

(2) exchanging information regarding design and impact of such programs to ensure that the United States Government can catalogue the best possible practices for HIV/AIDS prevention, treatment, and monitoring and improve the effectiveness of such programs in the countries in which they operate; and

(3) fostering discussions with United States and foreign nongovernmental organizations to determine how United States Government programs can be improved, including by engaging in a dialogue with the Global Health Advisory Board established under section 6 of this Act.

(c) MEMBERSHIP.—

(1) COMPOSITION.—The task force shall be composed of the Secretary of State, the Administrator of the United States Agency for International Development, the Secretary of Health and Human Services, the Secretary of the Treasury, the Director of the National Institutes of Health, the Director of the Centers for Disease Control, the Secretary of Defense, and the head of any other agency that the President determines is appropriate.

(2) CHAIRPERSON.—The Secretary of State shall serve as chairperson of the task force.

(d) PUBLIC MEETINGS.—At least once each calendar year, the task force shall hold a public meeting in order to afford an opportunity for any person to present views regarding the activities of the United States Government with respect to the prevention, treatment, and monitoring of HIV/AIDS in foreign countries. The Secretary of State shall maintain a record of each meeting and shall make the record available to the public.

(e) AVAILABILITY OF FUNDS.—Amounts made available for a fiscal year pursuant to section 104(c)(4)(E)(ii) of the Foreign Assistance Act of 1961, as amended by section 3(a) of this Act, are authorized to be made available to carry out this section for such fiscal year.

SEC. 6. GLOBAL HEALTH ADVISORY BOARD.

(a) ESTABLISHMENT.—There is established a permanent Global Health Advisory Board (hereafter referred to as the ''Board'') to assist the President and other Federal officials, including the Secretary of State and the Administrator of the United States Agency for International Development, in the administration and implementation of United States international health programs, particularly programs relating to the prevention, treatment, and monitoring of HIV/AIDS.

(b) DUTIES.—

(1) IN GENERAL.—The Board shall serve as a liaison between the United States Government and private and voluntary organizations, other nongovernmental organizations, and academic institutions in the United States that are active in international health issues, particularly prevention, treatment, and care with respect to HIV/AIDS and other infectious diseases.

(2) SPECIFIC ACTIVITIES.—In carrying out paragraph (1), the Board—

(A) shall provide advice to the United States Agency for International Development and other Federal agencies on health and management issues relating to foreign assistance in which both the United States Government and private and voluntary organizations participate;

(B) shall provide advice on the formulation of basic policy, procedures, and criteria for the review, selection, and monitoring of project proposals for United States Government international health programs and for the establishment of transparency in the provision and implementation of grants made under such programs;

(C) shall provide advice on the establishment of evaluation and monitoring programs to measure the effectiveness of United States Government international health programs, including standards and criteria to assess the extent to which programs have met their goals and objectives and the development of indicators to track progress of specific initiatives;

(D) shall review and evaluate the overall health strategy for United States bilateral assistance for each country receiving significant United States bilateral assistance in the health sector;

(E) shall recommend which developing countries could benefit most from programs carried out under United States Government international health programs; and

(F) shall assess the impact and effectiveness of programs carried out under section 104(c)(4) of the Foreign Assistance Act of 1961, as amended by section 3(a) of this Act, in meeting the objectives set out in the HIV/AIDS country strategy established by the United States Agency for International Development.

(c) MEMBERSHIP.—

(1) COMPOSITION.—The Board shall be composed of 12 members—

(A)(i) all of whom shall have a substantial expertise and background in international health research, policy, or management, particularly in the area of prevention, treatment, and care with respect to HIV/AIDS and other infectious diseases; and

(ii) of whom at least one member shall be an expert on women's and children's health issues; and

(B) of whom—

(i) three members shall be individuals from academic institutions;

(ii) five members shall be individuals from nongovernmental organizations active in international health programs, particularly HIV/AIDS prevention, treatment and monitoring programs in foreign countries, of which not more than two members may be from faith-based organizations;

(iii) two members shall be individuals from health policy and advocacy institutes; and

(iv) two members shall be individuals from private foundations that make substantial contributions to global health programs.

(2) APPOINTMENT.—The individuals referred to in paragraph (1) shall be appointed by the President, after consultation with the chairman and ranking member of the Committee on International Relations of the House of Representatives and the Committee on Foreign Relations of the Senate.

(3) TERMS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each member shall be appointed for a term of two years and no member or organization shall serve on the Advisory Board for more than two consecutive terms.

(B) TERMS OF INITIAL APPOINTEES.—As designated by the President at the time of appointment, of the members first appointed—

(i) six members shall be appointed for a term of three years; and

(ii) six members, to the extent practicable equally divided among the categories described in clauses (i) through (iv) of paragraph (1)(B), shall be appointed for a term of two years.

(4) CHAIRPERSON.—At the first meeting of the Board in each calendar year, a majority of the members of the Commission present and voting shall elect, from among the members of the Board, an individual to serve as chairperson of the Board.

(d) TRAVEL EXPENSES.—Each member of the Board shall receive travel expenses, including per diem in lieu of subsistence, in accordance with applicable provisions under subchapter I of chapter 57 of title 5, United States Code.

(e) AVAILABILITY OF FUNDS.—Amounts made available for a fiscal year pursuant to section 104(c)(4)(E)(ii) of the Foreign Assistance Act of 1961, as amended by section 3(a) of this Act, are authorized to be made available to carry out this section for such fiscal year.

SEC. 7. AUTHORIZATION OF APPROPRIATIONS FOR MULTILATERAL EFFORTS TO PREVENT, TREAT, AND MONITOR HIV/AIDS.

(a) AUTHORIZATION.—There is authorized to be appropriated to the President $750,000,000 for fiscal year 2002 for United States contributions to a global health fund negotiated by the United States consistent with the general principles in the Global AIDS and Tuberculosis Relief Act of 2000 and the initiative of the Secretary General of the United Nations or other multilateral efforts to prevent, treat, and monitor HIV/AIDS in countries in sub-Saharan Africa and other developing countries, including efforts to provide hospice and palliative care for individuals with HIV/AIDS.

(b) CHARACTERISTICS OF GLOBAL HEALTH FUND.—It is the sense of Congress that, consistent with the general principles outlined in the Global AIDS and Tuberculosis Relief Act of 2000, United States contributions should be provided to a global health fund under subsection (a) only if the fund—

(1) is a public-private partnership that includes participation of, and seeks contributions from, governments, foundations, corporations, nongovernmental organizations, organizations that are part of the United Nations system, and other entities or individuals;

(2) has the World Bank serving as the fiduciary agent of the fund and in any other capacity deemed appropriate by the international community;

(3)(A) includes donors, recipient countries, civil society, and other relevant parties in the governance of the fund; and

(B) contains safeguards against conflicts of interest in the governance of the fund by the individuals and entities described in subparagraph (A);

(4) supports targeted initiatives to address HIV/AIDS, tuberculosis, and malaria through an integrated approach that includes prevention interventions, care and treatment programs, and infrastructure capacity-building;

(5) permits strategic targeting of resources to address needs not currently met by existing bilateral and multilateral efforts and includes separate sub-accounts for different activities allowing donors to designate funds for specific categories of programs and activities;

(6) reserves a minimum of 5 percent of its grant funds to support scientific or medical research in connection with the projects it funds in developing countries;

(7) provides public disclosure with respect to—

(A) the membership and official proceedings of the mechanism established to manage and disburse amounts contributed to the fund; and

(B) grants and projects supported by the fund;

(8) authorizes and enforces requirements for the periodic financial and performance auditing of projects and makes future funding conditional upon the results of such audits; and

(9) provides public disclosure of the findings of all financial and performance audits of the fund.

SEC. 8. DEFINITION.

In this Act:

(1) HIV.—The term ''HIV'' means infection with the human immunodeficiency virus.

(2) AIDS.—The term ''AIDS'' means acquired immune deficiency syndrome.

SEC. 9. EXTENSION OF TIME FOR GAO REPORT ON TRUST FUND EFFECTIVENESS.

Section 131(b) of the Global AIDS and Tuberculosis Relief Act of 2000 (22 U.S.C. 6831(b)) is amended by striking ''of the enactment of this Act'' and inserting ''the Trust Fund is established''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. HYDE).

GENERAL LEAVE

Mr. HYDE. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HYDE. Madam Speaker, I yield myself such time as I may consume.

(Mr. HYDE asked and was given permission to revise and extend his remarks.)

Mr. HYDE. Madam Speaker, once again the United States has an opportunity, and the responsibility, to lead the world in confronting one of the most compelling humanitarian and moral challenges facing us today. I speak of the HIV/AIDS pandemic, a crisis unparalleled in modern times and one that threatens the entire world, embracing developed and developing countries alike.

The statistics are chilling: over 22 million people have already died of AIDS throughout the world. More than 3 million died last year alone. That is over 8,000 deaths each day, or nearly one death every 6 minutes. What is most alarming is that the number of infections and deaths is growing and the pandemic is quickly spreading from sub-Saharan Africa to India, China and Russia. An incredible 36 million people are already infected with HIV; and 15,000 new infections occur every day.

To illustrate the magnitude of the crisis, it is estimated that by the year 2010, over 80 million people may have died from AIDS. By comparison, that is more than all the military and civilian deaths resulting from World War II. If the disease is left unchecked, we have no idea what the statistics will be in 2015 or 2020, less than 20 years from today. The most dramatic increase in infection rates is in the developing world, where education, awareness and access to health care is most seriously lacking. As is too often the case, it is the children who suffer most. Millions are born HIV-infected even though mother-to-child transmission is easily avoided if adequate training and health care is provided. To this is added a widespread mortality among parents: by the end of the decade, 40 million children are likely to be orphaned as a consequence of AIDS. The impact on developing societies, socially, politically and economically, is incalculable and threatens the stability of many countries and societies around the globe.

Contrary to popular conceptions, the pandemic is not limited to Africa, where AIDS continues to sweep forward virtually unchecked. The disease has jumped to every continent. In Europe, last year Russia had the highest rate of increase of new cases of any country on the planet. That impoverished country's medical system is clearly unable to adequately cope with the challenge, ensuring that it will continue to spread. According to the National Intelligence Council, India is on the verge of a catastrophic AIDS epidemic. Closer to home, the Caribbean region has the second highest rate of HIV infections in the world.

The most appropriate comparison of this ever-widening threat is with the 14th century, when the plague repeatedly swept through Europe, killing a quarter of that continent's population, leaving no country untouched, and decimating entire regions. This time, however, it is the entire world that is at risk. If the world is to have a chance of prevailing against this disease, the United States must take a leading role in the efforts to combat it. To do so, we must advance along many fronts, both bilateral and multilateral. The bill we consider today, H.R. 2069, addresses both the bilateral and multilateral pillars of our response to the AIDS crisis.

H.R. 2069 builds upon existing efforts by authorizing the Agency for International Development to carry out a comprehensive program of HIV/AIDS prevention, education and treatment at a level of $485 million during fiscal year 2002. Moreover, Madam Speaker, H.R. 2069 authorizes an additional $50 million pilot program to provide treatment for those infected with HIV/AIDS by helping the public and private sectors of developing countries procure HIV/AIDS pharmaceuticals and antiviral therapies.

The novel bilateral treatment program that my bill authorizes is vitally important, for it gives hope to those already suffering from AIDS. By authorizing a pilot treatment program, we can work to extend the productive lives of those infected by the virus. This is not only the right thing to do, it has beneficial impact on treatment as well. Without some expectation of care, the poor have little reason to be tested for AIDS or to seek help. I am fully cognizant of the challenge posed by treatment programs in developing countries. However, it is my hope that successful treatment programs such as those carried out by the AIDS Healthcare Foundation will be replicated in developing countries. Madam Speaker, there simply is no option other than treatment if we are ever to stem the tide of this pandemic.

Through our bilateral efforts, the United States will demonstrate its commitment to address all facets of the HIV/AIDS challenge and thereby challenge the entire developed world to emulate the example of the United States. It is also my hope that faith-based organizations such as Catholic Relief Services will play a very significant and meaningful role in advising

USAID on the most effective approaches to combat the HIV/AIDS pandemic.

In addition to our bilateral efforts, the President has already signaled our Nation's intention to lead the multilateral campaign by committing at least $200 million to combat HIV/AIDS through a global AIDS war chest that will be designed and implemented in the months to come.

The Global Access to HIV/AIDS Prevention, Awareness, Education, and Treatment Act of 2001 also authorizes the President to contribute to multilateral efforts to combat HIV/AIDS at a level that the administration deems appropriate and at such time as a fund is established and criteria developed to ensure its sound management. America will contribute its fair share as we work to leverage additional funds for this effort from other developed countries.

By providing the President with this flexibility, we can ensure that the contributions made by the United States will be adequate and also yield the commitments from other countries to make this effort a truly global war on AIDS.

As with any problem, however, financial resources cannot serve as the sole answer, and the generosity of the American people must be well managed. We must provide resources at a pace at which these can be absorbed and used wisely. We must continue to encourage and support those faith-based organizations and churches that are on the front lines in the effort to educate the poor about HIV and AIDS and treatment and prevention. We must also insist that any program designed to combat the AIDS pandemic include abstinence as a core component.

In closing, I wish to thank the many Members and staff who have contributed to the passage of this landmark legislation. I am especially grateful to the gentleman from California (Mr. LANTOS) the committee's ranking member, and to the gentlewoman from California (Ms. LEE) for their leadership in crafting this legislation.

I am also appreciative of the invaluable support of the gentleman from New York (Mr. GILMAN), the committee's chairman emeritus; the gentleman from Nebraska (Mr. BEREUTER); and the gentleman from Iowa (Mr. LEACH). I am also very grateful for the generous support offered by the gentleman from Arizona (Mr. KOLBE). I also wish to thank Nisha Desai, David Abramowitz, Pearl Alice Marsh, and Michael Riggs of the Democratic staff for their many contributions and dedication to make this bill come to fruition.

□ 1430

My greatest appreciation, however, goes to Adolfo Franco, a member of my own staff, whose tireless work made this bill a reality. He is leaving the staff to go to a very important job with the administration, and he will be sorely missed.

Madam Speaker, I wish to reiterate what I think is a consensus in Congress. Simply stated, the AIDS virus is one of the great moral challenges of our era. It is a scourge of unparalleled proportions in modern times. Every citizen has a stake in preventing what otherwise might well become the bubonic plague of the 21st century. We must do all that lies in our power to do if we are to meet this threat, first of all, by reaching out now to those most in need. It is not only the most sensible thing to do, it is the right thing to do for our children, our country and for the world.

I urge all of my colleagues to vote for H.R. 2069.

Madam Speaker, I reserve the balance of my time.

Mr. LANTOS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, I rise in strong support of this legislation.

Madam Speaker, I first would like to commend my good friend, the distinguished chairman of the Committee on International Relations, for his leadership, his vision and his commitment to help combat the global HIV-AIDS crisis. The gentleman from Illinois (Mr. HYDE) has shown courage and integrity in tackling this issue, when he could have relied upon others to legislate on this front. Many do not see the global HIV–AIDS crisis as a United States priority and question the need to spend significant U.S. funds toward preventing and treating this disease, but the gentleman from Illinois (Chairman HYDE) recognizes not only the severity of the epidemic, but our moral, humanitarian and national security interests in stemming the tide of the HIV–AIDS pandemic.

I would also like to commend my colleague, the gentlewoman from California (Ms. LEE), for her unwavering leadership in the global fight against HIV–AIDS. She has played a critical role in setting this Congress on the right course on this human disaster and in fashioning this legislation.

Madam Speaker, the bill reflects an extraordinary process of consultation that involves not only members of our committee, but advocacy groups, nongovernmental organizations, the administration and the staff of the United Nations. The result is a landmark, bipartisan agreement that outlines both a policy framework and funding levels for U.S. bilateral and multilateral assistance to fight the global AIDS pandemic. I want to join the gentleman from Illinois (Chairman HYDE) in praising members of the Republican and Democratic staffs who played such a key role in bringing us to this point.

Madam Speaker, the bill before us represents a broad consensus, and I urge all of my colleagues to support it. I truly believe that our legislation lays the foundation for a long-term commitment by the United States to eradicate this devastating disease.

Our bill authorizes $535 million in bilateral U.S. assistance to education, prevention, treatment and care of HIV–AIDS and those highly infectious diseases associated with it. In addition, our bill commits $750 million towards a global health fund to coordinate both funding and comprehensive programs in the fight against this disease, to which governments the private sector, foundations and individual philanthropists will contribute.

Madam Speaker, in this post-September 11 world, it is all too easy to lose sight of the HIV–AIDS crisis as we focus on the most pressing problem of global terrorism and the devastating conditions in Afghanistan, but it is precisely in this post-September 11 era that we must strive to maintain our commitment to HIV–AIDS and other crises of global magnitude. AIDS has devastated entire societies, and it is leaving in its wake a generation lost in despair. It is these children, raised without hope, who often provide fertile grounds for the terrorists and criminal networks to sow their evil seeds.

As our Secretary of State, Colin Powell, said at the UN special session on AIDS, ''From this moment on, our response to AIDS must be no less comprehensive, no less relentless, and no less swift than the pandemic itself.''

If we have learned anything through our terrible national tragedy, it is that the world's problems are our problems, and if we do not deal with these problems overseas, we will be dealing with them on our own doorstep.

The resurgence of HIV–AIDS and tuberculosis in some parts of the United States is just one ominous indication of how the problems of the developing world can soon become our own problems if we do not act decisively. The new bilateral program authorized by our legislation will guarantee that the American people are directly engaged in providing education, prevention, treatment and care to those suffering in poor countries. It will improve the quality of the U.S. aid programs in the HIV–AIDS field and provide those who are suffering with AIDS opportunities to live better and more productive lives.

Our proposed 1-year multilateral expenditure of $750 million is a major investment on our part toward a global effort to secure a better future for millions suffering from this deadly disease. It is a signal to the world, and particularly those suffering from this disease, that the United States is a partner in the international battle against HIV–AIDS.

Lastly, Madam Speaker, I want to tell schoolteachers, health workers, women and men, grandparents and orphans in poor countries suffering from the HIV–AIDS pandemic that we are fighting for and with them. Men, women and children in Africa, South Asia, Europe, the Western Hemisphere, are all affected, and we must all work

together to find a solution. I urge my colleagues to support H.R. 2069.

Madam Speaker, I reserve the balance of my time.

Mr. HYDE. Madam Speaker, I am pleased to yield 4 minutes to the distinguished gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Madam Speaker, I rise in strong support of this legislation, and I thank the distinguished chairman for yielding me time. I want to thank him also for his leadership in introducing this legislation and for the effort to move it to the House floor so expeditiously. Also I would like to thank the distinguished ranking member of the House Committee on International Relations, the gentleman from California (Mr. LANTOS) and the distinguished gentlewoman from California (Ms. LEE), among others mentioned by the gentleman from Illinois (Chairman HYDE), for their very positive efforts regarding H.R. 2069.

I am pleased to be a member of the Committee on International Relations, but today I speak primarily as a chairman of a subcommittee of the Committee on Financial Services, the Subcommittee on International Monetary Policy and Trade. It is in that respect that I thank the gentleman from Illinois (Mr. HYDE), the chairman, and the gentleman from California (Mr. LANTOS), and others, for working with the distinguished gentleman from Ohio (Chairman OXLEY) and this Member by incorporating into H.R. 2069 language suggested by us to recognize the World Bank's fiduciary role for the Global Health Fund on HIV–AIDS.

The statistics on HIV–AIDS are staggering, as we heard a few minutes ago. According to the joint United Nations Programme on HIV–AIDS, as of December 2001, an estimated 40 million people worldwide live with HIV–AIDS, which includes an estimated 28.1 million people in Sub-Saharan Africa. Furthermore, in the year 2001 alone, there were an estimated 5 million new HIV–AIDS infections worldwide, with 3.4 million of these cases being in Sub-Saharan Africa. In addition to Africa, HIV infection rates are also rising dramatically in India and the other South Asian countries, as well as Russia, the Eastern European countries, Brazil and the Caribbean countries.

As the chairman of the Subcommittee on International Monetary Policy and Trade, this Member conducted a hearing on May 15, 2001, which focused on the activities in Africa of the International Monetary Fund, the World Bank, the African Development Bank and African Development Fund, including their efforts to combat HIV–AIDS. As a result of this hearing, which included testimony from the Joint United Nations Programme on HIV–AIDS, this Member introduced H.R. 2209. This legislation increases the authorization for the multilateral world AIDS trust for FY 2002 from $150 million to $200 million.

The World Bank AIDS Trust Fund was established with American support through what became Public Law 106–264, primarily authored by the distinguished gentleman from Iowa (Mr. LEACH). This law directed the United States Government to seek to negotiate the creation of an international HIV–AIDS trust fund which would be established within the World Bank.

The Global Access to HIV–AIDS Prevention, Awareness, Treatment, and Education Act of 2001, this bill, provides both multilateral and bilateral authorization funding to help prevent, treat and monitor HIV–AIDS. This dual approach is very important as the United States combats the global plague of HIV–AIDS with our neighbors and outer countries throughout the world.

This Member would like to particularly emphasize the $750 million multilateral authorization for FY 2002 to the Global Health Fund to combat HIV–AIDS. This legislation, H.R. 2069, states that this Global Health Fund is consistent with the global AIDS and Tuberculosis Relief Act of 2000, which established the U.S. negotiations for the World Bank AIDS Trust Fund.

The World Bank has the most extensive global infrastructure to provide the multilateral assistance needed to help prevent, treat and monitor HIV–AIDS. This Member fully supports the Bush administration's position to abdicate a fiduciary role for the World Bank in this Global Health Fund to fight HIV–AIDS. It should be noted that the Transitional Working Group, a multilateral institution for this Global Health Fund, has recently invited the World Bank to play that fiduciary role as a trustee for the fund.

I urge support of this legislation. I think the two committees worked well together to merge the two bills together.

Mr. LANTOS. Madam Speaker, I yield 4 minutes to the gentlewoman from California (Ms. LEE). No Member has worked harder and more diligently on this issue than my friend and colleague from California.

Ms. LEE. Madam Speaker, I rise first to thank the gentleman from Illinois (Chairman HYDE), our ranking member, the gentleman from California (Mr. LANTOS), the gentleman from Iowa (Mr. LEACH), and also the gentleman from Nebraska (Mr. BEREUTER), for their commitment and real diligence in working to develop H.R. 2069, legislation that will comprehensively fight the global AIDS, TB and malaria pandemics.

This bipartisan legislation that we are considering today is important because it authorizes the desperately needed resources to address the multifaceted and multigenerational challenges presented by the global AIDS, TB and malaria pandemics.

It has been over 20 years since the first AIDS diagnosis. Since then, HIV and AIDS has infected over 56 million people worldwide and has claimed over 25 million lives, including 4 million children. The events of September 11 have turned the world's attention appropriately on combatting international terrorism. However, we cannot forget the global will scourge of HIV and AIDS. It is a national security threat of staggering proportions. AIDS, like many diseases, knows no borders and discriminates against no one. Each day, AIDS, TB and malaria claim over 17,000 lives. So, just as we fight terrorism, we must also fight these diseases.

According to UN, AIDS left unchecked, it is estimated that over 100 million people will be infected worldwide by 2007.

□ 1445

AIDS is decimating the continent of Africa and leaving millions of orphans in its wake.

Today, the number of orphans in Africa is the equivalent of the total population of children in America's public schools. Left unchecked, Africa will be home to more than 40 million orphans by 2010; and unfortunately, Africa is only the epicenter. We must not sacrifice this generation of children on the alter of indifference.

The AIDS pandemic has cut life expectancy by 25 years in some countries. In Botswana, the population growth due to AIDS is negative. This means that there are more people dying from AIDS than there are being born. The AIDS, TB, and malaria pandemics constitute a crisis of biblical proportions in Africa and puts the very survival of the continent at stake. These pandemics are not only a humanitarian crisis, but they are potentially an economic, political, and social catastrophe. Therefore, it is important that we continue to beat the drum to raise awareness. Our efforts at home must reach far beyond our shores.

When the House Committee on International Relations marked this bill up earlier this year, the gentleman from Illinois (Mr. HYDE), the chairman of the committee, the gentleman from California (Mr. LANTOS), the gentleman from Iowa (Mr. LEACH), and the gentleman from Nebraska (Mr. BEREUTER) worked on this bill day and night to increase bilateral funding for AIDS, TB, and malaria and also to increase the U.S. contribution to our multilateral AIDS program. The program, under this bill's $750 million, includes a contribution to the Global AIDS Trust Fund, which the gentleman from Iowa (Mr. LEACH) and I cosponsored last year. This was actually signed into law as the Global AIDS and TB Relief Act of 2000, which the gentleman from Nebraska (Mr. BEREUTER) earlier referred to.

So today, the House is sending a strong message that America can and must do more.

Also, I want to state for the record that all HIV-infected persons have a basic right to vital medicines for prevention and treatment of AIDS and also must have access to drugs for treatment of opportunistic infections

and to anti-retroviral agents. We have the knowledge and we have the technology to prevent the spread of AIDS. We have the necessary drugs that can substantially reduce the rate of mother-to-child transmission and also prolong the lives of people who are infected.

In addition to all of the barriers we face addressing this global crisis, basic health care infrastructure remains an issue. This bill addresses that also.

So I just once again want to thank my colleagues, the gentleman from Illinois (Mr. HYDE), the chairman of the committee; the gentleman from California (Mr. LANTOS), the ranking member; the gentleman from Iowa (Mr. LEACH); and the gentleman from Nebraska (Mr. BEREUTER) for their commitment, and also for our staffs' work. I want to thank the staff for diligently working on this. Our dedication and their dedication to the future of the human family will surely have a ripple effect.

Mr. HYDE. Madam Speaker, I ask unanimous consent that each side be granted an additional 6 minutes for purposes of debate.

The SPEAKER pro tempore (Mrs. BIGGERT). Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. HYDE. Madam Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. KOLBE).

(Mr. KOLBE asked and was given permission to revise and extend his remarks.)

Mr. KOLBE. Madam Speaker, I thank the gentleman for yielding me this time.

When I became chairman of the Subcommittee on Foreign Operations of the Committee on Appropriations, I said that one of my highest priorities was to fund the battle against HIV/AIDS that is becoming a pandemic globally. With that in mind, I want to thank the distinguished chairman of the Committee on International Relations for his leadership and his interest in fighting HIV and other infectious diseases. We share this as a priority, and I am very pleased to work with the chairman on this important matter.

The authorization for bilateral assistance through the United States Agency for International Development is virtually identical to the amount recommended by the House and Senate conferees on the Foreign Operations, Export Financing, and Related Programs Appropriations Act for fiscal year 2002. We hope to file that conference report on the bill in the very near future. We completed the work on our conference in November and are awaiting a signal from the leadership to file that agreement.

Having said that, however, I think it is important to tell the House and Members here that the $750 million authorization that is included in this bill for the multilateral assistance is unlikely to be funded in fiscal year 2002. The chairman indicated in his own remarks that he understood that that was going to be the case.

Members need to know, should know, that the multilateral fund does not yet exist. It is a concept, and we are working on it; but its structure, its objectives, its voting methodology has not yet been determined and is not likely to occur until the middle of next year.

Despite that, the Committee on Appropriations is in the process of providing a total of $250 million in three separate bills for the proposed global fund to fight HIV, tuberculosis, and malaria; and that is an amount that is $50 million greater than had been requested in the President's budget.

Now, more funds are possible; but I do not want anybody to have unrealistic expectations for the FY 2002 budget. First, it is very important that this fund get created and that we begin to demonstrate success. That is not going to happen yet until at least well into this fiscal year. Until the Congress concurs with the proposed terms and conditions under which our initial $250 million could be used, it is not prudent, in my view, to leave the impression that there is another $500 million available or required at this time for the global fund.

Madam Speaker, I support this bill, because we must continue to dedicate an increasing amount of resources to fight the global pandemic of HIV/AIDS, but I do not want my support for the bill to be viewed as an endorsement of the $750 million level authorized for the proposed global fund, at least not at this time. We have more work to do before we are going to be ready to spend any of the funds set aside for the global trust fund, much less an amount as large as $250 million. I know the chairman understands that.

So this is a proactive, leading-the-way authorization, and I appreciate that. I do think that we can carry out the policies and provide for the ongoing and expanded bilateral programs. I thank the chairman for his leadership.

Mr. LANTOS. Madam Speaker, I am delighted to yield 2 minutes to the gentlewoman from California (Ms. PELOSI), the incoming whip of the Democratic Party, my friend and neighbor in San Francisco, who has been a national leader in the fight against HIV/AIDS for years.

Ms. PELOSI. Madam Speaker, I thank the gentleman for yielding me this time, and I thank him for his leadership on this issue. I commend the gentleman from Illinois (Mr. HYDE), the chairman of the committee; the gentleman from Nebraska (Mr. BEREUTER), the gentleman from Iowa (Mr. LEACH), and the gentlewoman from California (Ms. LEE) for their extraordinary leadership in bringing this bill to the floor. I know it was difficult, and I congratulate them in doing it.

I am pleased to follow the gentleman from Arizona (Mr. KOLBE), my distinguished chairman on the Subcommittee on Foreign Operations, a longtime member on that committee. Following the lead of my own constituents, we put the first money for international AIDS into that bill several years ago. We could never get the attention that he is getting here today on this issue. I know how hard it is, and I commend him for it. We tried to get the attention of the G–7 to put AIDS on the agenda a dozen years ago in both Democratic and Republican administrations, and only recently have the ramifications of AIDS been recognized at that level.

So it is with great enthusiasm that I commend all of my colleagues, and I rise in support of H.R. 2069.

Madam Speaker, we must never forget that every single day, 8,000 people die of AIDS; 8,000 people die every day of AIDS. Think of it. It is so staggering. It is unimaginable, almost. But we are concerned about every single one of them and about protecting every single child in the world and person in the world from contracting HIV and AIDS in the future.

The United States must take the lead in the global effort to end the global AIDS pandemic and the havoc it is creating in the developing world. Halting this crisis can only happen with new resources, and the dramatic step that is being taken today is a very, very important and significant step forward.

The social, economic, security, national security, and human rights cost of this crisis are devastating entire nations. Projections show that by 2010, South Africa's GDP will be 17 percent below where it would have been without AIDS, and the United Nations has estimated that AIDS could kill up to 26 percent of the workforce in Africa. India already has more infected people than Africa.

Madam Speaker, I will submit my full statement for the RECORD because, again, the statistics are staggering. Madam Speaker, $750 million is an excellent step forward. We need to do more.

Experts are predicting that without significant prevention and treatment efforts the number of Indians living with HIV/AIDS could surpass the combined number of cases in all African countries within two decades.

Developing countries will be unable to turn the tide on this epidemic if even the most basic health care is unavailable for most of their citizens. People must be educated about HIV and how to prevent its spread. Increased testing and counseling opportunities are desperately needed. Basic care and treatment that can be delivered in homes or makeshift clinics is essential. And the need for support for the growing number of children orphaned by AIDS looms large.

We know that prevention and treatment work. Comprehensive prevention efforts have turned around HIV epidemics in Uganda and Thailand, and averted an epidemic in Senegal. In a small village in Haiti, community health workers have been trained to deliver high quality care, including the advanced medicines used to treat AIDS in our country. The provisions of H.R. 2069 will help impoverished

countries expand and replicate effective programs, and strengthen the capacity of indigenous health care systems to deliver HIV/AIDS pharmaceuticals.

Our investment in the fight against the global AIDS pandemic not only has a direct impact, but is also promises to leverage significant funds from other countries and multilateral institutions. Specifically, the $750 million authorized for multilateral assistance will demonstrate this country's dedication to the new United Nations Global Fund, and other international efforts. Fighting AIDS requires a real, sustained commitment, and the money we provide is a signal to other nations that we will do our part.

The fight ahead of us against the global AIDS pandemic is a long one. We have no choice but to engage in the fight and to prevail. I urge my colleagues to support H.R. 2069.

Mr. HYDE. Madam Speaker, I am pleased to yield 2 minutes to the gentlewoman from Maryland (Mrs. MORELLA).

Mrs. MORELLA. Madam Speaker, I thank the gentleman for yielding me this time.

I rise in strong support of H.R. 2069, the Global Access to HIV and AIDS Prevention Act, to authorize nearly $1.4 billion to combat HIV/AIDS in sub-Saharan Africa and other developing countries.

I certainly want to applaud the leadership of the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS) for their efforts in bringing this bill to the floor today. Because of their work and the work of so many of my friends and colleagues here in Congress, we are seeing a vast change in the global AIDS crisis in sub-Saharan Africa and other parts of the world. What I am referring to is a rapidly changing and increased level of awareness and concern, not only about the horrific damage the virus is wreaking, but about the future costs, costs in cultural, political, and economic stability in Africa.

New figures released on December 1, which was World AIDS Day, show that more than 40 million people are now living with the virus. The vast majority of them are in sub-Saharan Africa where the devastation is so acute it has become one of the main obstacles to development. I could go on with the various statistics. An estimated 24.5 million people in sub-Saharan Africa are infected with the HIV virus. That is 71 percent of the world's total.

What can we do? The United States is uniquely positioned to lead the world in the prevention and eradication of HIV and AIDS. This year's House-passed Foreign Operations Appropriations bill provides $474 million for AIDS prevention and control. But we must also pass this bill, H.R. 2069, The Global Access to HIV and AIDS Prevention Act. It authorizes $560 million in bilateral assistance programs for the various AIDS treatment and prevention programs administered by USAID. It also authorizes $750 million in 2002 for the United States contributions to the Global AIDS Fund.

So I would certainly say that this bill is good news. The bad news is it has taken so long.

Mr. LANTOS. Madam Speaker, I am pleased to yield 2 minutes to the gentleman from Texas (Mr. RODRIGUEZ), our distinguished colleague.

Mr. RODRIGUEZ. Madam Speaker, I rise in support of the Global Access to HIV/AIDS Prevention Act, H.R. 2069. I would like to commend the gentlewoman from California (Ms. LEE). I want to thank her for her hard work and her dedication as well. I want to thank her specifically for when she first sent that letter for us to sign to get on board, and I was very pleased to see that. I also want to thank the gentleman from California (Mr. LANTOS) for his efforts and the gentlewoman from California (Ms. PELOSI) and some of the other speakers that have been speaking on this issue, as well as the gentleman from Illinois (Mr. HYDE). I thank him for allowing us this opportunity to move forward on this issue.

This year marks the 20th year of HIV/AIDS, and in that time the virus has taken the lives of more than 25 million people throughout the world. In claiming lives, the virus has destroyed families and communities. It has devastated economies and created instability. It has changed the very way we interact with our neighbors.

The continued spread of the virus calls for a multilateral strategy in the struggle to reduce infections. Domestic and international efforts, prevention as well as treatment, as well as research and development and education, are critical. These are the parts of the equation that will help us change the outcome.

We must remember that disease has no borders and especially infectious diseases. We cannot afford to ignore the plight of our neighbors, because sooner or later, it will come and knock on our door.

By investing in the international efforts to eradicate this virus, we will be assuring and protecting Americans' health and prosperity. We will also show ourselves as a Nation committed to alleviating human sufferings everywhere else. It is the right thing to do for our neighbors and ourselves and for our constituents and for our children, for untreated and mistreated HIV/AIDS can hamper us all. For not treating appropriately, other types of strains can be created that will cause us more harm.

□ 1500

Madam Speaker, I urge my colleagues to support H.R. 2069, the Global Access to HIV/AIDS Prevention Awareness, Education, and Treatment Act of 2001.

Mr. HYDE. Madam Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Florida, (Mr. WELDON).

Mr. WELDON of Florida. Madam Speaker, I thank the gentleman for yielding time to me.

Madam Speaker, I did my internship and residency in San Francisco in the early eighties when AIDS was ravaging the homosexual community in that city. Prior to coming here to the U.S. House, I practiced infectious diseases and primarily treated AIDS, so I have seen firsthand the devastation that this disease can cause. I certainly commend all those involved with working to bring this bill to the floor.

I am particularly pleased that the chairman was willing to work with me to add language to emphasize the importance of a safe blood supply and the importance of prophylactic drugs for victims of rape and sexual assault; certainly, also, the language to emphasize access to infant formula and other alternatives for infant feeding.

Many babies are born to HIV mothers and survive the birth process without contracting AIDS, to only go on, unfortunately, to contract the disease through the process of breast feeding.

I do remain concerned, Madam Speaker, that the bill does not sufficiently stress abstinence. Abstinence programs have shown to be helpful in Uganda and Senegal; and abstinence, of course, is the only approach that actually guarantees that AIDS will not be spread.

I have served in the past on the board of a faith-based group that has worked in Nigeria on abstinence-based education. I think the bill, as it moves through the conference process and gets signed by the President, should have some stronger language inserted to deal with the importance of abstinence.

Also, I would like to see the makeup of the board, the advisory board, structured in such a way that faith-based organizations will be guaranteed a place at the table. There are currently hundreds of faith-based organizations in Africa. As I said, I have worked with one of them firsthand. They need to be included in this process.

Mr. LANTOS. Madam Speaker, I am pleased to yield 2 minutes to my good friend and my distinguished colleague, the gentlewoman from North Carolina (Mrs. CLAYTON).

Mrs. CLAYTON. Madam Speaker, I thank the gentleman for yielding time to me.

Madam Speaker, I rise in support of the Global to Access HIV/AIDS Prevention, Awareness, Education, and Treatment Act of 2001, H.R. 2069.

I also want to commend the leadership on this bill, the gentleman from Illinois (Chairman HYDE) and the gentleman from California (Mr. LANTOS), and all others involved in sponsoring this, the gentleman from Nebraska (Mr. BEREUTER), the gentlewoman from California (Ms. LEE), and those who have been carrying this fight on and have been strong advocates for ridding the world of this disease.

This legislation provides crucial funding for the prevention, treatment, and monitoring of AIDS in sub-Saharan Africa and other parts of the developing world, and an increased amount

of assistance through education and treatment programs, as well as assistance and aid for the prevention and transmission of HIV/AIDS from mother to child.

Madam Speaker, this legislation is essential to fighting the HIV/AIDS epidemic in many parts of the world, including that part of Africa. HIV is worldwide and actually knows no border, as we said earlier.

Madam Speaker, I include for the RECORD information on the AIDS epidemic provided by the World Health Organization.

The material referred to is as follows:

AIDS EPIDEMIC UPDATE—DECEMBER 2001

GLOBAL OVERVIEW

Twenty years after the first clinical evidence of acquired immunodeficiency syndrome was reported, AIDS has become the most devastating disease humankind has ever faced. Since the epidemic began, more than 60 million people have been infected with the virus. HIV/AIDS is now the leading cause of death in sub-Saharan Africa. Worldwide, it is the fourth-biggest killer.

At the end of 2001, an estimated 40 million people globally were living with HIV. In many parts of the developing world, the majority of new infections occur in young adults, with young women especially vulnerable. About one-third of those currently living with HIV/AIDS are aged 15–24. Most of them do not know they carry the virus. Many millions more know nothing or too little about HIV to protect themselves against it.

Eastern Europe and Central Asia—still the fastest-growing epidemic

Eastern Europe—especially the Russian Federation—continues to experience the fastest-growing epidemic in the world, with the number of new HIV infections rising steeply. In 2001, there were an estimated 250,000 new infections in this region, bringing to 1 million the number of people living with HIV. Given the high levels of other sexually transmitted infections, and the high rates of injecting drug use among young people, the epidemic looks set to grow considerably.

Asia and the Pacific—narrowing windows of opportunity.

In Asia and the Pacific, an estimated 7.1 million people are now living with HIV/AIDS. The epidemic claimed the lives of 435,000 people in the region in 2001. The apparently low national prevalence rates in many countries in this region are dangerously deceptive. They hide localized epidemics in different areas, including some of the world's most populous countries. There is a serious threat of major, generalized epidemics. But, as Cambodia and Thailand have shown, prompt, large-scale prevention programmes can hold the epidemic at bay. In Cambodia, concerted efforts, driven by strong political leadership and public commitment, lowered HIV prevalence among pregnant women to 2.3 percent at the end of 2000—down by almost a third from 1997.

Sub-Saharan Africa—the crisis grows

AIDS killed 2.3 million African people in 2001. The estimated 3.4 million new HIV infections in sub-Saharan Africa in the past year mean that 28.1 million Africans now live with the virus. Without adequate treatment and care, most of them will not survive the next decade. Recent antenatal clinic data show that several parts of southern Africa have now joined Botswana with prevalence rates among pregnant women exceeding 30 percent. In West Africa, at least five countries are experiencing serious epidemics, with adult HIV prevalence exceeding 5 percent. However, HIV prevalence among adults continues to fall in Uganda, while there is evidence that prevalence among young people (especially women) is dropping in some parts of the continent.

The Middle East and North Africa—slow but marked spread

In the Middle East and North Africa, the number of people living with HIV now totals 440,000. The epidemic's advance is most marked in countries (such as Djibouti, Somalia and the Sudan) that are already experiencing complex emergencies. While HIV prevalence continues to be low in most countries in the region, increasing numbers of HIV infections are being detected in several countries, including the Islamic Republic of Iran, the Libyan Arab Jamahiriya and Pakistan.

High-income countries—resurgent epidemic threatens

A larger epidemic also threatens to develop in the high-income countries, where over 75,000 people acquire HIV in 2001, bringing to 1.5 million the total number of people living with HIV/AIDS. Recent advances in treatment and care in these countries are not being consistently matched with enough progress on the prevention front. New evidence of rising HIV infection rates in North America, parts of Europe and Australia is emerging. Unsafe sex, reflected in outbreaks of sexually transmitted infections, and widespread injecting drug use are propelling these epidemics, which, at the same time, are shifting more towards deprived communities.

Latin America and the Caribbean—diverse epidemics

An estimated 1.8 million adults and children are living with HIV in Latin America and the Caribbean—a region that is experiencing diverse epidemics. With an average adult HIV prevalence of approximately 2 percent, the Caribbean is the second-most affected region in the world. But relatively low national HIV prevalence rates in most South and Central American countries mask the fact that the epidemic is already firmly lodged among specific population groups. These countries can avert more extensive epidemics by stepping up their responses now.

Stronger commitment

Greater and more effective prevention, treatment and care efforts need to be brought to bear. During the year 2001, the resolve to do so became stronger than ever.

History was made when the United Nations General Assembly Special Session on HIV/AIDS in June 2001 set in place a framework for national and international accountability in the struggle against the epidemic. Each government pledged to pursue a series of many benchmark targets relating to prevention, care, support and treatment, impact alleviation, and children orphaned and made vulnerable by HIV/AIDS, as part of a comprehensive AIDS response. These targets include the following: To reduce HIV infection among 15–24-year-olds by 25 percent in the most affected countries by 2005 and, globally, by 2010; by 2005, to reduce the proportion of infants infected with HIV by 20 percent, and by 50 percent by 2010; by 2003, to develop national strategies to strengthen health-care systems and address factors affecting the provision of HIV-related drugs, including affordability and pricing. Also, to urgently make every effort to provide the highest attainable standard of treatment for HIV/AIDS, including antiretroviral therapy in a careful and monitored manner to reduce the risk of developing resistance; by 2003, to develop and, by 2005, implement national strategies to provide a supportive environment for orphans and children infected and affected by HIV/AIDS; by 2003, to have in place strategies that begin to address the factors that make individuals particularly vulnerable to HIV infection, including under-development, economic insecurity, poverty, lack of empowerment of women, lack of education, social exclusion, illiteracy, discrimination, lack of information and/or commodities for self-protection, and all types of sexual exploitation of women, girls and boys; and by 2003, to develop multisectoral strategies to address the impact of the HIV/AIDS epidemic at the individual, family, community and national levels.

Increasingly, other stakeholders, including nongovernmental organizations and private companies worldwide, are making clear their determination to boost those efforts.

New resources are being marshalled to lift spending to the necessary levels, which UNAIDS estimates at US$7–10 billion per year in low- and middle-income countries. The global fund called for by United Nations Secretary-General Kofi Annan has attracted about US$1.5 billion in pledges. In addition, the World Bank plans major new loans in 2002 and 2003 for HIV/AIDS, with a grant equivalency of over US$400 million per year. All the while, more countries are boosting their national budget allocations towards AIDS responses. Several ''least developed countries'' have received, or are in line for, debt relief that could help them increase their spending on HIV/AIDS.

More private companies are also stepping up their efforts. Guiding some of their interventions is a new international code of conduct on AIDS and the workplace, which was ratified earlier this year by members of the International Labour Organization (the new, eighth cosponsoring organization of UNAIDS).

The challenge now is to build on the newfound commitment and convert it into sustained action—both in the countries and regions already hard hit, and in those where the epidemic began later but is gathering steam.

Beyond complacency

The diversity of HIV's spread worldwide is striking. But in many regions of the world, the HIV/AIDS epidemic is still in its early stages. While 16 sub-Saharan African countries reported overall adult HIV prevalence of more than 10 percent by the end of 1999, there remained 119 countries of the world where adult HIV prevalence was less than 1 percent.

Low national prevalence rates can, however, be very misleading. They often disguise serious epidemics that are initially concentrated in certain localities or among specific population groups and that threaten to spill over into the wider population.

Nationwide prevalence in Myanmar, for instance, has been put at 2 percent. Yet, national HIV rates as high as 60 percent are being registered among injecting drug users and almost 40 percent among sex workers. Moreover, in vast populous countries such as China, India and Indonesia (where individual provinces or states often have more inhabitants than most countries), national prevalence all but loses meaning. The Indian states of Maharashtra, Andhra Pradesh and Tamil Nadu (each with at least 55 million inhabitants), have registered HIV prevalence rates of over 2 percent among pregnant women in one or two sentinel sites and over 10 percent among sexually transmitted infection patients—rates far higher than the national average of less than 1 percent. In the absence of vigorous prevention efforts, there is considerable scope for further HIV spread.

Even HIV prevalence rates as low as 1 percent or 2 percent across Asia and the Pacific (which is home to about 60 percent of the world's population) would cause the number of people living with HIV/AIDS to soar.

All countries have, at some point in their epidemic histories, been low-prevalence countries. HIV prevalence among pregnant women attending antenatal clinics in South Africa was less than 1 percent in 1990 (almost a decade after the first HIV diagnosis there in 1982). Yet, a decade later, the country was experiencing one of the fastest growing epidemics in the world, with prevalence among pregnant women at 24.5 percent by the end of 2000.

Low-prevalence settings present special challenges. At the same time, they offer opportunities for averting large numbers of future infections. Today, we are seeing rapidly emerging epidemics in several countries that had previously recorded relatively low rates of HIV infection—proof that the epidemic can emerge quickly and unexpectedly, and that no society is immune. In Indonesia, where recorded infection rates were negligible until very recently (even among some high-risk groups), there is new evidence of striking increases in the infection rates of HIV. Prevalence has risen significantly among female sex workers in three cities at opposite ends of the Indonesian archipelago, with similar increases also evident at other sites. Among women working in massage parlours in the capital, Jakarta, HIV prevalence was measured at 18 percent in 2000. Blood donor data now show a tenfold rise in HIV prevalence since 1998.

Elsewhere, longer-standing epidemics could be on the verge of spreading more rapidly and widely. Nepal and Viet Nam, for example, have registered marked increases in HIV infection in recent years, while in China—home to a fifth of the world's people—the virus seems to be moving into new groups of the population.

In other areas of the world, too, time is fast running out if much larger AIDS epidemics are to be averted. For instance, in the Russian Federation, only 523 HIV infections had been diagnosed by 1991. A decade later, that number had climbed to more than 129,000. In a country where injecting drug use among young people is rife (and there are higher levels of sexually transmitted infections in the wider population), there is an urgent need for action to avoid an even larger number of new infections.

Prompt, focused prevention

Countires that still have low levels of HIV infection should avert the epidemic's potential spread, rather than take comfort from current infection rates. The key to success in low-prevalence settings where HIV is not yet at risk to the wider population is to enable the most vulnerable groups to adopt safer sexual and drug-injecting behaviour, interrupt the virus's spread among and between those groups, and buy time to bolster the wider population's ability to protect itself against the virus.

This means, first, determining which population groups are at highest risk of infection and, second mustering the political will to safeguard them against the epidemic. At the same time, it is vital to defuse the stigma and blame so often attached to vulnerable groups and to deepen the wider public's knowledge and understanding of the epidemic.

Young people are a priority on this front. Twenty years into the epidemic, millions of young people know little, if anything, about HIV/AIDS. According to UNICEF, over 50 percent of young people (aged 15–24) in more than a dozen countries, including Bolivia, Botswana, Côte d'Ivoire, the Dominican Republic, Ukraine, Uzbekistan and Viet Nam, have never heard of AIDS or harbour serious misconceptions about how HIV is transmitted. Providing young people with candid information and life skills is a prerequisite for success in any AIDS response.

Reclaiming the future

The impact of the AIDS epidemic is being increasingly felt in many countries across the world. Southern Africa continues to be the worst affected area, with adult prevalence rates still rising in several countries. But elsewhere, also, in countries often already burdened by huge socioeconomic challenges, AIDS threatens human welfare, developmental progress and social stability on an unprecedented scale.

The AIDS epidemic has a profound impact on growth, income and poverty. It is estimated that the annual per capita growth in half the countries of sub-Saharan Africa is falling by 0.5–1.2 percent as a direct result of AIDS. By 2010, per capita GDP in some of the hardest hit countries may drop by 8 percent and per capita consumption may fall even farther. Calculations show that heavily affected countries could lose more than 20 percent of GDP by 2020. Companies of all types face higher costs in training, insurance, benefits, absenteeism and illness. A survey of 15 firms in Ethiopia has shown that, over a five-year period, 53 percent of all illnesses among staff were AIDS-related.

Devastating cycles

An index of existing social and economic injustices, the epidemic is driving a ruthless cycle of impoverishment. People at all income levels are vulnerable to the economic impact of HIV/AIDS, but the poor suffer most acutely. One quarter of households in Botswana, where adult HIV prevalence is over 35 percent can expect to lose an income earner within the next 10 years. A rapid increase in the number of very poor and destitute families is anticipated. Per capita household income for the poorest quarter of households is expected to fall by 13 percent, while every income earner in this category can expect to take on four more dependents as a result of HIV/AIDS.

In sub-Saharan Africa, the economic hardships of the past two decades have left three-quarters of the continent's people surviving on less than US $2 a day. The epidemic is deepening their plight. Typically, this impoverished majority has limited access to social and health services, especially in countries where public services have been cut back and where privatized services are unaffordable. In hard-hit areas, households cope by cutting their food consumption and other basic expenditures, and tend to sell assets in order to cover the costs of health care and funerals.

Studies in Rwanda have shown that households with a HIV/AIDS patient spend, on average, 20 times more on health care annually than households without an AIDS patient. Only a third of those households can manage to meet these extra costs.

According to a new United Nations Food and Agricultural Organization (FAO) report, seven million farm workers have died from AIDS-related causes since 1985 and 16 million more are expected to die in the next 20 years. Agricultural output—especially of staple products—cannot be sustained in such circumstances. The prospect of widespread food shortages and hunger is real. Some 20 percent of rural families in Burkina Faso are estimated to have reduced their agricultural work or even abandoned their farms because of AIDS. Rural households in Thailand are seeing their agricultural output shrink by half. In 15 percent of these instances, children are removed from school to take care of ill family members and to regain lost income. Almost everywhere, the extra burdens of care and work are deflected onto women—especially the young and the elderly.

Families often remove girls from school to care for sick relatives or assume other family responsibilities, jeopardizing the girls' education and future prospects. In Swaziland, school enrollment is reported to have fallen by 36 percent due to AIDS, with girls most affected. Enabling young people—especially girls—to attend school and, hopefully, complete their education, is essential. South Africa's and Malawi's universal free primary education systems point the way. Schemes to provide girls with second-chance schooling are another option.

Development and stability threatened

Meanwhile, the epidemic is claiming huge numbers of teachers, doctors, extension workers and other human resources. In some countries, health-care systems are losing up to a quarter of their personnel to the epidemic. In Malawi and Zambia, for example, five-to-six-fold increases in health worker illness and death rates have reduced personnel, increasing stress levels and workload for the remaining employees.

Teachers and students are dying or leaving school, reducing both the quality and efficiency of educational systems. In 1999 alone, an estimated 860,000 children lost their teachers to AIDS in sub-Saharan Africa. In the Central African Republic, AIDS was the cause of 85 percent of the 300 teacher deaths that occurred in 2000. Already, by the late 1990s, the toll had forced the closure of more than 100 educational establishments in that country. In Guatemala, studies have shown that more than a third of children orphaned by HIV/AIDS drop out of school. In Zambia, teacher deaths caused by AIDS are equivalent to about half the total number of new teachers the country manages to train annually.

Replacing skilled professionals is a top priority, especially in low-income countries where governments depend heavily on a small number of policy-makers and managers for public management and core social services. In heavily affected countries, losing such personnel reduces capacity, while raising the costs of recruitment, training, benefits and replacements. A successful response to AIDS requires that essential public services, such as education, health, security, justice and institutions of democratic governance, be maintained. Each sector has to take account of HIV/AIDS in its own development plans and introduce measures to sustain public sector functions. Such actions might include fast-track training, as well as the recruitment of key civil servants and the reallocation of budgets towards the most essential services. Countries that explore innovative ways of maintaining and rebuilding capacity in government will be better equipped to contain the epidemic. Equally valuable are labour and social legislation changes that boost people's rights, more effective and equitable ways of delivering social services, and more extensive programmes that benefit those worst hit by the epidemic (especially women and orphans).

Coping with crisis

In the worst-affected countries, steep drops in life expectancies are beginning to occur, most drastically in sub-Saharan Africa, where four countries (Botswana, Malawi, Mozambique and Swaziland) now have a life expectancy of less than 40 years. Were it not for HIV/AIDS, average life expectancy in sub-Saharan Africa would be approximately 62 years; instead, it is about 47 years. In South Africa, it is estimated that average life expectancy is only 47 years, instead of 66, if AIDS were not a factor. And, in Haiti, it has dropped to 53 years (as opposed to 59).

The number of African children who had lost their mother or both parents to the epidemic by the end of 2000—12.1 million—is forecast to more than double over the next decade. These orphans are especially vulnerable to the epidemic, and the impoverishment and precariousness it brings.

As more infants are born HIV-positive in badly affected countries, child mortality rates are also rising. In the Bahamas, it is estimated that some 60 percent of deaths among children under the age of five are due to AIDS, while, in Zimbabwe, the figure is 70 percent.

Unequal access to affordable treatment and adequate health services is one of the main factors accounting for drastically different survival rates among those living with HIV/AIDS in rich and poor countries and communities. Public pressure and UN-sponsored engagements with pharmaceutical corporations (through the Accelerating Access Initiative), along with competition from generic drug manufacturers, has helped drive antiretroviral drug prices down. But prices remain too high for public-sector budgets in low-income countries where, in addition, health infrastructures are too frail to bring life-prolonging treatments to the millions who need it.

Backed by a strong social movement, Brazil's government has shown that those barriers are not impregnable and that the use of cheaper drugs can be an important element of a successful response. Along with Brazil, countries such as Argentina and Uruguay also guarantee HIV/AIDS patients free antiretroviral drugs. In Africa, several governments are launching programmes to provide similar drugs through their public health system, albeit on a limited scale, at first.

In all such cases, though, clearing the hurdle of high prices is essential but not enough. Also indispensable are functioning and affordable health systems. Massive international support is needed to help countries meet that challenge.

EASTERN EUROPE AND CENTRAL ASIA

HIV incidence is rising faster in this region than anywhere else in the world. There were an estimated 250,000 new infections in 2001, raising to 1 million the number of people living with HIV.

In the Russian Federation, the startling increase in HIV infections of recent years is continuing, with new reported diagnoses almost doubling annually since 1998. In 2001, more than 40,000 new HIV-positive diagnoses were reported in the first six months. The total number of HIV infections reported since the epidemic began came to more than 129,000 in June 2001—up from the 10,993 reported for the end of 1998. The actual number of people now living with HIV in the Russian Federation is estimated to be many times higher than these reported figures.

At 1 percent, the adult HIV prevalence rate in Ukraine is the highest in the region. While injecting drug use is currently responsible for three-quarters of HIV infections in Ukraine, the proportion of sexually transmitted HIV infections is increasing. In Estonia, reported HIV infections have soared from 12 in 1999 to 1,112 in the first nine months of 2001. Outbreaks of HIV-related injecting drug use are also being reported in several Central Asian republics, including Kazakhstan and, most recently, Kyrgyzstan, Tajikistan and Uzbekistan.

Given the current evidence, a much larger and more generalized epidemic is a real threat. However, the epidemic is still at an early stage in the region and massive prevention efforts could curtail its scale and extent. Such efforts would require a comprehensive response to reduce risky sexual and drug-injecting behaviour among young people, and tackle the socioeconomic and other factors that promote the spread of the virus.

In the Russian Federation and other parts of the former Soviet Union, the vast majority of reported HIV infections are related to injecting drug use, which has become unusually widespread among young people, especially young men. An estimated 1 percent of the population of those countries is injecting drugs. Given the high odds of transmission through needle sharing, the fact that the young people are also sexually active, and the high levels of sexually transmitted infections in the wider population, a huge epidemic may be imminent. As well, the male-female ratio among newly detected HIV cases has narrowed from 4:1 to 2:1, indicating that young women are increasingly at risk of HIV infection.

Several factors are creating a fertile setting for the epidemic; mass unemployment and economic insecurity beset much of the region; social and cultural norms are being increasingly liberalized; and public health services are steadily disintegrating.

Reported rates of other sexually transmitted infections are very high and compound the odds of HIV being transmitted through unprotected sex. The incidence of syphilis (the reported number of infections in a given year) in the Russian Federation in 2000 stood at 157 per 100,000 persons, compared to 4.2 per 100,000 persons in 1987. Similar general trends are visible in the Baltic States, Belarus, the Central Asian republics, the Republic of Moldova, and Ukraine.

Unprecedented numbers of young people are not completing their secondary schooling. With jobs in short supply, many are at special risk of joining groups of vulnerable populations, by resorting to injecting drug use and (regular or occasional) sex work. Among young people in the Russian Federation, for instance, drug use is almost three times more prevalent than it was five years ago. Drug use is steadily becoming a more frequent feature of secondary school life in many cities. Needle sharing is common practice among injecting drug users—and a common cause of HIV transmission. Surveys in some cities in the Russian Federation show that most sex workers are 17–23 years old and that condom use in the sex industry is erratic, at best.

HIV risk is high among men who have sex with men, among whom multiple partners and unprotected sex are widespread. While laws penalizing homosexual activities with imprisonment have been struck off the statute books in the Russian Federation and in most (though not all) other countries of the former Soviet Union, men who have sex with men remain highly stigmatized socially. Currently, there are very few examples of HIV prevention activities targeting this group.

In south-eastern Europe, rates of sexually transmitted infections and injecting drug use are also on the rise, although still at considerably lower levels than elsewhere in the region. Drug trafficking, along with the economic and psychological aftermath of recent conflicts, are increasing the likelihood that HIV epidemics will emerge in this region.

In Central Europe, there is cause for tempered optimism. There is little indication, at this stage, of a potential rise in HIV infections. By mounting a strong national response, the Polish Government has successfully curtailed the epidemic among injecting drug users and prevented it from gaining a foothold in the general population. Prevalence remains low in countries such as the Czech Republic, Hungary and Slovenia, where well-designed national HIV/AIDS programmers are in operation.

More than 150 HIV/AIDS prevention projects among injecting drug users have been set up across the region in the past five years, along with projects focusing on other vulnerable populations such as prison inmates, sex workers and men who have sex with men. Although comparatively few in number, many of these projects are laying the foundations for larger, more extensive prevention work.

At the same time, there are signs of growing political commitment in the region. Following the UN General Assembly Special Session on HIV/AIDS, countries of the Commonwealth of Independent States are developing a special declaration on the epidemic and are preparing a regional work plan to guide a coordinated response. In countries such as Bulgaria, Romania, the Russian Federation and Ukraine, the budgets of national AIDS programmes have increased substantially. The strong partnerships being forged between the government, private sector and nongovernmental organizations in Ukraine are setting a positive example for the rest of the region. In June 2001, the President of Ukraine declared 2002 the year of the fight against AIDS.

Vigorous prevention efforts are needed to equip young people with the knowledge and services (such as HIV/AIDS information, condom promotion, life-skills training) they need to protect themselves against the virus. Given that young people (especially women) are bearing the brunt of the economic transitions in the region, socioeconomic programmes that can reduce the vulnerability of young men and women are also vital.

Special steps are needed to include HIV-related life-skills education in school curricula and to extend peer education to vulnerable young people who are in institutions or out of school and employment. Much more comprehensive efforts are needed to address the complex issues related to HIV and injecting drug use among young people.

ASIA AND THE PACIFIC

HIV/AIDS was late coming to Asia. Until the late 1980s, no country in the region had experienced a major epidemic and, in 1999, only Cambodia, Myanmar and Thailand had documented significant nationwide epidemics. This situation is now rapidly changing. In 2001, 1.07 million adults and children were newly infected with HIV in Asia and the Pacific, bringing to 7.1 million the total number of people living with HIV/AIDS in this region. Of particular concern are the marked increases registered in some of the world's most heavily populated countries.

Surveillance data on China's huge population are sketchy, but the country's health ministry estimates that about 600,000 Chinese were living with HIV/AIDS in 2000. Given the recently observed rises in reported HIV infections and infection rates in many sub-populations in several parts of the country, the total number of people living with HIV/AIDS in China could well have exceeded one million by late 2001. Reported HIV infections rose by 67.4 percent in the first six months of 2001, compared with the previous year, according to the country's ministry of health. Increasing evidence has emerged of serious epidemics in Henan Province in central China, where many tens of thousands (and possibly more) of rural villages have become infected since the early 1990s by selling their blood to collecting centres that did not follow basic blood donation safety procedures.

HIV levels in specific groups are known to be rising in several other areas. Seven Chinese provinces were experiencing serious labor HIV epidemics in 2001, with prevalence higher than 70 percent among injecting drug

users in a number of areas, such as Yili Prefecture in Xinjiang and Ruili Country in Yunnan. Another nine provinces are possibly on the brink of HIV epidemics among injecting drug users because of very high rates of needle sharing. There are also signs of heterosexually transmitted HIV epidemics in at least three provinces (Yunnan, Guangxi and Guangdong), with HIV rates reaching 4.6 percent (up from 1.6 percent in 1999) in Yunnan and 10.7 percent in Guangxi (up from 6 percent) among sentinel sex worker populations in 2000.

Vast and populous India faces similar challenges. At the end of 2000, the national adult HIV prevalence rate was under 1 percent, yet this meant that an estimated 3.86 million Indians were living with HIV/AIDS—more than in any other country besides South Africa. Indeed, median HIV prevalence among women attending antenatal clinics was higher than 2 percent in Andhra Pradesh and exceeded 1 percent in five other states (Karnataka, Maharashtra, Manipur, Nagaland and Tamil Nadu) and in several major cities (including Bangalore, Chennai, Hyderabad and Mumbai). India's epidemic is also strikingly diverse, both among and within states.

Indonesia—the world's fourth-most populous country—offers an example of how suddenly a HIV/AIDS epidemic can emerge. After more than a decade of negligible rates of HIV, the country is now seeing infection rates increase rapidly among injecting drug users and sex workers, in some places, along with an exponential rise in infection among blood donors (an indication of HIV spread in the population at large). HIV infection in injection drug users was not considered worth measuring until 1999/2000, when it had already reached 15 percent. Within another year, 40 percent of injectors in treatment in Jakarta were already infected. In Bogor, in West Java Province, 25 percent of injecting drug users tested were HIV-infected, while among drug-using prisoners tested in Bali, prevalence was 53 percent.

Behaviours that bring the highest risk of infection in Asia and the Pacific are unprotected sex between clients and sex workers, needle sharing and unprotected sex between men. But infections do not remain confined to those with higher-risk behaviour. Many countries have been major epidemics grow out of initially relatively contained rates of infection in these populations. Northern Thailand's epidemic in the late 1980's and early 1990s was primed in this way. Over 10 percent of young men became infected before strong national and local prevention efforts, including the ''100 percent programme'', reduced high-risk behaviour, encouraged safer sex and lowered HIV prevalence.

Commercial sex provides the virus with considerable scope for growth. The limited national behavioural data collected in the region to date show that, over the past decade, the percentage of surveyed adult men who reported having visited a sex worker in a given year ranged from 5 percent in some countries to 20 percent in others. India and Viet Nam are countries where levels of infection among clients and sex workers are rising. In Ho Chi Minh City, the percentage of sex workers with HIV has risen sharply since 1998, reaching more than 20 percent by 2000.

Few countries are acting vigorously enough to protect sex workers and clients from the HIV virus. Yet, it is from the comparatively small pool of sex workers first infected by their clients that HIV steadily enters the larger pool of still-uninfected clients who eventually transmit the virus to their wives and partners. Although recent behaviour surveillance surveys show that, in 11 out of 15 Asian countries and Indian states, over two-thirds of sex workers report using a condom with their last client, the need to boost condom use remains. In Bangladesh, Indonesia, Nepal and the Philippines, for instance, fewer than half of sex workers report using condoms with every client.

Sharing injecting equipment is a very efficient way of spreading HIV, making prevention programmes among injecting drug user populations another top priority. Upwards of 50 percent of injecting drug users have acquired the virus in Myanmar, Nepal, Thailand, China's Yunnan Province and Manipur in India. Recent surveys show that a third of injecting drug users in Viet Nam said they recently shared needles with other users, while 55 percent of male injecting drug users in northern Bangladesh and 75 percent in the central region report sharing injecting equipment at least once in the week prior to being questioned.

Extensive harm reduction programmes can and do work. By the 1980s, Australia had prevented a major epidemic from occurring among injecting drug users and, quite likely, from spreading beyond them. Such examples are being followed by several other countries, but in an isolated fashion. The SHAKTI Project in Dhaka, Bangladesh, offers injecting drug users needle exchange, safer injecting options and safer sex education, as well as condoms. IKHLAS, in the Malaysian capital of Kuala Lumpur, provides peer support services, but the estimated 5000 injecting drug users reached are only a fraction of the country's drug-injecting population.

The need to expand such programmes nationally is patent is these concentrated epidemics are to be brought under control before they spill into the wider population. Many injecting drug users are sexually active young men. Many have steady partners; others buy sex. The overlap between injecting drug use and buying sex is striking. In some Vietnamese cities, 17 percent of male injecting drug users reported having recently bought unprotected sex. Between half and three-quarters of male injecting drug users in several cities of Bangladesh have reported buying sex from women during the past year, with fewer than one-quarter of them saying they had used a condom the last time they paid for sex. There also is increasing evidence of female sex workers taking up injecting drug use in Viet Nam.

Some self-identified ''gay'' communities exist throughout the region but, in most of Asia, many additional categories of men engage in same-sex intercourse. Many men who prefer sex with men also have sex with women. Indeed, many marry and raise families. This creates a huge potential for men who have unprotected sex with men to act as ''bridges'' for the virus in the wider population. In Cambodia, for instance, some 40 percent of men who have sex with men reported also having had sex with women in the month prior to being surveyed.

At the same time, there is ample evidence that early, large-scale and focused prevention programmes, which include efforts directed at both those with higher-risk behavior and the broader population, can keep infection rates lower in specific groups and reduce the risk of extensive HIV spread among the wider population. Cambodia's prevention measures, which began in earnest in 1994–95, saw high-risk behavior among men fall and condom use rise consistently in the late 1990s. As a consequence, HIV prevalence among pregnant women declined from 3.2 percent in 1997 to 2.3 percent at the end of 2000, suggesting that the country is beginning to bring its epidemic under control.

Thailand's well-funded, politically-supported and comprehensive prevention programmes, which accelerated in the early 1990s have trimmed annual new HIV infections to about 30,000, from a high of 140,000 a decade ago. Although an estimated 700,000 Thais are living with HIV today, Thailand's prevention efforts probably averted millions of HIV infections. Nonetheless, one-in-60 Thais in this country of 62 million people is infected with HIV, and AIDS has become the leading cause of death, despite the country's prevention successes. There are indications that transmission between spouses is now responsible for more than half of new infections—a reminder that mainly targeting high-risk groups is inadequate, and that countries need to carefully track patterns of HIV spread and adapt their responses accordingly. Furthermore, ongoing high rates of HIV infection through needle sharing in Thailand highlight the need to sustain prevention efforts as the epidemic evolves.

In large parts of Asia and the Pacific, prevention programmes are poorly funded and resourced. Typically, small projects are scattered across countries and do not acquire the scale or coherence that is needed to halt the epidemic's spread. Because many high-risk practices are frowned upon and even criminalized, there are serious political hurdles to prevention.

SUB-SAHARAN AFRICA

Sub-Saharan Africa remains the region most severely affected by HIV/AIDS. Approximately 3.4 million new infections occurred in 2001, bringing to 28.1 million the total number of people living with HIV/AIDS in this region.

The region is experiencing diverse epidemics in terms of scale and maturity. HIV prevalence rates have risen to alarming levels in parts of southern Africa, where the most recent antenatal clinic data reveal levels of more than 30 percent in several areas. In Swaziland, HIV prevalence among pregnant women attending antenatal clinics in 2000 ranged from 32.3 percent in urban areas to 34.5 percent in rural areas; in Botswana, the corresponding figures were 43.9 percent and 35.5 percent. In South Africa's KwaZulu-Natal Province, the figure stood at 36.2 percent in 2000.

At least 10 percent of those aged 15–49 are infected in 16 African countries, including several in southern Africa, where at least 20 percent are infected. Countries across the region are expanding and upgrading their responses. But the high prevalence rates mean that even exceptional success on the prevention front will now only gradually reduce the human toll. It is estimated that 2.3 million Africans died of AIDS in 2001.

This notwithstanding, in some of the most heavily affected countries there is growing evidence that prevention efforts are bearing fruit. One new study in Zambia shows urban men and women reporting less sexual activity, fewer multiple partners and more consistent use of condoms. This is in line with earlier indications that HIV prevalence is declining among urban residents in Zambia, especially among young women aged 15–24.

According to the South African Ministry of Health, HIV prevalence among pregnant women attending antenatal clinics reached 24.5 percent in 2000. About one-in-nine South Africans (or 4.7 million people) are living with HIV/AIDS. Yet, there are possibly heartening signs that positive trends might be increasingly taking hold among adolescents, for whom prevalence rates have dropped slightly since 1998. Large-scale information campaigns and condom distribution programmes appear to be bearing fruit. In South Africa, for instance, free male condom distribution rose from 6 million in 1994 to 198 million five years later. In recent surveys, approximately 55 percent of sexually active teenage girls reported that they always use a condom during sex. But these

developments are accompanied by a troubling rise in prevalence among South Africans aged 20–34, highlighting the need for greater prevention efforts targeted at older age groups, and tailored to their realities and concerns.

Progress is also being made on the treatment and care front. In the southern African region, relatively prosperous Botswana has become the first country to begin providing antiretroviral drugs through its public health system, thanks to a bigger health budget and drug price reductions negotiated with pharmaceutical companies.

Within the context of a public/private partnership between five research-and-development pharmaceutical companies and five United Nations agencies, there is increasing access to antiretroviral therapy in Africa. As of the end of 2001, more than 10 African countries were providing antiretroviral therapy to people living with HIV/AIDS.

In five West African countries—Burkina Faso, Cameroon, Côte d'Ivoire, Nigeria and Togo—national adult prevalence rates already passed the 5 percent mark in 2000. Countries such as Nigeria are boosting their spending on HIV/AIDS and extending their responses nationwide. This year, Nigeria launched a US $240-million HIV/AIDS Emergency Action Plan. Determined prevention efforts in Senegal continue to bear fruit, thanks to the prompt political support for its programmes.

On the eastern side of the continent, the downward arc in prevalence rates continues in Uganda—the first African country to have subdued a major HIV/AIDS epidemic. HIV prevalence in pregnant women in urban areas has fallen for eight years in a row, from a high of 29.5 percent in 1992 to 11.25 percent in 2000. Focusing heavily on information, education and communication, and decentralized programmes that reach down to village level, Uganda's efforts have also boosted condom use across the country. In the Masindi and Pallisa districts, for instance, condom use with casual partners in 1997—2000 rose from 42 percent and 31 percent, respectively, to 51 percent and 53 percent. In the capital, Kampala, almost 98 percent of sex workers surveyed in 2000 said they had used a condom the last time they had sex.

But despite such success, huge challenges remain. New infections continue to occur at a high rate. Most people with HIV do not have access to antiretroviral therapy. Already, by the end of 1999, 1.7 million children had lost a mother or both parents to the disease. Providing them with food, housing and education will test the resources and resolve of the country for many years to come.

Uganda's experience underlines the fact that even a rampant HIV/AIDS epidemic can be brought under control. The axis of any effective response is a prevention strategy that draws on the explicit and strong commitment of leaders at all levels, that is built on community mobilization, and that extends into every area of the country.

Although they are exceptionally vulnerable to the epidemic, millions of young African women are dangerously ignorant about HIV/AIDS. According to UNICEF, more than 70 percent of adolescent girls (aged 15–19) in Somalia and more than 40 percent in Guinea Bissau and Sierra Leone, for instance, have never heard of AIDS. In countries such as Kenya and the United Republic of Tanzania, more than 40 percent of adolescent girls harbor serious misconceptions about how the virus is transmitted. One of the targets fixed at the UN General Assembly Special Session on HIV/AIDS in June 2001 was to ensure that at least 90 percent of young men and women should, by 2005, have the information, education and services they need to defend themselves against HIV infection. As in other regions of the world, most countries in sub-Saharan Africa are a considerable way from fulfilling that pledge.

The vast majority of Africans living with HIV do not know they have acquired the virus. One study has found that 50 percent of adult Tanzanian women know where they could be tested for HIV, yet only 6 percent have been tested. In Zimbabwe, only 11 percent of adult women have been tested for the virus. Moreover, many people who agree to be tested prefer not to return and discover the outcome of those tests. However, other obstacles remain. A study in Abidjan, Côte d'Ivoire, shows that 80 percent of pregnant women who agree to undergo a HIV test return to collect their results. But of those who discover they are living with the virus, fewer than 50 percent return to receive drug treatment for the prevention of mother-to-child transmission of the virus.

More than half of the women who know they have acquired HIV, and who were surveyed by Kenya's Population Council this year, said they had not disclosed their HIV status to their partners because they feared it would expose them to violence or abandonment. Not only are voluntary counselling and testing services in short supply across the region, but stigma and discrimination continue to discourage people from discovering their HIV status.

Accumulating over the past year have been many encouraging developments. Thirty-one countries in the region have now completed a national HIV/AIDS strategic plan and another 12 are developing such a plan. Several regional initiatives to roll back the epidemic are under way. Some, such as those grouping countries in the Great Lakes region, the Lake Chad Basin and West Africa, are concentrating their efforts on reducing the vulnerability of refugee and other mobile populations. The political commitment to turn the tide of AIDS appears stronger than ever. Gatherings such as the 200 African Development Forum meeting last December, and the Organization of African Unity Summit HIV/AIDS, Tuberculosis and Other Related Infectious Diseases in April 2001, appear to be cementing that resolve. At the latter meeting, Heads of State agreed to devote at least 15 percent of their countries' annual budgets to improving health sectors. Fewer than five countries had reached that level in 2000.

AIDS has become the biggest threat to the continent's development and its quest to bring about an African Renaissance. Most governments in sub-Saharan Africa depend on a small number of highly skilled personnel in important areas of public management and core social services. Badly affected countries are losing many of these valuable civil servants to AIDS. Essential services are being depleted at the same time as state institutions and resources come under greater strain and traditional safety nets disintegrate. In some countries, health-care systems are losing up to a quarter of their personnel to the epidemic. People at all income levels are vulnerable to these repercussions, but those living in poverty are hit hardest. Meanwhile, the ability of the state to ensure law and order is being compromised, as the epidemic disrupts institutions such as the courts and the police. The risks of social unrest and even socio-political instability should not be underestimated.

THE MIDDLE EAST AND NORTH AFRICA

In the countries of the Middle East and North Africa, the visible trend is also towards increasing HIV infection rates, though still at very low levels. Existing surveillance systems remain inadequate, but it is estimated that 80,000 people acquired the virus in 2001, bringing to 440,000 the number of people living with HIV/AIDS. The need for early, effective prevention is becoming manifest throughout this region.

Unfortunately, factors driving the epidemic are still too seldom systematically analysed in most countries in the region. As a result, HIV/AIDS responses are rarely based on a clear understanding of infection patterns or knowledge of particular high-risk groups.

Based on current knowledge, however, factors putting people at risk are varied, though sexual intercourse remains the dominant route of transmission. A local study in Algeria has revealed prevalence rates of 1 percent among pregnant women. Outbreaks now appear to be occurring elsewhere, including in the Libyan Arab Jamahiriya, where all but a fraction of the 570 new HIV infections reported in 2000 were among drug users. Djibouti and the Sudan are facing growing epidemics that are being driven by combinations of socioeconomic disparities, large-scale population mobility and political instability.

The rate of HIV infection is increasing significantly in other vulnerable groups. Among prisoners in the Islamic Republic of Iran, rates of HIV infection have risen from 1.37 percent in 1999 to 2.28 percent in 2000. Besides the Sudan and the Republic of Yemen, all countries in the region have reported HIV transmission through injecting drug use. Unless addressed promptly through harm reduction and other prevention approaches, the epidemic among these subpopulations of injecting drug users could grow dramatically and spread into the wider population.

There are also signs that the double disease burden of HIV and tuberculosis is growing in some countries. Rates of HIV infection among tuberculosis patients are rising and, by mid-2001, stood at 8 percent in the Sudan, 4.8 percent in Oman, 4.2 percent in the Islamic Republic of Iran and 2.1 percent in Pakistan.

At the same time, the political will to mount a more potent response to the epidemic is visible in several countries, some of which are introducing innovative approaches. Examples include the mobilization of nongovernmental organizations around prevention programmes in Lebanon, and harm reduction work among injecting drug users in the Islamic Republic of Iran.

HIGH-INCOME COUNTRIES

Unless averted with renewed and more effective prevention efforts, resurgent epidemics will continue to threaten high-income countries, where over 75,000 people became infected with HIV in 2001.

In Australia, Canada, the United States of America (USA) and countries of Western Europe, a pronounced rise in unsafe sex is triggering higher rates of sexually transmitted infections and, in some cases, higher levels of HIV incidence among men who have sex with men. The prospect of rebounding HIV/AIDS epidemics looms as a result of widespread public complacency and stalled, sometimes inappropriate, prevention efforts that do not reflect changes in the epidemic. In Japan, meanwhile, HIV infections are also on the rise.

The rise in new HIV infections among men who have sex with men is striking. In Vancouver, Canada, HIV incidence among young men who have sex with men rose from an average of 0.6 percent in 1995–1999 to 3.7 percent in 2000. In London, United Kingdom, reported HIV infections among gay men are also on the rise. In Madrid, reported HIV infections rose almost twofold (from 1.16 percent to 2.16 percent in 1996–2000, whereas, in San Francisco, it rose from 1.1 percent in 1997 to 1.7 percent in 2000 and appears to be rising still, according to recent studies. Among gay men

who inject drugs in that city, the infection rate climbed from 2 percent in 1997 to 4.6 percent in 2000.

Rising incidence of other sexually transmitted infections among men who have sex with men (in Amsterdam, Sydney, London and southern California, for instance) confirms that more widespread risk-taking is eclipsing the safer-sex ethic promoted so effectively for much of the 1980s and 1990s. Similar trends are being detected among the heterosexual populations of some countries, especially among young people. Diagnoses of gonorrhea and syphilis among men and women have hit their highest levels for 13 years in England and Wales, for instance.

Part of the explanation could lie in the visibly life-saving effects of antiretroviral therapy, introduced in high-income countries in 1996. Deaths attributed to HIV in the USA, for instance, fell by a remarkable 42 percent in 1996–97, since the decline has levelled off. However, this wide access to antiretroviral therapy has encouraged misperceptions that there is now a cure for AIDS and that unprotected sex poses a less daunting risk. High-risk behaviour is increasing, as a result.

Prevention efforts, as well as treatment and care strategies, have to contend with other, significant shifts in the epidemic, such as its slow but apparently inexorable shift towards other vulnerable populations. At play appears to be an overlap of racial discrimination with income, health and other inequalities. In high-income countries there is evidence that HIV is moving into poorer and more deprived communities, with women at particular risk of infection. Young adults belonging to ethnic minorities (including men who have sex with men) face considerably greater risks of infection than they did five years ago in the USA. African-Americans, for instance, make up only 12 percent of the population of the USA, but constituted 47 percent of AIDS cases reported there in 2000. As elsewhere in the world, young disadvantaged women (especially African-American and Hispanic women) in the USA are being infected with HIV at higher rates and at younger ages than their male counterparts.

In the USA, men having sex with men is still the main mode of transmission (accounting for some 53 percent of new HIV infections in 2000), but almost one-third of new HIV-positive diagnoses were among women in 2000. In this latter group, an overlap of injecting drug use and heterosexual intercourse appears to be driving the epidemic. Indeed, injecting drug use has become a more prominent route of HIV infection in the USA, where an estimated 30 percent of new reported AIDS cases are related to this mode of transmission. In Canada, women now represent 24 percent of new HIV infections, compared to 8.5 percent in 1995.

The HIV epidemic in western and central Europe is the result of a multitude of epidemics that differ in terms of their timing, their scale and the populations they affect. Portugal faces a serious epidemic among injecting drug users. Of the 3733 new HIV infections reported there in 2000, more than half were caused by injecting drug use and just under a third occurred via heterosexual intercourse. Reports of new HIV infections also indicate that sex between men is an important transmission route in several countries, including Germany, Greece and the United Kingdom. Unfortunately, HIV reporting data are uneven in several of the more affected countries, including some of those believed to be most affected by the epidemic among injecting drug users.

In Japan, the number of HIV infections detected in men who have sex with men has risen sharply in recent years, with male-male sex now accounting for more than twice as many infections in men as heterosexual sex. This is a major departure from past patterns: until two years ago, the number of new infections reported in both groups was roughly equal.

There are also signs that the sexual behavior of youth in Japan could be changing significantly and putting this group at greater risk of HIV infection. Higher rates of Chlamydia among females and gonorrhoea infections among males, as well as a doubling of the number of induced abortions among teenage women in the past five years, suggest increased rates of unprotected sexual intercourse. Behavioral data, meanwhile, show low condom use, both in the general population and among sex workers.

LATIN AMERICA AND THE CARIBBEAN

Major differences in epidemic levels and patterns of HIV transmission are evident in Latin America and the Caribbean, where an estimated 1.8 million adults and children are living with HIV—including the 190,000 people who acquired the virus in the past year. Some 1.4 million people are living with HIV/AIDS in Latin America and 420,000 in the Caribbean.

In Central America and the Caribbean, HIV is mainly heterosexually transmitted, with unsafe sex and frequent partner exchange among young people high among the factors driving the epidemic. Other powerful dynamics are abetting the spread of HIV, notably the combination of socioeconomic pressures and high population mobility (including tourism).

The Caribbean is the second-most affected region in the world, with adult HIV prevalence rates only exceeded by those of sub-Saharan Africa. In several Caribbean countries, HIV/AIDS has become a leading cause of death. Worst affected are Haiti and the Bahamas, where adult HIV prevalence rates are above 4 percent. But the epidemic is by no means concentrated only in the Caribbean.

Along with Barbados and the Dominican Republic, several Central American and Caribbean countries had adult HIV prevalence rates of at least 1 percent at the end of 1999, including Belize, Guyana, Honduras, Panama and Suriname. By contrast, prevalence is lowest in Bolivia, Ecuador and other Andean countries. Almost three-quarters of AIDS cases reported in Central America are the result of sex between men and women. On some Caribbean islands, the phenomenon of young women having sex with older men is especially prominent, and is reflected in the fact that the HIV rate among girls aged 15–19 is up to five times that of boys in the same age group. Research among sex workers in Guyana's capital, Georgetown, has found that 46 percent of surveyed sex workers were living with HIV/AIDS, that more than one-third of them never used a condom with their clients, and that almost three-quarters did not use condoms with their regular partners. The probability of the virus passing into the wider population is therefore high.

In Costa Rica, Mexico, Nicaragua and parts of the Andean region, sex between men is the more prominent route of HIV transmission. Recent studies among men who have sex with men in Mexico have shown that just over 14 percent were HIV-positive. Prevalence rates among heterosexual sex workers and sexually transmitted infection patients in Mexico, meanwhile, appear still to be low. Injecting drug use is a main route of HIV transmission in Argentina, Chile and Uruguay, and also plays a major role in Brazil. Patterns of transmission can also differ markedly within countries—a reminder that universal national programmes are inappropriate. In Colombia's highlands, for instance, unprotected sex between men accounts for most HIV infections, while, on the coast, heterosexual intercourse is the main route of transmission.

Countries' commitment to stem the epidemic and limit its effects has grown markedly. Several countries have launched or are developing government programmes to distribute antiretroviral drugs to HIV/AIDS patients. But there are wide disparities in the quality and scope of different countries' antiretroviral treatment programmes. The wide access to treatment that people living with HIV/AIDS have in countries such as Argentina, Brazil and Uruguay is not yet matched in most other countries of the Americas. Up to recently, Central America experienced a large gap in access to treatment. Now, however, countries such as Costa Rica and Panama are providing treatment access. Caribbean countries are currently developing a regional strategy to speed up and expand access to treatment and care for people living with HIV/AIDS. Countries such as Barbados and Trinidad and Tobago are preparing to implement new national programmes.

In Brazil, a substantial decline in HIV prevalence among injecting drug users has been observed recently in several large metropolitan areas. This suggests that HIV/AIDS prevention and harm reduction programmes in those cities have made possible safer injection habits among these populations. Brazil's prevention efforts are being balanced with an extensive treatment and care programme that guarantees state-funded antiretroviral therapy for those living with HIV/AIDS. The number of people living with the virus in Brazil has reached about 600,000, according to the country's Health Ministry—up from 540,000 in 1999. An estimated 105,000 Brazilians are receiving antiretrovial drugs through the public health system.

A new political resolve is also apparent in several regional initiatives. Launched in February 2001, the Pan-Caribbean Partnership against HIV/AIDS, for instance, links the resources of governments and the international community with those of civil society to boost national and regional responses. It is being coordinated by the Caribbean Community Secretariat (CARICOM). On the basis of the Nassau Declaration issued in July 2001, as follow-up to the UN General Assembly Special Session on HIV/AIDS, Caribbean Heads of Government are also devising ways to support each other's national HIV/AIDS programmes and jointly negotiate affordable prices for antiretrovial drugs.

Meanwhile, protecting vulnerable populations on the move is now the focus of a regional initiative in Central America. Argentina, Chile, Paraguay and Uruguay are collaborating in harm-reduction schemes for injecting drugs users. National AIDS programmes have also joined a collaborative scheme to share technical assistance throughout Latin America and the Caribbean. Known as the Horizontal Technical Cooperation Group, it brings together more than 20 countries of the region.

EXPLANATORY NOTE ABOUT UNAIDS/WHO ESTIMATES

The UNAIDS/WHO estimates in this document are based on the most recent available data on the spread of HIV in countries around the world. They are provisional. UNAIDS and WHO, together with experts from national AIDS programmes and research institutions, regularly review and update the estimates as improved knowledge about the epidemic becomes available, while also drawing on advances made in the methods for deriving estimates.

The estimates and data provided in the graphs and tables are given in rounded numbers. However, unrounded numbers were used

in the calculation of rates and regional totals, so there may be small discrepancies between the global totals and the sum of the regional figures.

In 2001, new software was developed to model the course of HIV/AIDS around the world and to further enhance the quality of estimates of HIV/AIDS prevalence and impact. As a result, this year's estimates incorporate, in particular, new knowledge and assumptions about survival times for adults and children living with HIV/AIDS. Because of this, some of the new estimates cannot be compared directly with estimates from previous years.

UNAIDS and WHO will continue to work with countries, partner organizations and experts to improve data collection. These efforts will ensure that the best possible estimates are available to assist governments, nongovernmental organizations and others in gauging the status of the epidemic and monitoring the effectiveness of their considerable prevention and care efforts.

HIV/AIDS accounts for 70 percent of all cases of AIDS worldwide. Since its inception, more than 58 million individuals have been infected with HIV/AIDS, while 22 million have lost their lives, 17 million alone in sub-Saharan Africa. It is clearly the leading cause of death in sub-Saharan Africa. Further, 90 percent of the world's orphans reside in this region.

Given the loss of life AIDS has caused, the destruction of entire communities, and the long-term impact of economic growth, we must step up our efforts to fight this devastating disease. I have worked with the officials in Botswana who are struggling to combat the impact of HIV on their young adults, their most productive sector of their community. Therefore, we must do all we can.

I want to commend all involved and ask that we not only pass this bill, but do other things to fight this global pandemic.

Mr. HYDE. Madam Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Iowa (Mr. LEACH).

Mr. LEACH. Madam Speaker, I thank the gentleman for yielding time to me.

Let me first express my appreciation for the leadership of the gentleman from Illinois (Chairman HYDE), the gentleman from California (Mr. LANTOS), the gentleman from Nebraska (Mr. BEREUTER), and of course the gentlewoman from California (Ms. LEE) on this issue.

There should be no doubt that the United States confronts two wars simultaneously. One is the war on terrorism, waged with the scourge of biological weapons. The other is war on the devastating disease that is pandemic in so many poor parts of the world.

Einstein once said that splitting the atom has changed everything save our mode of thinking. Atom-splitting produced the potential for great good through nuclear energy, and the potential for great harm through weapons of mass destruction.

Now, the splitting of genes has come to symbolize an even greater change: the biological discoveries that promise to enrich and lengthen life on the one hand, and the possibility of biological weapons on the other that jeopardize life itself on the planet.

What we must be about is constraining the forces of evil and expanding the forces of life. We cannot win the war that terrorism has brought to our shore without waging with equal vigor the war on disease everywhere that it exists.

Mr. LANTOS. Madam Speaker, I am very pleased to yield 2 minutes to my dear friend and distinguished colleague, the gentlewoman from California (Ms. WATSON), who served our Nation with great distinction as a United States ambassador.

Ms. WATSON of California. Madam Speaker, we have already heard the figures of the number of Africans infected with HIV and AIDS. They are staggering, but deserve to be repeated once again: sub-Saharan Africa has only 10 percent of the world's population, but accounts for 70 percent of all HIV/AIDS cases and 80 percent of all HIV/AIDS-related deaths. The infection rate in some African nations now exceeds 30 percent; and in a few countries, it is approaching 40 percent of the total population.

Finally, the United States National Intelligence Council estimates that the disease could reduce the gross domestic product in some sub-Saharan Africa countries by as much as 20 percent or more by 2010. The social and economic consequences of this disease are not like any other public health threat that the world has faced in modern times. Important and hard-won economic gains made by African nations could be wiped out in less than a decade. Moreover, social dislocation caused by the high rates of death among HIV-infected mothers and fathers is already straining the outer bounds of fragile African nation states.

H.R. 2069, and I commend the sponsors, authorizes additional spending levels in excess of $1 billion for bilateral and multilateral HIV/AIDS assistance to African nations that is more in keeping with our international assistance obligations.

Madam Speaker, the HIV/AIDS pandemic in Africa not only presents us with a profoundly humanitarian, economic, and social dilemma, it also, in the very near term, if more is not done, may challenge the very notion of law-based nation states.

I support this legislation, and I would urge everyone else to do so.

Mr. HYDE. Madam Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Madam Speaker, I thank my good friend for yielding time to me.

Madam Speaker, I rise in strong support of H.R. 2069 and believe the gentleman from Illinois (Chairman HYDE) deserves special recognition and thanks for his persistence on behalf of all who are weak and vulnerable, including AIDS victims.

As my colleagues know, and has been said on the floor today, the scourge of AIDS around the globe has reached catastrophic proportions, particularly in sub-Saharan Africa. A December report by U.N. AIDS indicated that nearly 25.3 million adults and children are infected with the HIV virus in sub-Saharan Africa. To put this in perspective, this region has about 10 percent of the world's population, but more than 70 percent of the HIV/AIDS patients.

Madam Speaker, among the most tragic of the victims are the children who contact HIV via vertical transmission, from mother to child, during or shortly after childbirth. Some estimates place the number of vertical transmission cases at 600,000 babies annually in Africa. Madam Speaker, vertical transmission is specifically addressed in this bill. In an age where we already have proven drug regimens and methods to prevent mother-to-child transmission, and we have had them for sometime now, Madam Speaker, it is outrageous that so many children around the world are still contracting HIV/AIDS in this manner. This could be stopped, and this bill goes a long way to doing so.

I would also point out to my colleagues that during markup I offered an amendment in the area of hospice and palliative care. Madam Speaker, unfortunately, today, when people, particularly in Africa, get AIDS, they are treated as lepers, like we had in Biblical times: People go nowhere near them, even when they are family members.

Thankfully, there is an effort under way in Africa and elsewhere to reach out to these people so they can die in dignity, and hopefully with the least amount of pain as is humanly possible. In South Africa, the Catholic Church and Catholic Relief Services and others are doing incredible jobs of networking, of bringing the news that you can take care of an AIDS patient in your home without the fear of contamination yourself. There are methods and procedures that need to be followed; and thankfully, that word is getting out.

Madam Speaker, this legislation does address that and will target some resources in that direction.

Madam Speaker, this is a great bill. I hope Members will support it, and congratulations to the gentleman from Illinois (Chairman HYDE).

Mr. LANTOS. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, again I want to thank the gentleman from Illinois (Chairman HYDE) for his extraordinary leadership. I want to thank all my colleagues and staff for working on this landmark legislation, and I urge all of my colleagues to support it.

Madam Speaker, I yield back the balance of my time.

Mr. HYDE. Madam Speaker, I yield myself the balance of my time.

Madam Speaker, we got an awful lot done in this committee because of the great cooperation of the gentleman from California (Mr. LANTOS) and his staff; and I deeply appreciate it, particularly on this bill.

Mr. GILMAN. Madam Speaker, I rise in strong support for H.R. 2069, The Global Access to HIV/AIDS Prevention, Awareness, Education, and Treatment Act of 2001.

More than 58 million people worldwide are infected with HIV/AIDS making it more than just a humanitarian issue . . . it has become a national security, and developmental crisis. It is reported that ninety five percent of the world's HIV-infected people live in developing countries. Right next door, infection rates are rising rapidly in Haiti and the Caribbean, where an estimated 5 percent of the population has AIDS or is HIV-infected.

Madam Speaker, our nation has only begun to properly tackle AIDS and HIV infection in our nation. Our friends and neighbors in lesser developed nations are breaking under the pressure of the destruction that this terrible disease has brought to bear on them. H.R. 2069 helps to alleviate some of the suffering and will help to strengthen the social structures that are crumbling under the weight of the burden of carrying for so many.

Secretary Powell said it well when he stated that the United States has an obligation to do more ''if we believe in democracy and freedom (then we must work) to stop this catastrophe from destroying whole economies and families and societies and cultures and nations.''

Accordingly, Madam Speaker, I urge my colleagues to support H.R. 2069.

Ms. SCHAKOWSKY. Madam Speaker, I rise in strong support of H.R. 2069, The Global Access to HIV/AIDS Prevention Act of 2001. I want to commend and thank the distinguished Chairman (Mr. HYDE) and Ranking Member (Mr. LANTOS) of the International Relations Committee, the authors of this important legislation for their efforts and for their leadership. I also want to commend the gentlewoman from California (Ms. LEE) for her continuing leadership and commitment on this critical issue. The bill we have before us today is another step in the right direction for the global struggle against HIV/AIDS.

H.R. 2069 authorizes a total of $1.3 billion for the prevention, treatment, and monitoring of acquired immune deficiency syndrome (AIDS) in sub-Saharan Africa and other developing countries. The bill authorizes $560 million in bilateral assistance for various AIDS treatment/prevention programs administered by the U.S. Agency for International Development (AID), and it authorizes a $750 million U.S. commitment to multilateral efforts to fight the pandemic. The bill also authorizes $50 million for AIDS drug procurement.

Funds in this measure will be used to cover many of the needs created by HIV/AIDS. The bill is directed toward prevention, education, testing and counseling, including strengthening and broadening the capacity of indigenous health care systems. The bill also includes assistance aimed at mother-to-child transmission prevention, and strengthening and expanding hospice and palliative care programs, as well as care for children orphaned by HIV/AIDS, improved infrastructure, and vaccine research. Finally, H.R. 2069 includes funds for income generation programs targeting assistance to HIV/AIDS affected populations, particularly those groups and individuals who are at the highest risk of being infected, including women.

I am particularly pleased that this body has recognized the importance of providing end of life care for those that are losing their struggle with AIDS and that we have acknowledged the particular plight that AIDS means for women and children.

We have all heard some of the staggering statistics about AIDS. However, I believe that at least some of them need to be repeated time and again until necessary results are achieved.

Since the HIV–AIDS pandemic began, it has claimed over 22 million lives. Over 17 million men, women and children have died due to AIDS in sub-Saharan Africa alone. Over 40 million people are infected with the HIV virus today. Over 25 million of them live in sub-Saharan Africa. By 2010, approximately 40 million children worldwide will have lost one or both of their parents to HIV–AIDS.

Each day AIDS kills more than 7,000 people in sub-Saharan Africa alone, and the pandemic continues to escalate in the Caribbean, Asia, Russia and elsewhere with more than 8,000 people around the world perishing from AIDS each day. This human catastrophe is unlike anything the world has known.

While an encouraging symbol of progress, awareness, and compromise, the funding set forth by this bill alone will not be enough. In order to satisfy the demands posed by the AIDS pandemic, it has been estimated that sub-Saharan Africa will need as much as $15 billion a year.

I want to take this opportunity to include for the RECORD a compelling article from the December 6 New York Times. The article goes a long way toward dispelling the myth that robust drug treatment programs cannot be implemented in poor developing nations. I agree with the article that what we can learn from the example of Haiti is that, ''if we do not treat the millions of Africans dying of AIDS, it is because we have chosen not to, not because we can't.'' Indeed, we can and should help Africans and all of those struggling against the scourge of AIDS. The virus knows no bounds and failing to attack it with every resource at our disposal would not only be morally reprehensible, it will leave this nation more vulnerable to perhaps the greatest threat we have ever faced.

Again, I commend all of those who helped to bring this important measure to the floor and urge all members to vote in support of H.R. 2069.

LEARN FROM HAITI

(By Howard Hiatt)

Of the 28 million people in Africa with AIDS, no more than 25,000 have access to medications. Officials of both Western nations and some affected countries—like South Africa, which has millions in immediate need of treatment—have said that poor countries have too few clinics and doctors and that their populations are too poorly educated to allow treatment of all infected people. This contention has become familiar in the debate over international financing to treat H.I.V.

But it is a misconception. At a health center in Haiti, a country at the very bottom of the economic heap, H.I.V. infections are controlled as effectively as in America. And the success at this health center, sponsored by Partners in Health, a non-profit charity affiliated with Harvard Medical School, could be replicated all over the world if the wealthy nations chose to provide the financing. The barrier to the use of AIDS drugs for all H.I.V. patients is not some physical or educational impossibility; it is lack of will.

The center is in Cange, an impoverished village of small houses with corrugated roofs and dirt floors. There and nearby, care is delivered with skill and personal attention comparable to that in American teaching hospitals.

The compound was begun in 1983 by Paul Farmer, a physician and anthropologist now at Harvard Medical School, and the Rev. Fritz Lafontant, a Haitian Episcopal priest. Working with Dr. Farmer and Jim Yong Kim, another American physician-anthropologist, are Haitian doctors and nurses and about 200 community health workers, who make this model of health care succeed.

About 1,400 of the patients have H.I.V.; of these, 100 of the sickest receive the advanced medicines used to treat AIDS in the United States and now function normally. Their care is supervised by the local health workers, who are trained at the clinic. The health center's operations are financed by donations, and the doctors will treat another 100 desperately ill patients with the AIDS drugs if they can persuade drug companies to donate them.

Partners in Health also applies the principles used in Cange at a center in Peru and one in Mexico. In each case, training community health workers allows the development of a system that can offer sustained treatment for people ill with hard-to-cure diseases. The center in Lima has cured more than 80 percent of patients with drug-resistant tuberculosis—something many tuberculosis experts and even the World Health Organization had thought impossible.

What these doctors do to treat H.I.V. infection is a small effort against a huge worldwide problem. But they have shown that if we do not treat the millions of Africans who are dying of AIDS, it is because we have chosen not to, not because we can't.

Mrs. CHRISTENSEN. Madam Speaker, I rise in support of H.R. 2069, the Global Access to HIV/AIDS Prevention, Awareness, Education and Treatment Act of 2001 and I commend my colleagues Chairman HYDE, Ranking Member LANTOS and my friend Congresswoman BARBARA LEE for their work in bringing this bill to the floor today.

Madam Speaker, H.R. 2069 is badly needed, and my only regret is that we didn't pass it sooner. Just 10 days ago we celebrated World Aids Day to call attention to the global scourge of HIV/AIDS which has, to date, claimed an estimated four million children world wide and the news gets worse, every day. Everyday AIDS kills more than 7,000 people in sub-Saharan Africa. The AIDS pandemic continues to escalate in the Caribbean, Asia, and Russia and according to today's New York Times; the Chinese central government is taking steps to address its growing AIDS problem. This pandemic is now projected to infect over 100 million people with a deadly incurable virus by 2007.

We must realize that we are no longer a world where any one country, or even one neighborhood can labor under the impression that they are isolated. The devastation and the disruptive effects of the HIV/AIDS pandemic may be at its very worse in far away, exotic lands but the dire effects will ripple until they reach our shores.

The Global Access to HIV/AIDS Prevention, Awareness, Education and Treatment Act of 2001 is a step in the right direction in this regard, because it urges the United States and

other developed countries to provide assistance to sub-Saharan Africa and other developing countries, with respect to activities supported in connection with health programs, to control the HIV/AIDS pandemic through HIV/AIDS prevention, treatment, monitoring and related activities, particularly focused on women and youth—including mother-to-child transmission prevention strategies.

I urge my colleagues to support this important and badly need bill.

Ms. JACKSON-LEE of Texas. Madam Speaker, I rise in strong support of H.R. 2069, the Global Access to HIV/AIDS Prevention, Awareness, Education and Treatment Act of 2001. This bill authorizes assistance to combat the HIV/AIDS pandemic in countries in sub-Saharan Africa and other developing countries. This pandemic is more than an international public health issue, but also a humanitarian, national security, and development crisis.

Sub-Saharan Africa has been the hardest hit region and has been disproportionately affected by the deadly disease. Only 10 percent of the world's population live south of the Sahara, but the region is home to two-thirds of the world's HIV-positive suffering people, accounting for more than 80 percent of all AIDS deaths. In fact, Botswana has an estimated infection rate of 36 percent the highest in the world. Zimbabwe's infection rate is 25 percent, and South Africa's infection rate is 20 percent.

Today, forty million people around the world live with and suffer from HIV/AIDS. Twenty-eight million of them live in the Sub-Saharan African region alone. On the continent of Africa, there are an estimated 11,000 new infections per day, and by the end of this year, approximately 2.3 million Africans will have died from HIV infection.

AIDS does not discriminate against color, and regrettably, it does not discriminate against age. In Africa, 3.8 million children under the age of 15 have died since the beginning of the epidemic 20 years ago. Throughout Africa, 6 out of 7 children who are HIV positive are little girls. Many children are also being orphaned by HIV; losing their mothers or both parents to AIDS. So far, the AIDS pandemic has left behind 13 million orphans, of whom 9 percent currently live in Africa. By 2010, if we do nothing, an estimated 40 million children will be orphaned by this tragic disease. These numbers will lead to the absolute decay of many African societies. As a consequence to losing their parents, children are drawn into prostitution, crime, substance abuse, and child soldiery, and to the kind of destitution unbelievable to most Americans.

Madam Speaker, I traveled to the South African region in 1999 and in July of this year, and what I witnessed was unbelievable! It was a life-altering event to see and meet with the people infected by this deadly virus. But what affected me the most was witnessing the thousands of orphaned children whose parents had died from AIDS.

On November 28, the Global Health Alliance released a report entitled "Pay Now or Pay More Later: An Independent Report on the Response to the Global HIV/AIDS Pandemic". The following day, the African Ambassadors Group and International AIDS Trust sponsored a briefing on Refocusing and Reaffirming our Commitment to AIDS". This is clearly a global issue and it is everyone's problem. The key to fighting this virus must involve a comprehensive approach that includes prevention, education, and support of a health care infrastructure. H.R. 2069 prescribes such an approach. H.R. 2069 also authorizes funds to improve orphan care, encourage hospice and palliative care, strengthen existing health care systems, and to procure medicines and anti-viral therapies to treat the disease. HIV prevention efforts must take into account social and economic factors, such as poverty, underemployment, and poor access to health care, all of which disproportionately affects African societies.

As Members of Congress, we must continue to fight the struggle and persist in obtaining increased funding for the global AIDS response. This is one of the great challenges of our time and of this generation. H.R. 2069 gives us the tools to help overcome this challenge and I urge my colleagues to support this legislation.

Mr. HYDE. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Illinois (Mr. HYDE) that the House suspend the rules and pass the bill, H.R. 2069, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to amend the Foreign Assistance Act of 1961 and the Global AIDS and Tuberculosis Relief Act of 2000 to authorize assistance to prevent, treat, and monitor HIV/AIDS in sub-Saharan African and other developing countries.".

A motion to reconsider was laid on the table.

SUPPORT FOR TENTH ANNUAL MEETING OF ASIA PACIFIC PARLIAMENTARY FORUM

Mr. BEREUTER. Madam Speaker, I move to suspend the rules and concur in the Senate concurrent resolution (S. Con. Res. 58) expressing support for the tenth annual meeting of the Asia Pacific Parliamentary Forum.

The Clerk read as follows:

S. CON. RES. 58

Whereas the Asia Pacific Parliamentary Forum was founded by former Japanese Prime Minister Yasuhiro Nakasone in 1993;

Whereas the Tokyo Declaration, signed by 59 parliamentarians from 15 countries, entered into force as the founding charter of the forum on January 14 and 15, 1993, establishing the basic structure of the forum as an interparliamentary organization;

Whereas the original 15 members, one of which was the United States, have increased to 27 member countries;

Whereas the forum serves to promote regional identification and cooperation through discussion of matters of common concern to all member states and serves, to a great extent, as the legislative arm of the Asia-Pacific Economic Cooperation;

Whereas the focus of the forum lies in resolving political, economic, environmental, security, law and order, human rights, education, and cultural issues;

Whereas the forum will hold its tenth annual meeting on January 6 through 9, 2002, which will be the first meeting of the forum hosted by the United States;

Whereas approximately 270 parliamentarians from 27 countries in the Asia Pacific region will attend this meeting;

Whereas the Secretariat of the meeting will be the Center for Cultural and Technical Exchange Between East and West in Honolulu, Hawaii;

Whereas the East-West Center is an internationally recognized education and research organization established by the United States Congress in 1960 largely through the efforts of the Eisenhower administration and the Congress;

Whereas it is the mission of the East-West Center to strengthen understanding and relations between the United States and the countries of the Asia Pacific region and to help promote the establishment of a stable, peaceful and prosperous Asia Pacific community in which the United States is a natural, valued, and leading partner; and

Whereas it is the agenda of this meeting to advance democracy, peace, and prosperity in the Asia Pacific region: Now, therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) expresses support for the tenth annual meeting of the Asia Pacific Parliamentary Forum and for the ideals and concerns of this body;

(2) commends the East-West Center for hosting the meeting of the Asia Pacific Parliamentary Forum and the representatives of the 27 member countries; and

(3) calls upon all parties to support the endeavors of the Asia Pacific Parliamentary Forum and to work toward achieving the goals of the meeting.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

GENERAL LEAVE

Mr. BEREUTER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the Senate concurrent resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Madam Speaker, I yield such time as he may consume to the distinguished gentleman from New York (Mr. HOUGHTON), who is the sponsor of this legislation; and he has been the leading force in the House participation in the Asia Pacific Parliamentary Forum.

Mr. HOUGHTON. Madam Speaker, I thank the gentleman for yielding time to me.

Madam Speaker, I would like to talk very briefly on Senate Concurrent Resolution 58, which really supports the tenth annual meeting of the Asia Pacific Parliamentary Forum.

Madam Speaker, this is a forum, I think it is important to know, that was organized by parliamentarians in the Pacific Rim, including about 27 different nations. The reason we are part of it is because of California, Oregon,

Washington, Alaska, and Hawaii. It was started by former Prime Minister Nakasone of Japan, and also Senator William Roth, who worked very, very closely together; and it is loosely modeled on the APEC forum.

The forum is hosted in a different country every year, and we have been to Australia and Chile and Japan and Canada and many other nations. This is the first year that this forum will be held in the United States, and we are hoping that this resolution will pass in order to authenticate that.

It starts on January 6 and it goes through January 9. We will meet in Honolulu. Senator AKAKA, who is the Senate co-chair, had introduced this resolution in the Senate earlier.

□ 1515

It is really going to be hosted by the East-West Center which is headed by a group out in Honolulu. Dr. Charles Morrison has a great program, and he has worked very hard, and we are going to be discussing issues, I think, that are important for all of us: terrorism, the economy, the environmental issues, defense cooperation, cultural ties and things like that.

Also, we are delighted that the Speaker, the gentleman from Illinois (Mr. HASTERT), will speak at the forum's opening ceremony. We have had participation from many distinguished people, including the gentleman from Nebraska (Mr. BEREUTER), and we hope to have others out there.

Essentially this bill, Madam Speaker, expresses support for this meeting, our hosting of the meeting and commends the East-West Center for their hosting and also hopes that other people will join us in the process.

Mr. LANTOS. Madam Speaker, I yield myself as much time as I might consume.

I rise in strong support of S. Con. Res. 58. I want to thank the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from Illinois (Mr. HYDE) for bringing this legislation to the floor, but I particularly want to express my appreciation to the gentleman from New York (Mr. HOUGHTON), my dear friend, our distinguished colleague, for having provided extraordinary leadership on this and on so many other issues that our Committee on International Relations deals with.

I also want to recognize the contribution of my good friend, Senator AKAKA of Hawaii, for his co-chairmanship of this important conference. The resolution before us today expresses the support of our Members for the 10th annual meeting of the Asia Pacific Parliamentary Forum to be held next January in Honolulu. It also commends the East-West Center, an outstanding academic institution, for hosting the meeting and for supporting the endeavors of the forum.

Madam Speaker, we are fortunate as a Nation to have our bright and talented foreign service personnel working overtime to promote our interests throughout the Asia Pacific region. Our diplomats have many opportunities to meet with their colleagues and to develop positive solutions to the challenges we face in the Pacific area.

Until the Asia Pacific Parliamentary Forum was founded a decade ago, there were few opportunities for the region's parliamentarians to meet as a group to discuss key foreign policy and economic matters. The forum has tackled such critical issues as terrorism, weapons of mass destruction, cross boundary environmental pollution, human rights and the need to combat corruption in the region.

The upcoming meeting will tackle these important issues, and hopefully, they will contribute to a partial resolution of many of these matters. I strongly urge my colleagues to support this resolution.

Madam Speaker, I reserve the balance of my time.

Mr. BEREUTER. Madam Speaker, I yield myself such time as I may consume.

(Mr. BEREUTER asked and was given permission to revise and extend his remarks.)

Mr. BEREUTER. Madam Speaker, I rise in strong support of S. Con. Res. 58.

The distinguished gentleman from New York (Mr. HOUGHTON) has explained the purpose of this legislation, and I want to commend him not only for the legislation but, as I mentioned earlier, for his leadership for the U.S. House of Representatives in our participation in the Asia Pacific Parliamentary Forum. He, along with the former distinguished senior Senator from Delaware, William Roth, provided that initial leadership and continue today through the work of the gentleman from New York (Mr. HOUGHTON). And, the gentleman from American Samoa (Mr. FALEOMAVAEGA) has also been a very important participant, as have Senator AKAKA and others. It was my pleasure to participate in the meeting in Seoul.

This forum, which is really the creation in some ways of the former Prime Minister Nakasone of Japan, has provided an important opportunity for the parliamentarians of the Asia Pacific region to address a whole range of important National mutual interests and concerns. To some extent it also has served as a legislative arm for APEC, the Asia Pacific Economic Cooperation organization, since the forum's inception almost a decade ago.

The fact is that its 10th annual meeting will take place at the East-West Center, as the gentleman from California (Mr. LANTOS) mentioned. The East-West Center is a distinguished research and academic institution that is our creation here in the Congress. A meeting of the forum on U.S. soil for its first time is an honor not only for the State of Hawaii, but for the United States.

The parliamentary cooperation and consultation with key Pacific and Asian countries, has become more critical today as a result of the tragic events of September 11th. I urge Madam Speaker, all Members to express their unqualified support for this resolution, and I encourage interested Members to participate in the upcoming meeting of the Asia Pacific Parliamentary tours at upcoming meeting of the Asia Pacific Parlimentary Tours at the East-West Center.

Madam Speaker, I reserve the balance of my time.

Mr. LANTOS. Madam Speaker, I am delighted to yield as much time as he might consume to the gentleman from American Samoa (Mr. FALEOMAVAEGA), my dear friend and distinguished colleague, the ranking Democratic member of the Subcommittee on East Asia and the Pacific.

(Mr. FALEOMAVAEGA asked and was given permission to revise and extend his remarks.)

Mr. FALEOMAVAEGA. Madam Speaker, I rise in strong support of Senate Concurrent Resolution 58, a measure which expresses Congress' support for the 10th annual meeting of the Asia Pacific Parliamentarian Forum which shall be hosted by the East-West Center in Hawaii next month.

Madam Speaker, I deeply commend the distinguished Senator from Hawaii, Senator DANIEL AKAKA, for introducing and moving this important legislation. I also wish to recognize the gentleman from New York (Mr. HOUGHTON), our distinguished colleague, who for the past 10 years, has provided leadership for the U.S. delegations participating in the meetings of the Asia Pacific Parliamentary Forum.

As a member of the past U.S. delegation to the APPF, I can attest that it has been a distinct pleasure for me in working closely with the gentleman from New York (Mr. HOUGHTON) to represent U.S. interests. I further commend the House Committee on International Relations chairman, the gentleman from Illinois (Mr. HYDE) and the gentleman from California (Mr. LANTOS), our ranking Democratic member, for their assistance and support in bringing this legislation in a timely fashion.

I also want to especially commend the gentleman from Nebraska (Mr. BEREUTER), not only as the manager of this legislation, my good friend, Mr. Bereuter, former chairman of the Subcommittee on East Asia and the Pacific, a subcommittee of the Committee on International Relations, who I believe, and my personal opinion, has been one of the primary moving forces for the past 10 years in his capacity as chairman of the Subcommittee on East Asia and the Pacific, and I certainly want to commend him for his outstanding leadership and service. In fact, he has been one of the primary forces in seeing that our country hosts the APPF conference now will be hosted next month in Hawaii.

I sincerely hope that our colleagues will not be intimidated by the press

which always seems to be the case whenever there are conferences and meetings to be held in Hawaii. The press always takes a negative way of thinking that all we are doing is getting suntan and enjoying the beach there in a warm climate. I would like to invite all of the members of press to see how much of an opportunity we get to enjoy the sun and warm weather in Hawaii besides having these important meetings with some 270 parliamentarians from some 27 Asia-Pacific countries.

Madam Speaker, since the founding of the Asia Pacific Parliamentary Forum in 1993, its membership from the original 15 countries has now increased to some 27 members countries which includes the United States. This is a strong testament to the relevance and growing importance of the APPF as an institution where this January, over some 270 national parliamentarians from these Asia-Pacific governments shall meet to review and discuss pressing issues affecting the Asia-Pacific region as well as our own national interests.

In its deliberations, the Asia Pacific Parliamentary Forum has traditionally focussed in several areas, such as the promotion of peace, stability and security of the region through multilateral dialogue as embodied in the ASEAN Regional Forum; liberalizing trade and investment to spur increased growth and development in the Asia-Pacific economies; protecting the regions environment and resources of clean water and air and land against degradation; and fostering respect for human rights, enforcement for the rule of law, and the expansion of universal education throughout all Asia-Pacific nations.

Madam Speaker, as noted in the legislation, this year will mark the first time that the United States shall host the Asia-Pacific Parliamentary Forum. On this auspicious occasion, I find it particularly appropriate and fitting that the internationally respected East-West Center shall be the Secretariat and the host for the APPF meeting.

As many of our colleagues know, the East-West Center was established by the Congress in 1960 to further the foreign policy interests of the United States and by promoting constructive relations and deeper understanding between the peoples and the leaders of the United States and our Asia-Pacific neighbors.

Madam Speaker, the East-West Center has done an outstanding job in this mission and today, over 47,000 government officials, scholars, businessmen, journalists and other professionals from throughout the Asia-Pacific and the United States are alumni of the East-West Centers programs of collaborative study and research. In fact, a number of the Center's graduates are now national leaders and parliamentarians, many of whom shall participate in the Asia-Pacific parliamentary forum.

I submit it is in our vital national interest that the United States continue to play a leading role in the fastest growing sector of the world, the Asia-Pacific region, where the U.S. conducts nearly $500 billion in two-way trade and ensures regional peace and stability with over 100,000 deployed military personnel.

We can further that goal, Madam Speaker, by strong and active participation of the United States Congress in the upcoming meetings or conferences of the Asia-Pacific Parliamentary Forum.

Madam Speaker, in that regard, I urge the adoption of our colleagues of this important legislation before us.

Mr. LANTOS. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. BEREUTER. Madam Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and concur in the Senate concurrent resolution, S. Con. Res. 58.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate concurrent resolution was concurred in.

A motion to reconsider was laid on the table.

RUSSIAN DEMOCRACY ACT OF 2001

Mr. BEREUTER. Madam Speaker, I move to suspend the rules and pass the bill (H.R. 2121) to make available funds under the Foreign Assistance Act of 1961 to expand democracy, good governance, and anti-corruption programs in the Russian Federation in order to promote and strengthen democratic government and civil society in that country and to support independent media, as amended.

The Clerk read as follows:

H.R. 2121

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 ''Russian Democracy Act of 2001''.

SEC. 2. FINDINGS AND PURPOSES.

(a) FINDINGS.—Congress makes the following findings:

(1) Since the dissolution of the Soviet Union, the leadership of the Russian Federation has publicly committed itself to building—

(A) a society with democratic political institutions and practices, the observance of universally recognized standards of human rights, and religious and press freedom; and

(B) a market economy based on internationally accepted principles of transparency, accountability, and the rule of law.

(2) In order to facilitate this transition, the international community has provided multilateral and bilateral technical assistance, and the United States' contribution to these efforts has played an important role in developing new institutions built on democratic and liberal economic foundations and the rule of law.

(3)(A) Since 1992, United States Government democratic reform programs and public diplomacy programs, including training, small grants, and technical assistance to independent television, radio, and print media across the Russian Federation, have strengthened nongovernment-owned media, provided access to and training in the use of the Internet, brought nearly 40,000 Russian citizens to the United States, and have led to the establishment of over 65,000 nongovernmental organizations, thousands of vibrant independent media outlets, and numerous political parties.

(B) These efforts contributed to the substantially free and fair Russian parliamentary elections in 1995 and 1999 and Presidential elections in 1996 and 2000.

(4) The United States has assisted Russian efforts to replace its centrally planned, state-controlled economy with a market economy and helped create institutions and infrastructure for a market economy by encouraging the transparent privatization of state-owned enterprises. Approximately two-thirds of the Russian Federation's gross domestic product is now generated by the private sector.

(5)(A) The United States fostered grassroots entrepreneurship in the Russian Federation by focusing United States economic assistance on small- and medium-sized businesses and by providing training, consulting services, and small loans to more than 250,000 Russian entrepreneurs.

(B) There are now more than 900,000 small businesses in the Russian Federation, producing 12 to 15 percent of the gross domestic product of the Russian Federation.

(C) United States-funded programs help to fight corruption and financial crime, such as money laundering, by helping to—

(i) establish a commercial legal infrastructure;

(ii) develop an independent judiciary;

(iii) support the drafting of a new criminal code, civil code, and bankruptcy law;

(iv) develop a legal and regulatory framework for the Russian Federation's equivalent of the United States Securities and Exchange Commission;

(v) support Russian law schools;

(vi) create legal aid clinics; and

(vii) bolster law-related activities of nongovernmental organizations.

(6) Because the capability of Russian democratic forces and the civil society to organize and defend democratic gains without international support is uncertain, and because the gradual integration of the Russian Federation into the global order of free-market, democratic nations will further enhance Russian cooperation with the United States on a wide-range of political, economic, and security issues, the success of democracy in Russia is in the national security interest of the United States, and the United States Government should develop a far-reaching and flexible strategy aimed at strengthening Russian society's support for democracy and a market economy, particularly by enhancing Russian democratic institutions and education, promoting the rule of law, and supporting Russia's independent media.

(7) Since the tragic events of September 11, 2001, the Russian Federation has stood with the United States and the civilized world in the struggle against terrorism and has cooperated in the war in Afghanistan by sharing intelligence and through other means.

(b) PURPOSES.—The purposes of this Act are—

(1) to strengthen and advance institutions of democratic government and of a free and independent media and to sustain the development of an independent civil society in the

Russian Federation based on religious and ethnic tolerance, internationally recognized human rights, and an internationally recognized rule of law; and

(2) to focus United States foreign assistance programs on using local expertise and giving local organizations a greater role in designing and implementing such programs, while maintaining appropriate oversight and monitoring.

SEC. 3. UNITED STATES POLICY TOWARD THE RUSSIAN FEDERATION.

(a) SENSE OF CONGRESS.—It is the sense of Congress that the United States Government should—

(1) recognize that a democratic and economically stable Russian Federation is inherently less confrontational and destabilizing in its foreign policy and therefore that the promotion of democracy in Russia is in the national security interests of the United States; and

(2) continue and increase assistance to the democratic forces in the Russian Federation, including the independent media, regional administrations, democratic political parties, and nongovernmental organizations.

(b) STATEMENT OF POLICY.—It shall be the policy of the United States—

(1) to facilitate Russia's integration into the Western community of nations, including supporting the establishment of a stable democracy and a market economy, and also including Russia's membership in the appropriate international institutions;

(2) to engage the Government of Russian Federation and Russian society in order to strengthen democratic reform and institutions, and to promote good governance principles based on the internationally recognized norms of transparency in business practices, the rule of law, religious freedom, and human rights;

(3) to advance a dialog between United States Government officials and private sector individuals and representatives of the Government of the Russian Federation regarding Russian integration into the Western community of nations;

(4) to encourage United States Government officials and private sector individuals to meet regularly with democratic activists, human rights activists, representatives of the independent media, representatives of nongovernmental organizations, civic organizers, and reform-minded politicians from Moscow and the various regions of the Russian Federation;

(5) to incorporate democratic reforms, the promotion of an independent media, and economic reforms in the broad United States agenda with the Government of the Russian Federation;

(6) to encourage the Government of the Russian Federation to address cross-border issues, including the environment, crime, trafficking, and corruption in a cooperative and transparent manner consistent with internationally recognized and accepted principles of the rule of law;

(7) to consult with the Government of the Russian Federation and the Russian Parliament on the adoption of economic and social reforms necessary to sustain Russian economic growth and to ensure Russia's transition to a fully functioning market economy;

(8) to persuade the Government of the Russian Federation to honor its commitments made to the Organization for Security and Cooperation in Europe (OSCE) at the November 1999 Istanbul Conference and to conduct a genuine good neighbor policy toward the other independent states of the former Soviet Union in the spirit of internationally accepted principles of regional cooperation; and

(9) to encourage the G–7 partners and international financial institutions, including the World Bank, the International Monetary Fund, and the European Bank for Reconstruction and Development, to develop financial safeguards and transparency practices in lending to the Russian Federation.

SEC. 4. AMENDMENTS TO THE FOREIGN ASSISTANCE ACT OF 1961.

(a) AMENDMENTS.—

(1) DEMOCRACY AND RULE OF LAW.—Section 498(2) of the Foreign Assistance Act of 1961 (22 U.S.C. 2295(2)) is amended—

(A) in the heading, by striking ''DEMOCRACY'' and inserting ''DEMOCRACY AND RULE OF LAW'';

(B) by striking subparagraphs (E) and (G);

(C) by redesignating subparagraph (F) as subparagraph (I);

(D) by inserting after subparagraph (D) the following:

''(E) development and support of grassroots and nongovernmental organizations promoting democracy, the rule of law, transparency, and accountability in the political process, including grants in small amounts to such organizations;

''(F) international exchanges to promote greater understanding by Russian Federation citizens on how democracy, public policy process, market institutions, and an independent judiciary function in Western societies;

''(G) political parties committed to promoting democracy, human rights, and economic reforms;

''(H) support for civic organizations committed to promoting human rights; and''; and

(E) by adding at the end the following:

''(J) strengthened administration of justice through programs and activities carried out in accordance with section 498B(e), including—

''(i) support for nongovernmental organizations, civic organizations, and political parties that favor a strong and independent judiciary based on merit;

''(ii) support for local organizations that work with judges and law enforcement officials in efforts to achieve a reduction in the number of pretrial detainees; and

''(iii) support for the creation of Russian legal associations or groups that provide training in human rights and advocacy, public education with respect to human rights-related laws and proposed legislation, and legal assistance to persons subject to improper government interference.''.

(2) INDEPENDENT MEDIA.—Section 498 of the Foreign Assistance Act of 1961 (22 U.S.C. 2295) is amended—

(A) by redesignating paragraphs (3) through (13) as paragraphs (4) though (14), respectively; and

(B) by inserting after paragraph (2) the following:

''(3) INDEPENDENT MEDIA.—Developing a free and independent media, including—

''(A) supporting all forms of non-state-owned media reporting, including print, radio, and television;

''(B) providing special support for, and unrestricted public access to, nongovernmental Internet-based sources of information, dissemination and reporting, including providing technical and other support for web radio services, providing computers and other necessary resources for Internet connectivity and training new Internet users in nongovernmental and other civic organizations on methods and uses of Internet-based media; and

''(C) training in journalism, including investigative journalism techniques which educate the public on the costs of corruption and act as a deterrent against corrupt officials.''.

(b) CONFORMING AMENDMENT.—Section 498B(e) of such Act is amended by striking ''paragraph (2)(G)'' and inserting ''paragraph (2)(J)''.

SEC. 5. ACTIVITIES TO SUPPORT THE RUSSIAN FEDERATION.

(a) ASSISTANCE PROGRAMS.—In providing assistance to the Russian Federation under chapter 11 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et seq.), the President is authorized to carry out the following specific activities:

(1) Work with the Government of the Russian Federation, the Duma, and representatives of the Russian Federation judiciary to help implement a revised and improved code of criminal procedure and other laws.

(2) Establish civic education programs relating to democracy, public policy, the rule of law, and the importance of an independent media, including the establishment of ''American Centers'' and public policy schools at Russian universities and programs by universities in the United States to offer courses through Internet-based off-site learning centers at Russian universities.

(3) Support the Regional Initiatives (RI) program, which provides targeted assistance in those regions of the Russian Federation that have demonstrated commitment to reform, democracy, and the rule of law, and which promote the concept of such programs as a model for all regions of the Russian Federation.

(b) RADIO FREE EUROPE/RADIO LIBERTY AND VOICE OF AMERICA.—Radio Free Europe/Radio Liberty and the Voice of America should use new and innovative techniques, in cooperation with local independent media sources, to disseminate information throughout the Russian Federation relating to democracy, free-market economics, the rule of law, and human rights.

SEC. 6. AUTHORIZATION OF ASSISTANCE FOR DEMOCRACY, INDEPENDENT MEDIA, AND THE RULE OF LAW.

Of the amounts made available to carry out the provision of chapter 11 of part I of the Foreign Assistance Act of 1961 (22 U.S.C. 2295 et seq.) and the Freedom for Russia and Emerging Eurasian Democracies and Open Markets Support Act of 1992 for fiscal year 2002, not less than $50,000,000 is authorized to be available for the activities authorized by paragraphs (2) and (3) of section 498 of the Foreign Assistance Act of 1961, as amended by section 4(a) of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Nebraska (Mr. BEREUTER) and the gentleman from California (Mr. LANTOS) each will control 20 minutes.

The Chair recognizes the gentleman from Nebraska (Mr. BEREUTER).

GENERAL LEAVE

Mr. BEREUTER. Madam Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Nebraska?

There was no objection.

Mr. BEREUTER. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, this Member rises in strong support of H.R. 2121, the Russian Democracy Act of 2001. As a cosponsor of this measure this Member would like to thank the distinguished gentleman from California (Mr. LANTOS) for an outstanding effort in

crafting this legislation. In addition, I would like to thank the distinguished gentleman from Illinois (Mr. HYDE), the chairman of the Committee on International Relations for his crucial attendance in bringing this legislation to the floor.

Madam Speaker, the key to building Democratic institutions that include an independent media, a fair judicial system, and an active civil society is to establish community, a community, a body politic which demands those institutions. Building that demand for democracy begins with laying a foundation at the local and regional level. Unfortunately, the United States has, I think, for too long, focussed disproportionately its reform assistance for Russia on funding for democracy building efforts at the national level.

However, this legislation correctly seeks to direct a much greater share of U.S. assistance toward the local and regional levels.

At those critical grassroots levels, the U.S. can be most effective, I think, for the longer-term growth of democracy and reform in Russia. This bill ensures that American assistance will continue to be available to help strengthen democracy in the Russian federation. Seemingly a routine measure perhaps on first glance, we should pause for a moment and note what this bill represents. The mere fact that we can speak of democracy in Russia as an emerging but actual reality in the present tense and not as some dim prospect in the hazy future, is one of the many wonders of the past decade that have grown familiar and that are now taken largely for granted.

Its existence, however, is a testament to the deep commitment to the fundamental values shared by peoples all over the world, the United States and the west as a whole, a tremendous debt to all the men and women of Russia who have struggled to establish and defend a democracy in their country, and thereby create a new era of freedom after a thousand years of autocratic rule.

□ 1530

The benefits of that freedom, of course, are most directly felt by Russia's own citizens. But the West has benefited enormously as well. A half century of effort by the United States and its allies to contain and undermine Soviet imperialism enjoyed many successes, but it was only with the advent of the early stages of democracy in Russia that the Soviet empire finally crumbled.

The creation of a democracy in Russia must be counted as one of the great achievements of the past century. Yet for all of its accomplishments, that democracy is not yet firmly established. The civil society on which all democracies ultimately rest remains weak in Russia. Much of the legacy inherited from Russia's authoritarian past is still to be overcome. The institutions of democracy are largely untested. The habits of freedom have not yet become universal.

Given these and other concerns, the Russian government's current campaign against independent voices in the media is a most worrisome one. Why is this our concern? Because the strengthening of Russia's democracy and the advancing of Russia's integration into the West are unquestionably in the long-term strategic interest of the United States. These advances are necessary if we are to make permanent the gains we have derived from the liberation of Europe, a commitment that stretches unbroken for half a century, from the landings on Normandy beaches to the final dissolution of the Soviet empire.

To this, an even broader motivation can be added. By helping other peoples share the benefits of liberty, we demonstrate a continued commitment to the universal principles on which our country was founded and the promises these represent to all who have endured oppression. Thus, our own interests and our hopes for the world together argue that we should provide direct and ongoing assistance to securing democracy in Russia.

The bill before us represents an important part of that effort. It focuses our attention and assistance on many of the prerequisites of a free and prosperous society, including the creation of a resilient civil society, the strengthening of an independent press, and the establishment of the rule of law. Yet even as we assist Russia's democrats in their unfinished tasks, we must recognize that the building of a free society in that country can only be accomplished by the Russian people themselves. We cannot do it for them, nor do we need to.

Although there are many in this country and elsewhere who would despair of the fate of democracy in Russia, I am not among them. Its course may occasionally surprise and concern us, but the ultimate destination aimed at by Russia's democrats should not be in doubt. The depth of their commitment to freedom has been demonstrated by the enormous obstacles they have already overcome. Freedom was not handed to the Russian people. They freed themselves. Lacking a direct experience of liberty in their past, they nonetheless have continued to lay the foundation to secure it for themselves and for their countrymen, even as they have encountered the inevitable setbacks and disappointments.

It is for these reasons that their effort to strengthen democracy in their country deserve our assistance and respect. And it is my hope that Russia's assumption of its rightful place among the free nations of the world shall prove to be a permanent one.

Madam Speaker, I urge strong support for the legislation, and I commend the gentleman from California (Mr. LANTOS) for his creative and timely action in presenting this legislation.

Madam Speaker, I reserve the balance of my time.

Mr. LANTOS. Madam Speaker, I yield myself such time as I may consume; and I first want to commend my good friend, the gentleman from Nebraska (Mr. BEREUTER), for his eloquent and powerful statement and for his support. I also want to thank the gentleman from Illinois (Mr. HYDE) for moving this legislation through the committee and to the floor today. I also want to especially thank the Speaker, the majority leader, and the majority whip for placing it on today's suspension calendar. But most of all, Madam Speaker, I want to thank Ms. Tanya Shamson, a distinguished member of the committee staff, bilingual and bicultural, for doing extraordinarily effective work in crafting this legislation.

Madam Speaker, the House could not have chosen a more fitting time to consider this bill. As you know, President Bush recently concluded a most productive summit with President Putin in Texas and Secretary of State Powell was in Moscow just a couple of days ago on a most successful visit.

When I first introduced the Russia Democracy Act of 2001, the world was a very different place. Our administration was embarking on a comprehensive inter-agency Russia policy review with many complications and many problems. The relations between our two countries were neither friendly nor cordial. Today, in the post-September 11 world, the picture is drastically different.

President Putin made a courageous decision on September 11 to join the civilized world and to stand with us against global terrorism. There are elements within Russia, Madam Speaker, who are not happy with this decision. That is one of the many reasons why we must craft a creative and responsible policy toward Russia that will firmly anchor that important country in the West.

I was very pleased to hear President Bush mention the importance of a free press during his Shanghai press conference with President Putin and during President Putin's visit to the United States. I passionately believe that the existence of a vibrant, self-sustaining, nonstate-owned and nonstate-controlled media in Russia is the key to Russia's successful integration with the democratic societies of the West. My bill will support such media activities, including access to the Internet and the use of modern technologies to improve media outreach throughout Russia.

The Russian nongovernmental sector also needs our support. Although President Putin chastised Russian NGOs for accepting financial support from abroad, Russia simply does not yet have a culture of either corporate philanthropy or private donations to make these nongovernmental organizations viable. The plethora of nongovernmental organizations that have sprung up in Russia since 1991 provides us with an enormous opportunity to

build this democratic component into the new Russian society.

U.S.-Russian relationships have entered a new era. Our cooperation in the fight against global terrorism is unprecedented since our alliance during the Second World War more than a half a century ago. Recently, I had the privilege of meeting with President Putin, with Foreign Minister Ivanov, and other Russian officials; and we discussed our relationships in detail. There are still many areas where we disagree, such as Russian arms sales to Iran; but today, there are many areas where we do agree, and the U.S.-Russia relationship today is fundamentally a healthy one.

The Russian leadership has clearly shown where it sees Russia's future to be; and it is our responsibility to stay engaged, to be responsive, and to support Russian democracy and the private sector.

At President Bush's request, I shall shortly be introducing legislation putting an end to the Jackson-Vanik legislation, legislation which was one of the most important pieces of human rights legislation in our Nation's history. But things have changed and Russia now permits free immigration. The repeal of Jackson-Vanik will be yet another demonstration of our growing cooperative, constructive, and healthy relationship with Russia.

The Government of Russia, Madam Speaker, has introduced, and the Russian Duma has passed, landmark legislation during this past session. For the first time since 1917, Russian citizens can now own their own land. This is not only an important new economic fact, it is a psychological breakthrough of immense proportions. It is obvious that the government and the Duma are now serious about tackling other sectors that have long been resistant to reform. Mr. Putin understands that the creation of a welcoming investment climate is one of the key pillars to sustained economic growth in Russia.

Madam Speaker, I strongly believe that supporting democracy, the consolidation of the market economy, and developing a vibrant private sector is in our national interest. By funding the development of civil society in Russia and a free and independent media, H.R. 2121 will play a critical role in strengthening U.S.-Russian relations and strengthening democracy in Russia. Let us not squander this unprecedented moment to bring Russia closer to the West. I urge all of my colleagues to support H.R. 2121.

Madam Speaker, I yield back the balance of my time.

Mr. BEREUTER. Madam Speaker, it is my pleasure to yield such time as he may consume to the distinguished gentleman from New Jersey (Mr. SMITH), the vice chairman of the committee.

Mr. SMITH of New Jersey. Madam Speaker, I thank my good friend, the gentleman from Nebraska (Mr. BEREUTER), for yielding me this time; and I want to commend my good friend and colleague, the gentleman from California (Mr. LANTOS), the ranking Democrat on the committee, for authoring this proposal that is before us today.

This is a very worthy and I think very important contribution to U.S. bilateral relations with Russia. Russia is a country that is of vital strategic, economic, and military importance to our Nation. I think the pending legislation outlines within the text a number of very constructive initiatives.

Madam Speaker, I recently led the U.S. delegation to the OSCE Parliamentary Assembly in Bucharest, Romania; and we spent the better part of a week exploring the destructive consequence of corruption. Parliamentarians from all over the world, Madam Speaker, 54 nations that make up the OSCE, we probed corruption as it relates to undermine democracy. Our conclusions were clear: Corruption represents one of the greatest threats to democracy and market oriented economies on the face of the earth.

Corruption, to a very large degree, has replaced ideology communism as the greatest potential threat to undermining the emergence of democracy in central and Eastern Europe, and especially in Russia itself. We now know that organized crime and criminal elements, some of whom used to be the old KGB, are growing and expanding in Russia. The emerging democracy is being hijacked by thugs and brigands. We know that drugs and weapons are very big money-makers for Russian Mobsters. But not far behind we also know that trafficking of human beings—especially women—has emerged worldwide and in Russia as the number three money-maker for organized crime.

I am very glad that the pending legislation seeks to target assistance to fight corruption and crime and to help the Duma draft new criminal statutes and a new criminal code. Let us not forget that the most recent report that was issued by the State Department cited Russia as a tier three country that has a major problem with trafficking in human beings—And is doing far too little to stop it.

Madam Speaker, we know that worldwide about 50,000 of those trafficked, mostly women, mostly for forced prostitution, come into this country and that anywhere from 700,000 to 2 million persons are trafficked worldwide each year. Many of those women are coming out of Russia and the Ukraine and countries in Europe. This legislation directs the State Department, to do more. There is no doubt that the United States wants and desire a good relationship with Russia, but they have to stop trafficking women into prostitution; they have to crack down on organized crime and provide safe havens for these victimized women who are being exploited in this way.

This is a good bill. I think it deserves the support of every Member of this body. The United States has declared war on organized crime figures who rape and exploit women. Countries of origin—like Russia have to do their part!

Tough, antitrafficking laws are needed in every country. And I hope that this legislation builds on our earlier laws to move that along so that we have trafficking laws that are uniform, to the greatest extent possible. Traffickers must know that if they exploit women, they go to prison, and they go to prison for the rest of their lives. Our law now says that. It is about time the laws of every country, including Russia, said it as well.

□ 1545

I will never forget, Madam Speaker, I brought this legislation up in St. Petersburg at an OSE Parliamentary Assembly. The Duma speaker looked at me when I mentioned trafficking as if I was talking about something that was happening on the moon. That has changed. The next year and the year after in Paris, when the trafficking resolution came up on the floor among the Parliamentary Assembly participants, the Russians embraced that language and said we need to do something at home as well. I hope that we work uniformly to crack down on this scourge of modern-day slavery.

Mr. HYDE. Madam Speaker, I yield myself such time as I may consume.

This bill, the Russian Democracy Act, ensures that American assistance will continue to be available to help strengthen democracy in the Russian Federation. Seemingly a routine measure, we should pause for a moment and note what this bill represents. The mere fact that we can speak of democracy in Russia as an emerging but actual reality in the present tense, and not as some dim prospect in the hazy future, is one of the many wonders of the past decade that have grown familiar and that are now taken largely for granted. Its existence, however, is a testament to the deep commitment to fundamental values shared by peoples all over the world.

The United States and the West as a whole owe an immense debt to all the men and women of Russia who have struggled to establish and defend a democracy in their country and thereby create a new era of freedom after a thousand years of autocratic rule. The benefits of that freedom, of course, are most directly felt by Russia's own citizens. But the West has benefitted enormously as well. A half century of effort by the United States and its allies to contain and undermine Soviet imperialism enjoyed many successes, but it was only with the advent of the earliest stages of democracy in Russia that the Soviet empire finally crumbled.

The creation of a democracy in Russia must be counted as one of the great achievements of the past century. Yet for all of its accomplishments, that democracy is not yet firmly established. The civil society on which all democracies ultimately rest remains weak in Russia; much of the legacy inherited from Russia's authoritarian past is still to be overcome; the institutions of democracy are largely untested; the habits of freedom have yet to

become universal. Given these and other concerns, the Russian government's current campaign against independent voices in the media is a most worrisome one.

Why is this our concern? Because the strengthening of Russian democracy and advancing Russia's integration into the West are unquestionably in the long-term strategic interests of the United States. These advances are necessary if we are to make permanent the gains we have derived from the liberation of Europe, a commitment that stretches unbroken for half a century, from the landings on the Normandy beaches to the final dissolution of the Soviet empire. To this, an even broader motivation can be added. By helping other peoples share the benefits of liberty, we demonstrate a continuing commitment to the universal principles on which our country was founded and the promise these represent to all who endure oppression. Thus, our own interests and our hopes for the world, together argue, that we should provide direct and ongoing assistance to securing democracy in Russia.

The bill before us represents an important part of that effort. It focuses our attention and assistance on many of the prerequisites of a free and prosperous society, including the creation of a resilient civil society, the strengthening of an independent press, and the establishment of the rule of law.

Yet even as we assist Russia's democrats in their unfinished tasks, we must recognize that the building of a fee society in that country can only be accomplished by the Russian people themselves. We cannot do it for them. But neither do we need to. Although there are many in this country and elsewhere who would despair of the fate of democracy in Russia, I am not among them. Its course may occasionally surprise and concern us, but the ultimate destination aimed at by Russia's democrats should not be in doubt. The depth of their commitment to freedom has been demonstrated by the enormous obstacles they have already overcome. Freedom was not handed to the Russian people; they freed themselves. Lacking a direct experience of liberty in their past, they nonetheless have continued to lay the foundation to secure it for themselves and for their countrymen, even as they have encountered the inevitable setbacks and disappointments.

It is for these reasons that their efforts to strengthen democracy in their country deserve our assistance and respect, and it is my hope that Russia's assumption of its rightful place among the free nations of the world shall prove to be a permanent one.

Madam Speaker, I urge strong support for this legislation and I reserve the balance of my time.

Mr. BEREUTER. Madam Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mrs. BIGGERT). The question is on the motion offered by the gentleman from Nebraska (Mr. BEREUTER) that the House suspend the rules and pass the bill, H.R. 2121, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

HOMELESS VETERANS COMPREHENSIVE ASSISTANCE ACT OF 2001

Mr. SMITH of New Jersey. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the bill (H.R. 2716) to amend title 38, United States Code, to revise, improve, and consolidate provisions of law providing benefits and services for homeless veterans.

The Clerk read as follows:

Senate amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the ''Homeless Veterans Comprehensive Assistance Act of 2001''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents; references to title 38, United States Code.
Sec. 2. Definitions.
Sec. 3. National goal to end homelessness among veterans.
Sec. 4. Sense of the Congress regarding the needs of homeless veterans and the responsibility of Federal agencies.
Sec. 5. Consolidation and improvement of provisions of law relating to homeless veterans.
Sec. 6. Evaluation centers for homeless veterans programs.
Sec. 7. Study of outcome effectiveness of grant program for homeless veterans with special needs.
Sec. 8. Expansion of other programs.
Sec. 9. Coordination of employment services.
Sec. 10. Use of real property.
Sec. 11. Meetings of Interagency Council on Homeless.
Sec. 12. Rental assistance vouchers for HUD Veterans Affairs Supported Housing program.

(c) REFERENCES TO TITLE 38, UNITED STATES CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. DEFINITIONS.

For purposes of this Act:

(1) The term ''homeless veteran'' has the meaning given such term in section 2002 of title 38, United States Code, as added by section 5(a)(1).

(2) The term ''grant and per diem provider'' means an entity in receipt of a grant under section 2011 or 2012 of title 38, United States Code, as so added.

SEC. 3. NATIONAL GOAL TO END HOMELESSNESS AMONG VETERANS.

(a) NATIONAL GOAL.—Congress hereby declares it to be a national goal to end chronic homelessness among veterans within a decade of the enactment of this Act.

(b) COOPERATIVE EFFORTS ENCOURAGED.—Congress hereby encourages all departments and agencies of Federal, State, and local governments, quasi-governmental organizations, private and public sector entities, including community-based organizations, faith-based organizations, and individuals to work cooperatively to end chronic homelessness among veterans within a decade.

SEC. 4. SENSE OF THE CONGRESS REGARDING THE NEEDS OF HOMELESS VETERANS AND THE RESPONSIBILITY OF FEDERAL AGENCIES.

It is the sense of the Congress that—

(1) homelessness is a significant problem in the veterans community and veterans are disproportionately represented among homeless men;

(2) while many effective programs assist homeless veterans to again become productive and self-sufficient members of society, current resources provided to such programs and other activities that assist homeless veterans are inadequate to provide all needed essential services, assistance, and support to homeless veterans;

(3) the most effective programs for the assistance of homeless veterans should be identified and expanded;

(4) federally funded programs for homeless veterans should be held accountable for achieving clearly defined results;

(5) Federal efforts to assist homeless veterans should include prevention of homelessness; and

(6) Federal agencies, particularly the Department of Veterans Affairs, the Department of Housing and Urban Development, and the Department of Labor, should cooperate more fully to address the problem of homelessness among veterans.

SEC. 5. CONSOLIDATION AND IMPROVEMENT OF PROVISIONS OF LAW RELATING TO HOMELESS VETERANS.

(a) IN GENERAL.—(1) Part II is amended by inserting after chapter 19 the following new chapter:

''CHAPTER 20—BENEFITS FOR HOMELESS VETERANS

''SUBCHAPTER I—PURPOSE; DEFINITIONS; ADMINISTRATIVE MATTERS

''Sec.
''2001. Purpose.
''2002. Definitions.
''2003. Staffing requirements.

''SUBCHAPTER II—COMPREHENSIVE SERVICE PROGRAMS

''2011. Grants.
''2012. Per diem payments.
''2013. Authorization of appropriations.

''SUBCHAPTER III—TRAINING AND OUTREACH

''2021. Homeless veterans reintegration programs.
''2022. Coordination of outreach services for veterans at risk of homelessness.
''2023. Demonstration program of referral and counseling for veterans transitioning from certain institutions who are at risk for homelessness.

''SUBCHAPTER IV—TREATMENT AND REHABILITATION FOR SERIOUSLY MENTALLY ILL AND HOMELESS VETERANS

''2031. General treatment.
''2032. Therapeutic housing.
''2033. Additional services at certain locations.
''2034. Coordination with other agencies and organizations.

''SUBCHAPTER V—HOUSING ASSISTANCE

''2041. Housing assistance for homeless veterans.
''2042. Supported housing for veterans participating in compensated work therapies.
''2043. Domiciliary care programs.

''SUBCHAPTER VI—LOAN GUARANTEE FOR MULTIFAMILY TRANSITIONAL HOUSING

''2051. General authority.
''2052. Requirements.
''2053. Default.
''2054. Audit.

''SUBCHAPTER VII—OTHER PROVISIONS

''2061. Grant program for homeless veterans with special needs.
''2062. Dental care.
''2063. Employment assistance.
''2064. Technical assistance grants for nonprofit community-based groups.
''2065. Annual report on assistance to homeless veterans.

''2066. Advisory Committee on Homeless Veterans.

''SUBCHAPTER I—PURPOSE; DEFINITIONS; ADMINISTRATIVE MATTERS

''§ 2001. Purpose

''The purpose of this chapter is to provide for the special needs of homeless veterans.

''§ 2002. Definitions

''In this chapter:

''(1) The term 'homeless veteran' means a veteran who is homeless (as that term is defined in section 103(a) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11302(a)).

''(2) The term 'grant and per diem provider' means an entity in receipt of a grant under section 2011 or 2012 of this title.

''§ 2003. Staffing requirements

''(a) VBA STAFFING AT REGIONAL OFFICES.—The Secretary shall ensure that there is at least one full-time employee assigned to oversee and coordinate homeless veterans programs at each of the 20 Veterans Benefits Administration regional offices that the Secretary determines have the largest homeless veteran populations within the regions of the Administration. The programs covered by such oversight and coordination include the following:

''(1) Housing programs administered by the Secretary under this title or any other provision of law.

''(2) Compensation, pension, vocational rehabilitation, and education benefits programs administered by the Secretary under this title or any other provision of law.

''(3) The housing program for veterans supported by the Department of Housing and Urban Development.

''(4) The homeless veterans reintegration program of the Department of Labor under section 2021 of this title.

''(5) The programs under section 2033 of this title.

''(6) The assessments required by section 2034 of this title.

''(7) Such other programs relating to homeless veterans as may be specified by the Secretary.

''(b) VHA CASE MANAGERS.—The Secretary shall ensure that the number of case managers in the Veterans Health Administration is sufficient to assure that every veteran who is provided a housing voucher through section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) is assigned to, and is seen as needed by, a case manager.

''SUBCHAPTER II—COMPREHENSIVE SERVICE PROGRAMS

''§ 2011. Grants

''(a) AUTHORITY TO MAKE GRANTS.—(1) Subject to the availability of appropriations provided for such purpose, the Secretary shall make grants to assist eligible entities in establishing programs to furnish, and expanding or modifying existing programs for furnishing, the following to homeless veterans:

''(A) Outreach.

''(B) Rehabilitative services.

''(C) Vocational counseling and training

''(D) Transitional housing assistance.

''(2) The authority of the Secretary to make grants under this section expires on September 30, 2005.

''(b) CRITERIA FOR GRANTS.—The Secretary shall establish criteria and requirements for grants under this section, including criteria for entities eligible to receive grants, and shall publish such criteria and requirements in the Federal Register. The criteria established under this subsection shall include the following:

''(1) Specification as to the kinds of projects for which grants are available, which shall include—

''(A) expansion, remodeling, or alteration of existing buildings, or acquisition of facilities, for use as service centers, transitional housing, or other facilities to serve homeless veterans; and

''(B) procurement of vans for use in outreach to and transportation for homeless veterans for purposes of a program referred to in subsection (a).

''(2) Specification as to the number of projects for which grants are available.

''(3) Criteria for staffing for the provision of services under a project for which grants are made.

''(4) Provisions to ensure that grants under this section—

''(A) shall not result in duplication of ongoing services; and

''(B) to the maximum extent practicable, shall reflect appropriate geographic dispersion and an appropriate balance between urban and other locations.

''(5) Provisions to ensure that an entity receiving a grant shall meet fire and safety requirements established by the Secretary, which shall include—

''(A) such State and local requirements that may apply; and

''(B) fire and safety requirements applicable under the Life Safety Code of the National Fire Protection Association or such other comparable fire and safety requirements as the Secretary may specify.

''(6) Specification as to the means by which an entity receiving a grant may contribute in-kind services to the start-up costs of a project for which a grant is sought and the methodology for assigning a cost to that contribution for purposes of subsection (c).

''(c) FUNDING LIMITATIONS.—A grant under this section may not be used to support operational costs. The amount of a grant under this section may not exceed 65 percent of the estimated cost of the project concerned.

''(d) ELIGIBLE ENTITIES.—The Secretary may make a grant under this section to an entity applying for such a grant only if the applicant for the grant—

''(1) is a public or nonprofit private entity with the capacity (as determined by the Secretary) to effectively administer a grant under this section;

''(2) demonstrates that adequate financial support will be available to carry out the project for which the grant is sought consistent with the plans, specifications, and schedule submitted by the applicant; and

''(3) agrees to meet the applicable criteria and requirements established under subsections (b) and (g) and has, as determined by the Secretary, the capacity to meet such criteria and requirements.

''(e) APPLICATION REQUIREMENT.—An entity seeking a grant for a project under this section shall submit to the Secretary an application for the grant. The application shall set forth the following:

''(1) The amount of the grant sought for the project.

''(2) A description of the site for the project.

''(3) Plans, specifications, and the schedule for implementation of the project in accordance with criteria and requirements prescribed by the Secretary under subsection (b).

''(4) Reasonable assurance that upon completion of the work for which the grant is sought, the project will become operational and the facilities will be used principally to provide to veterans the services for which the project was designed, and that not more than 25 percent of the services provided under the project will be provided to individuals who are not veterans.

''(f) PROGRAM REQUIREMENTS.—The Secretary may not make a grant for a project to an applicant under this section unless the applicant in the application for the grant agrees to each of the following requirements:

''(1) To provide the services for which the grant is made at locations accessible to homeless veterans.

''(2) To maintain referral networks for homeless veterans for establishing eligibility for assistance and obtaining services, under available entitlement and assistance programs, and to aid such veterans in establishing eligibility for and obtaining such services.

''(3) To ensure the confidentiality of records maintained on homeless veterans receiving services through the project.

''(4) To establish such procedures for fiscal control and fund accounting as may be necessary to ensure proper disbursement and accounting with respect to the grant and to such payments as may be made under section 2012 of this title.

''(5) To seek to employ homeless veterans and formerly homeless veterans in positions created for purposes of the grant for which those veterans are qualified.

''(g) SERVICE CENTER REQUIREMENTS.—In addition to criteria and requirements established under subsection (b), in the case of an application for a grant under this section for a service center for homeless veterans, the Secretary shall require each of the following:

''(1) That such center provide services to homeless veterans during such hours as the Secretary may specify and be open to such veterans on an as-needed, unscheduled basis.

''(2) That space at such center be made available, as mutually agreeable, for use by staff of the Department of Veterans Affairs, the Department of Labor, and other appropriate agencies and organizations in assisting homeless veterans served by such center.

''(3) That such center be equipped and staffed to provide or to assist in providing health care, mental health services, hygiene facilities, benefits and employment counseling, meals, transportation assistance, and such other services as the Secretary determines necessary.

''(4) That such center be equipped and staffed to provide, or to assist in providing, job training, counseling, and placement services (including job readiness and literacy and skills training), as well as any outreach and case management services that may be necessary to carry out this paragraph.

''(h) RECOVERY OF UNUSED GRANT FUNDS.—(1) If a grant recipient under this section does not establish a program in accordance with this section or ceases to furnish services under such a program for which the grant was made, the United States shall be entitled to recover from such recipient the total of all unused grant amounts made under this section to such recipient in connection with such program.

''(2) Any amount recovered by the United States under paragraph (1) may be obligated by the Secretary without fiscal year limitation to carry out provisions of this subchapter.

''(3) An amount may not be recovered under paragraph (1) as an unused grant amount before the end of the three-year period beginning on the date on which the grant is made.

''§ 2012. Per diem payments

''(a) PER DIEM PAYMENTS FOR FURNISHING SERVICES TO HOMELESS VETERANS.—(1) Subject to the availability of appropriations provided for such purpose, the Secretary, pursuant to such criteria as the Secretary shall prescribe, shall provide to a recipient of a grant under section 2011 of this title (or an entity eligible to receive a grant under that section which after November 10, 1992, establishes a program that the Secretary determines carries out the purposes described in that section) per diem payments for services furnished to any homeless veteran—

''(A) whom the Secretary has referred to the grant recipient (or entity eligible for such a grant); or

''(B) for whom the Secretary has authorized the provision of services.

''(2)(A) The rate for such per diem payments shall be the daily cost of care estimated by the grant recipient or eligible entity adjusted by the Secretary under subparagraph (B). In no case may the rate determined under this paragraph exceed the rate authorized for State homes for domiciliary care under subsection (a)(1)(A) of

section 1741 of this title, as the Secretary may increase from time to time under subsection (c) of that section.

''(B) The Secretary shall adjust the rate estimated by the grant recipient or eligible entity under subparagraph (A) to exclude other sources of income described in subparagraph (D) that the grant recipient or eligible entity certifies to be correct.

''(C) Each grant recipient or eligible entity shall provide to the Secretary such information with respect to other sources of income as the Secretary may require to make the adjustment under subparagraph (B).

''(D) The other sources of income referred to in subparagraphs (B) and (C) are payments to the grant recipient or eligible entity for furnishing services to homeless veterans under programs other than under this subchapter, including payments and grants from other departments and agencies of the United States, from departments or agencies of State or local government, and from private entities or organizations.

''(3) In a case in which the Secretary has authorized the provision of services, per diem payments under paragraph (1) may be paid retroactively for services provided not more than three days before the authorization was provided.

''(b) INSPECTIONS.—The Secretary may inspect any facility of a grant recipient or entity eligible for payments under subsection (a) at such times as the Secretary considers necessary. No per diem payment may be provided to a grant recipient or eligible entity under this section unless the facilities of the grant recipient or eligible entity meet such standards as the Secretary shall prescribe.

''(c) LIFE SAFETY CODE.—(1) Except as provided in paragraph (2), a per diem payment may not be provided under this section to a grant recipient or eligible entity unless the facilities of the grant recipient or eligible entity, as the case may be, meet applicable fire and safety requirements under the Life Safety Code of the National Fire Protection Association or such other comparable fire and safety requirements as the Secretary may specify.

''(2) During the five-year period beginning on the date of the enactment of this section, paragraph (1) shall not apply to an entity that received a grant under section 3 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (Public Law 102–590; 38 U.S.C. 7721 note) before that date if the entity meets fire and safety requirements established by the Secretary.

''(3) From amounts available for purposes of this section, not less than $5,000,000 shall be used only for grants to assist entities covered by paragraph (2) in meeting the Life Safety Code of the National Fire Protection Association or such other comparable fire and safety requirements as the Secretary may specify.

''§ 2013. Authorization of appropriations

''There are authorized to be appropriated to carry out this subchapter amounts as follows:

''(1) $60,000,000 for fiscal year 2002.
''(2) $75,000,000 for fiscal year 2003.
''(3) $75,000,000 for fiscal year 2004.
''(4) $75,000,000 for fiscal year 2005.

''SUBCHAPTER III—TRAINING AND OUTREACH

''§ 2021. Homeless veterans reintegration programs

''(a) IN GENERAL.—Subject to the availability of appropriations provided for such purpose, the Secretary of Labor shall conduct, directly or through grant or contract, such programs as the Secretary determines appropriate to provide job training, counseling, and placement services (including job readiness and literacy and skills training) to expedite the reintegration of homeless veterans into the labor force.

''(b) REQUIREMENT TO MONITOR EXPENDITURES OF FUNDS.—(1) The Secretary of Labor shall collect such information as that Secretary considers appropriate to monitor and evaluate the distribution and expenditure of funds appropriated to carry out this section. The information shall include data with respect to the results or outcomes of the services provided to each homeless veteran under this section.

''(2) Information under paragraph (1) shall be furnished in such form and manner as the Secretary of Labor may specify.

''(c) ADMINISTRATION THROUGH THE ASSISTANT SECRETARY OF LABOR FOR VETERANS' EMPLOYMENT AND TRAINING.—The Secretary of Labor shall carry out this section through the Assistant Secretary of Labor for Veterans' Employment and Training.

''(d) BIENNIAL REPORT TO CONGRESS.—Not less than every two years, the Secretary of Labor shall submit to Congress a report on the programs conducted under this section. The Secretary of Labor shall include in the report an evaluation of services furnished to veterans under this section and an analysis of the information collected under subsection (b).

''(e) AUTHORIZATION OF APPROPRIATIONS.—(1) There are authorized to be appropriated to carry out this section amounts as follows:

''(A) $50,000,000 for fiscal year 2002.
''(B) $50,000,000 for fiscal year 2003.
''(C) $50,000,000 for fiscal year 2004.
''(D) $50,000,000 for fiscal year 2005.
''(E) $50,000,000 for fiscal year 2006.

''(2) Funds appropriated to carry out this section shall remain available until expended. Funds obligated in any fiscal year to carry out this section may be expended in that fiscal year and the succeeding fiscal year.

''§ 2022. Coordination of outreach services for veterans at risk of homelessness

''(a) OUTREACH PLAN.—The Secretary, acting through the Under Secretary for Health, shall provide for appropriate officials of the Mental Health Service and the Readjustment Counseling Service of the Veterans Health Administration to develop a coordinated plan for joint outreach by the two Services to veterans at risk of homelessness, including particularly veterans who are being discharged or released from institutions after inpatient psychiatric care, substance abuse treatment, or imprisonment.

''(b) MATTERS TO BE INCLUDED.—The outreach plan under subsection (a) shall include the following:

''(1) Strategies to identify and collaborate with non-Department entities used by veterans who have not traditionally used Department services to further outreach efforts.

''(2) Strategies to ensure that mentoring programs, recovery support groups, and other appropriate support networks are optimally available to veterans.

''(3) Appropriate programs or referrals to family support programs.

''(4) Means to increase access to case management services.

''(5) Plans for making additional employment services accessible to veterans.

''(6) Appropriate referral sources for mental health and substance abuse services.

''(c) COOPERATIVE RELATIONSHIPS.—The outreach plan under subsection (a) shall identify strategies for the Department to enter into formal cooperative relationships with entities outside the Department to facilitate making services and resources optimally available to veterans.

''(d) REVIEW OF PLAN.—The Secretary shall submit the outreach plan under subsection (a) to the Advisory Committee on Homeless Veterans for its review and consultation.

''(e) OUTREACH PROGRAM.—(1) The Secretary shall carry out an outreach program to provide information to homeless veterans and veterans at risk of homelessness. The program shall include at a minimum—

''(A) provision of information about benefits available to eligible veterans from the Department; and

''(B) contact information for local Department facilities, including medical facilities, regional offices, and veterans centers.

''(2) In developing and carrying out the program under paragraph (1), the Secretary shall, to the extent practicable, consult with appropriate public and private organizations, including the Bureau of Prisons, State social service agencies, the Department of Defense, and mental health, veterans, and homeless advocates—

''(A) for assistance in identifying and contacting veterans who are homeless or at risk of homelessness;

''(B) to coordinate appropriate outreach activities with those organizations; and

''(C) to coordinate services provided to veterans with services provided by those organizations.

''(f) REPORTS.—(1) Not later than October 1, 2002, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives an initial report that contains an evaluation of outreach activities carried out by the Secretary with respect to homeless veterans, including outreach regarding clinical issues and other benefits administered under this title. The Secretary shall conduct the evaluation in consultation with the Under Secretary for Benefits, the Department of Veterans Affairs central office official responsible for the administration of the Readjustment Counseling Service, the Director of Homeless Veterans Programs, and the Department of Veterans Affairs central office official responsible for the administration of the Mental Health Strategic Health Care Group.

''(2) Not later than December 31, 2005, the Secretary shall submit to the committees referred to in paragraph (1) an interim report on outreach activities carried out by the Secretary with respect to homeless veterans. The report shall include the following:

''(A) The Secretary's outreach plan under subsection (a), including goals and time lines for implementation of the plan for particular facilities and service networks.

''(B) A description of the implementation and operation of the outreach program under subsection (e).

''(C) A description of the implementation and operation of the demonstration program under section 2023 of this title.

''(3) Not later than July 1, 2007, the Secretary shall submit to the committees referred to in paragraph (1) a final report on outreach activities carried out by the Secretary with respect to homeless veterans. The report shall include the following:

''(A) An evaluation of the effectiveness of the outreach plan under subsection (a).

''(B) An evaluation of the effectiveness of the outreach program under subsection (e).

''(C) An evaluation of the effectiveness of the demonstration program under section 2023 of this title.

''(D) Recommendations, if any, regarding an extension or modification of such outreach plan, such outreach program, and such demonstration program.

''§ 2023. Demonstration program of referral and counseling for veterans transitioning from certain institutions who are at risk for homelessness

''(a) PROGRAM AUTHORITY.—The Secretary and the Secretary of Labor (hereinafter in this section referred to as the 'Secretaries') shall carry out a demonstration program for the purpose of determining the costs and benefits of providing referral and counseling services to eligible veterans with respect to benefits and services available to such veterans under this title and under State law.

''(b) LOCATION OF DEMONSTRATION PROGRAM.—The demonstration program shall be carried out in at least six locations. One location shall be a penal institution under the jurisdiction of the Bureau of Prisons.

''(c) SCOPE OF PROGRAM.—(1) To the extent practicable, the demonstration program shall provide both referral and counseling services,

and in the case of counseling services, shall include counseling with respect to job training and placement (including job readiness), housing, health care, and other benefits to assist the eligible veteran in the transition from institutional living.

''(2)(A) To the extent that referral or counseling services are provided at a location under the program, referral services shall be provided in person during such period of time that the Secretaries may specify that precedes the date of release or discharge of the eligible veteran, and counseling services shall be furnished after such date.

''(B) The Secretaries may, as part of the program, furnish to officials of penal institutions outreach information with respect to referral and counseling services for presentation to veterans in the custody of such officials during the 18-month period that precedes such date of release or discharge.

''(3) The Secretaries may enter into contracts to carry out the referral and counseling services required under the program with entities or organizations that meet such requirements as the Secretaries may establish.

''(4) In developing the program, the Secretaries shall consult with officials of the Bureau of Prisons, officials of penal institutions of States and political subdivisions of States, and such other officials as the Secretaries determine appropriate.

''(d) DURATION.—The authority of the Secretaries to provide referral and counseling services under the demonstration program shall cease on the date that is four years after the date of the commencement of the program.

''(e) DEFINITION.—In this section, the term 'eligible veteran' means a veteran who—

''(1) is a resident of a penal institution or an institution that provides long-term care for mental illness; and

''(2) is at risk for homelessness absent referral and counseling services provided under the demonstration program (as determined under guidelines established by the Secretaries).

''SUBCHAPTER V—HOUSING ASSISTANCE

''§2042. Supported housing for veterans participating in compensated work therapies

''The Secretary may authorize homeless veterans in the compensated work therapy program to be provided housing through the therapeutic residence program under section 2032 of this title or through grant and per diem providers under subchapter II of this chapter.

''§2043. Domiciliary care programs

''(a) AUTHORITY.—The Secretary may establish up to 10 programs under section 1710(b) of this title (in addition to any program that is established as of the date of the enactment of this section) to provide domiciliary services under such section to homeless veterans.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary $5,000,000 for each of fiscal years 2003 and 2004 to establish the programs referred to in subsection (a).

''SUBCHAPTER VII—OTHER PROVISIONS

''§2061. Grant program for homeless veterans with special needs

''(a) ESTABLISHMENT.—The Secretary shall carry out a program to make grants to health care facilities of the Department and to grant and per diem providers in order to encourage development by those facilities and providers of programs for homeless veterans with special needs.

''(b) HOMELESS VETERANS WITH SPECIAL NEEDS.—For purposes of this section, homeless veterans with special needs include homeless veterans who are—

''(1) women, including women who have care of minor dependents;

''(2) frail elderly;

''(3) terminally ill; or

''(4) chronically mentally ill.

''(c) FUNDING.—(1) From amounts appropriated to the Department for 'Medical Care' for each of fiscal years 2003, 2004, and 2005, $5,000,000 shall be available for each such fiscal year for the purposes of the program under this section.

''(2) The Secretary shall ensure that funds for grants under this section are designated for the first three years of operation of the program under this section as a special purpose program for which funds are not allocated through the Veterans Equitable Resource Allocation system.

''§2062. Dental care

''(a) IN GENERAL.—For purposes of section 1712(a)(1)(H) of this title, outpatient dental services and treatment of a dental condition or disability of a veteran described in subsection (b) shall be considered to be medically necessary, subject to subsection (c), if—

''(1) the dental services and treatment are necessary for the veteran to successfully gain or regain employment;

''(2) the dental services and treatment are necessary to alleviate pain; or

''(3) the dental services and treatment are necessary for treatment of moderate, severe, or severe and complicated gingival and periodontal pathology.

''(b) ELIGIBLE VETERANS.—Subsection (a) applies to a veteran—

''(1) who is enrolled for care under section 1705(a) of this title; and

''(2) who, for a period of 60 consecutive days, is receiving care (directly or by contract) in any of the following settings:

''(A) A domiciliary under section 1710 of this title.

''(B) A therapeutic residence under section 2032 of this title.

''(C) Community residential care coordinated by the Secretary under section 1730 of this title.

''(D) A setting for which the Secretary provides funds for a grant and per diem provider.

''(3) For purposes of paragraph (2), in determining whether a veteran has received treatment for a period of 60 consecutive days, the Secretary may disregard breaks in the continuity of treatment for which the veteran is not responsible.

''(c) LIMITATION.—Dental benefits provided by reason of this section shall be a one-time course of dental care provided in the same manner as the dental benefits provided to a newly discharged veteran.

''§2063. Employment assistance

''The Secretary may authorize homeless veterans receiving care through vocational rehabilitation programs to participate in the compensated work therapy program under section 1718 of this title.

''§2064. Technical assistance grants for nonprofit community-based groups

''(a) GRANT PROGRAM.—The Secretary shall carry out a program to make grants to entities or organizations with expertise in preparing grant applications. Under the program, the entities or organizations receiving grants shall provide technical assistance to nonprofit community-based groups with experience in providing assistance to homeless veterans in order to assist such groups in applying for grants under this chapter and other grants relating to addressing problems of homeless veterans.

''(b) FUNDING.—There is authorized to be appropriated $750,000 for each of fiscal years 2002 through 2005 to carry out the program under this section.

''§2065. Annual report on assistance to homeless veterans

''(a) ANNUAL REPORT.—Not later than April 15 of each year, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the activities of the Department during the calendar year preceding the report under programs of the Department under this chapter and other programs of the Department for the provision of assistance to homeless veterans.

''(b) GENERAL CONTENTS OF REPORT.—Each report under subsection (a) shall include the following:

''(1) The number of homeless veterans provided assistance under the programs referred to in subsection (a).

''(2) The cost to the Department of providing such assistance under those programs.

''(3) The Secretary's evaluation of the effectiveness of the programs of the Department in providing assistance to homeless veterans, including—

''(A) residential work-therapy programs;

''(B) programs combining outreach, community-based residential treatment, and case-management; and

''(C) contract care programs for alcohol and drug-dependence or use disabilities).

''(4) The Secretary's evaluation of the effectiveness of programs established by recipients of grants under section 2011 of this title and a description of the experience of those recipients in applying for and receiving grants from the Secretary of Housing and Urban Development to serve primarily homeless persons who are veterans.

''(5) Any other information on those programs and on the provision of such assistance that the Secretary considers appropriate.

''(c) HEALTH CARE CONTENTS OF REPORT.—Each report under subsection (a) shall include, with respect to programs of the Department addressing health care needs of homeless veterans, the following:

''(1) Information about expenditures, costs, and workload under the program of the Department known as the Health Care for Homeless Veterans program (HCHV).

''(2) Information about the veterans contacted through that program.

''(3) Information about program treatment outcomes under that program.

''(4) Information about supported housing programs.

''(5) Information about the Department's grant and per diem provider program under subchapter II of this chapter.

''(6) The findings and conclusions of the assessments of the medical needs of homeless veterans conducted under section 2034(b) of this title.

''(7) Other information the Secretary considers relevant in assessing those programs.

''(d) BENEFITS CONTENT OF REPORT.—Each report under subsection (a) shall include, with respect to programs and activities of the Veterans Benefits Administration in processing of claims for benefits of homeless veterans during the preceding year, the following:

''(1) Information on costs, expenditures, and workload of Veterans Benefits Administration claims evaluators in processing claims for benefits of homeless veterans.

''(2) Information on the filing of claims for benefits by homeless veterans.

''(3) Information on efforts undertaken to expedite the processing of claims for benefits of homeless veterans.

''(4) Other information that the Secretary considers relevant in assessing the programs and activities.

''§2066. Advisory Committee on Homeless Veterans

''(a) ESTABLISHMENT.—(1) There is established in the Department the Advisory Committee on Homeless Veterans (hereinafter in this section referred to as the 'Committee').

''(2) The Committee shall consist of not more than 15 members appointed by the Secretary from among the following:

''(A) Veterans service organizations.

''(B) Advocates of homeless veterans and other homeless individuals.

''(C) Community-based providers of services to homeless individuals.

''(D) Previously homeless veterans.

''(E) State veterans affairs officials.

''(F) Experts in the treatment of individuals with mental illness.

''(G) Experts in the treatment of substance use disorders.

''(H) Experts in the development of permanent housing alternatives for lower income populations.

''(I) Experts in vocational rehabilitation.

''(J) Such other organizations or groups as the Secretary considers appropriate.

''(3) The Committee shall include, as ex officio members, the following:

''(A) The Secretary of Labor (or a representative of the Secretary selected after consultation with the Assistant Secretary of Labor for Veterans' Employment).

''(B) The Secretary of Defense (or a representative of the Secretary).

''(C) The Secretary of Health and Human Services (or a representative of the Secretary).

''(D) The Secretary of Housing and Urban Development (or a representative of the Secretary).

''(4)(A) The Secretary shall determine the terms of service and allowances of the members of the Committee, except that a term of service may not exceed three years. The Secretary may reappoint any member for additional terms of service.

''(B) Members of the Committee shall serve without pay. Members may receive travel expenses, including per diem in lieu of subsistence for travel in connection with their duties as members of the Committee.

''(b) DUTIES.—(1) The Secretary shall consult with and seek the advice of the Committee on a regular basis with respect to the provision by the Department of benefits and services to homeless veterans.

''(2) In providing advice to the Secretary under this subsection, the Committee shall—

''(A) assemble and review information relating to the needs of homeless veterans;

''(B) provide an on-going assessment of the effectiveness of the policies, organizational structures, and services of the Department in assisting homeless veterans; and

''(C) provide on-going advice on the most appropriate means of providing assistance to homeless veterans.

''(3) The Committee shall—

''(A) review the continuum of services provided by the Department directly or by contract in order to define cross-cutting issues and to improve coordination of all services with the Department that are involved in addressing the special needs of homeless veterans;

''(B) identify (through the annual assessments under section 2034 of this title and other available resources) gaps in programs of the Department in serving homeless veterans, including identification of geographic areas with unmet needs, and provide recommendations to address those gaps;

''(C) identify gaps in existing information systems on homeless veterans, both within and outside the Department, and provide recommendations about redressing problems in data collection;

''(D) identify barriers under existing laws and policies to effective coordination by the Department with other Federal agencies and with State and local agencies addressing homeless populations;

''(E) identify opportunities for increased liaison by the Department with nongovernmental organizations and individual groups providing services to homeless populations;

''(F) with appropriate officials of the Department designated by the Secretary, participate with the Interagency Council on the Homeless under title II of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11311 et seq.);

''(G) recommend appropriate funding levels for specialized programs for homeless veterans provided or funded by the Department;

''(H) recommend appropriate placement options for veterans who, because of advanced age, frailty, or severe mental illness, may not be appropriate candidates for vocational rehabilitation or independent living; and

''(I) perform such other functions as the Secretary may direct.

''(c) REPORTS.—(1) Not later than March 31 of each year, the Committee shall submit to the Secretary a report on the programs and activities of the Department that relate to homeless veterans. Each such report shall include—

''(A) an assessment of the needs of homeless veterans;

''(B) a review of the programs and activities of the Department designed to meet such needs;

''(C) a review of the activities of the Committee; and

''(D) such recommendations (including recommendations for administrative and legislative action) as the Committee considers appropriate.

''(2) Not later than 90 days after the receipt of a report under paragraph (1), the Secretary shall transmit to the Committees on Veterans' Affairs of the Senate and House of Representatives a copy of the report, together with any comments and recommendations concerning the report that the Secretary considers appropriate.

''(3) The Committee may also submit to the Secretary such other reports and recommendations as the Committee considers appropriate.

''(4) The Secretary shall submit with each annual report submitted to the Congress pursuant to section 529 of this title a summary of all reports and recommendations of the Committee submitted to the Secretary since the previous annual report of the Secretary submitted pursuant to that section.

''(d) TERMINATION.—The Committee shall cease to exist December 31, 2006.''.

(2) The tables of chapters before part I and at the beginning of part II are each amended by inserting after the item relating to chapter 19 the following new item:

''20. Benefits for Homeless Veterans ..... 2001''.

(b) HEALTH CARE.—(1) Subchapter VII of chapter 17 is transferred to chapter 20 (as added by subsection (a)), inserted after section 2023 (as so added), and redesignated as subchapter IV, and sections 1771, 1772, 1773, and 1774 therein are redesignated as sections 2031, 2032, 2033, and 2034, respectively.

(2) Subsection (a)(3) of section 2031, as so transferred and redesignated, is amended by striking ''section 1772 of this title'' and inserting ''section 2032 of this title''.

(c) HOUSING ASSISTANCE.—Section 3735 is transferred to chapter 20 (as added by subsection (a)), inserted after the heading for subchapter V, and redesignated as section 2041.

(d) MULTIFAMILY TRANSITIONAL HOUSING.—(1) Subchapter VI of chapter 37 (other than section 3771) is transferred to chapter 20 (as added by subsection (a)) and inserted after section 2043 (as so added), and sections 3772, 3773, 3774, and 3775 therein are redesignated as sections 2051, 2052, 2053, and 2054, respectively.

(2) Such subchapter is amended—

(A) in the heading, by striking ''FOR HOMELESS VETERANS'';

(B) in subsection (d)(1) of section 2051, as so transferred and redesignated, by striking ''section 3773 of this title'' and inserting ''section 2052 of this title''; and

(C) in subsection (a) of section 2052, as so transferred and redesignated, by striking ''section 3772 of this title'' and inserting ''section 2051 of this title''.

(3) Section 3771 is repealed.

(e) REPEAL OF CODIFIED PROVISIONS.—The following provisions of law are repealed:

(1) Sections 3, 4, and 12 of the Homeless Veterans Comprehensive Service Programs Act of 1992 (Public Law 102–590; 38 U.S.C. 7721 note).

(2) Section 1001 of the Veterans' Benefits Improvements Act of 1994 (Public Law 103–446; 38 U.S.C. 7721 note).

(3) Section 4111.

(4) Section 738 of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11448).

(f) EXTENSION OF EXPIRING AUTHORITIES.—Subsection (b) of section 2031, as redesignated by subsection (b)(1), and subsection (d) of section 2033, as so redesignated, are amended by striking ''December 31, 2001'' and inserting ''December 31, 2006''.

(g) CLERICAL AMENDMENTS.—(1) The table of sections at the beginning of chapter 17 is amended by striking the item relating to subchapter VII and the items relating to sections 1771, 1772, 1773, and 1774.

(2) The table of sections at the beginning of chapter 37 is amended—

(A) by striking the item relating to section 3735; and

(B) by striking the item relating to subchapter VI and the items relating to sections 3771, 3772, 3773, 3774, and 3775.

(3) The table of sections at the beginning of chapter 41 is amended by striking the item relating to section 4111.

SEC. 6. EVALUATION CENTERS FOR HOMELESS VETERANS PROGRAMS.

(a) EVALUATION CENTERS.—The Secretary of Veterans Affairs shall support the continuation within the Department of Veterans Affairs of at least one center for evaluation to monitor the structure, process, and outcome of programs of the Department of Veterans Affairs that address homeless veterans.

(b) ANNUAL PROGRAM ASSESSMENT.—Section 2034(b), as transferred and redesignated by section 5(b)(1), is amended—

(1) by inserting ''annual'' in paragraph (1) after ''to make an''; and

(2) by adding at the end the following new paragraph:

''(6) The Secretary shall review each annual assessment under this subsection and shall consolidate the findings and conclusions of each such assessment into the next annual report submitted to Congress under section 2065 of this title.''.

SEC. 7. STUDY OF OUTCOME EFFECTIVENESS OF GRANT PROGRAM FOR HOMELESS VETERANS WITH SPECIAL NEEDS.

(a) STUDY.—The Secretary of Veterans Affairs shall conduct a study of the effectiveness during fiscal year 2002 through fiscal year 2004 of the grant program under section 2061 of title 38, United States Code, as added by section 5(a), in meeting the needs of homeless veterans with special needs (as specified in that section). As part of the study, the Secretary shall compare the results of programs carried out under that section, in terms of veterans' satisfaction, health status, reduction in addiction severity, housing, and encouragement of productive activity, with results for similar veterans in programs of the Department or of grant and per diem providers that are designed to meet the general needs of homeless veterans.

(b) REPORT.—Not later than March 31, 2005, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report setting forth the results of the study under subsection (a).

SEC. 8. EXPANSION OF OTHER PROGRAMS.

(a) ACCESS TO MENTAL HEALTH SERVICES.—Section 1706 is amended by adding at the end the following new subsection:

''(c) The Secretary shall ensure that each primary care health care facility of the Department develops and carries out a plan to provide mental health services, either through referral or direct provision of services, to veterans who require such services.''.

(b) COMPREHENSIVE HOMELESS SERVICES PROGRAM.—Subsection (b) of section 2033, as transferred and redesignated by section 5(b)(1), is amended—

(1) by striking ''not fewer'' in the first sentence and all that follows through ''services) at''; and

(2) by adding at the end the following new sentence: ''The Secretary shall carry out the program under this section in sites in at least

each of the 20 largest metropolitan statistical areas.''.

(c) ACCESS TO SUBSTANCE USE DISORDER SERVICES.—Section 1720A is amended by adding at the end the following new subsection:

''(d)(1) The Secretary shall ensure that each medical center of the Department develops and carries out a plan to provide treatment for substance use disorders, either through referral or direct provision of services, to veterans who require such treatment.

''(2) Each plan under paragraph (1) shall make available clinically proven substance abuse treatment methods, including opioid substitution therapy, to veterans with respect to whom a qualified medical professional has determined such treatment methods to be appropriate.''.

SEC. 9. COORDINATION OF EMPLOYMENT SERVICES.

(a) DISABLED VETERANS' OUTREACH PROGRAM.—Section 4103A(c) is amended by adding at the end the following new paragraph:

''(11) Coordination of employment services with training assistance provided to veterans by entities receiving funds under section 2021 of this title.''.

(b) LOCAL VETERANS' EMPLOYMENT REPRESENTATIVES.—Section 4104(b) is amended—

(1) by striking ''and'' at the end of paragraph (11);

(2) by striking the period at the end of paragraph (12) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(13) coordinate employment services with training assistance provided to veterans by entities receiving funds under section 2021 of this title.''.

SEC. 10. USE OF REAL PROPERTY.

(a) LIMITATION ON DECLARING PROPERTY EXCESS TO THE NEEDS OF THE DEPARTMENT.—Section 8122(d) is amended by inserting before the period at the end the following: ''and is not suitable for use for the provision of services to homeless veterans by the Department or by another entity under an enhanced-use lease of such property under section 8162 of this title''.

(b) WAIVER OF COMPETITIVE SELECTION PROCESS FOR ENHANCED-USE LEASES FOR PROPERTIES USED TO SERVE HOMELESS VETERANS.—Section 8162(b)(1) is amended—

(1) by inserting ''(A)'' after ''(b)(1)''; and

(2) by adding at the end the following:

''(B) In the case of a property that the Secretary determines is appropriate for use as a facility to furnish services to homeless veterans under chapter 20 of this title, the Secretary may enter into an enhanced-use lease with a provider of homeless services without regard to the selection procedures required under subparagraph (A).''.

(c) EFFECTIVE DATE.—The amendments made by subsection (b) shall apply to leases entered into on or after the date of the enactment of this Act.

SEC. 11. MEETINGS OF INTERAGENCY COUNCIL ON HOMELESS.

Section 202(c) of the McKinney-Vento Homeless Assistance Act (42 U.S.C. 11312(c)) is amended to read as follows:

''(c) MEETINGS.—The Council shall meet at the call of its Chairperson or a majority of its members, but not less often than annually.''.

SEC. 12. RENTAL ASSISTANCE VOUCHERS FOR HUD VETERANS AFFAIRS SUPPORTED HOUSING PROGRAM.

Section 8(o) of the United States Housing Act of 1937 (42 U.S.C. 1437f(o)) is amended by adding at the end the following new paragraph:

''(19) RENTAL VOUCHERS FOR VETERANS AFFAIRS SUPPORTED HOUSING PROGRAM.—

''(A) SET ASIDE.—Subject to subparagraph (C), the Secretary shall set aside, from amounts made available for rental assistance under this subsection, the amounts specified in subparagraph (B) for use only for providing such assistance through a supported housing program administered in conjunction with the Department of Veterans Affairs. Such program shall provide rental assistance on behalf of homeless veterans who have chronic mental illnesses or chronic substance use disorders, shall require agreement of the veteran to continued treatment for such mental illness or substance use disorder as a condition of receipt of such rental assistance, and shall ensure such treatment and appropriate case management for each veteran receiving such rental assistance.

''(B) AMOUNT.—The amount specified in this subparagraph is—

''(i) for fiscal year 2003, the amount necessary to provide 500 vouchers for rental assistance under this subsection;

''(ii) for fiscal year 2004, the amount necessary to provide 1,000 vouchers for rental assistance under this subsection;

''(iii) for fiscal year 2005, the amount necessary to provide 1,500 vouchers for rental assistance under this subsection; and

''(iv) for fiscal year 2006, the amount necessary to provide 2,000 vouchers for rental assistance under this subsection.

''(C) FUNDING THROUGH INCREMENTAL ASSISTANCE.—In any fiscal year, to the extent that this paragraph requires the Secretary to set aside rental assistance amounts for use under this paragraph in an amount that exceeds the amount set aside in the preceding fiscal year, such requirement shall be effective only to such extent or in such amounts as are or have been provided in appropriation Acts for such fiscal year for incremental rental assistance under this subsection.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from Illinois (Mr. EVANS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Madam Speaker, I yield myself such time as I may consume.

Madam Speaker, earlier this year at a hearing on homeless veterans, our committee heard some very compelling testimony from several veterans who themselves had been homeless, including Stuart Collick, a 39-year-old veteran from New Jersey. Stuart had joined the all-volunteer Army at the age of 23. He could think of no higher calling than serving his country, and serve he did. He had combat experience in Grenada, and later distinguished himself as an infantryman in the Persian Gulf War.

He holds the Army Service Ribbon with three Oak Leaf Clusters, the Southwest Asia Service Ribbon; three Bronze Star medals; three Good Conduct medals, and the Combat Infantryman's Badge, among other official recognition. He served with distinction, and he did his duty.

But combat leaves indelible marks and can leave scars that sometimes fail to heal. Mr. Collick left the Army in 1992, a disillusioned man, and he began drinking, then he turned to hard drug use. Within 5 years of discharge, he had lost his job, his family and his home, and was on the streets. His life, like many homeless, addicted veterans, was in total chaos.

Last year, Stuart Collick found the VA Homeless Assistance Program of New Jersey. With VA help, and a growing faith in God, he turned his life around, finding new ways to cope and to overcome. He found a job and his own apartment. He developed new friendships, and reestablished relationships with his family. Today, he is working as a carpenter and foreman on the VA's Veterans Construction Team at Lyons, New Jersey, helping to build a commercial greenhouse and teaching other homeless veterans how to build something positive. Today, Stuart is a role model, an inspiration to his fellow veterans in early recovery and drawing strength from his own experiences in the Army and his life.

Unfortunately, for each Stuart Collick, there are thousands of other homeless veterans living on America's streets. In fact, the Department of Veterans Affairs estimates there are 225,000 homeless veterans on any given night. Other organizations believe that the number is closer to 300,000. Either number is far too high and a national scandal.

Madam Speaker, this historic legislation before the House today, H.R. 2716, is designed to provide assistance to homeless men and women, with a national goal of ending chronic homelessness among veterans within 10 years.

When I introduced the homeless assistance legislation earlier this year, it had four overarching themes: Prevention; innovation; accountability and funding programs that work. After months of effort on the part of the Committee on Veterans Affairs and our staff in both bodies, I am proud to report that our final compromise legislation reflects these principles.

Madam Speaker, it is difficult to pinpoint any one cause of homelessness among our veterans. We know, however, that direct exposure to combat is often associated with later readjustment problems. We know that a majority of homeless veterans today suffer from mental illnesses, including posttraumatic stress disorder, illegal substance abuse often complicates their situation as well.

As indicated in a recent Washington Post article, ''The woeful failure to provide appropriate treatment and ongoing follow-up care has sent many individuals spinning through an endless revolving door of hospital admission and readmissions, jails and public shelters. America's jails and prisons are now surrogate psychiatric hospitals.''

Madam Speaker, what a sad commentary that this is our approach to dealing with this vexing problem, and it need not be. Madam Speaker, a provision in H.R. 2716 authorizes an innovative demonstration program to learn whether early intervention can prevent homelessness among institutionalized veterans. The program would be carried out at 6 demonstration sites, including jails and prisons. The purpose of this program is to provide incarcerated veterans with referral and counseling about job training, housing, health care, and other needs to assist the veteran in the transition from institutional living back to normal life.

Madam Speaker, the consensus legislation now before the House adds funds to programs that have demonstrated effectiveness in addressing chronic homelessness among veterans. One such program coordinates the resources of several responsible Federal agencies in dealing with homelessness. Our agreement adopts the House provision which would authorize 2,000 additional HUD section 8 low-income housing vouchers for homeless veterans in need of permanent housing. These veterans must be enrolled in VA health care and priority will be given to veterans under care for mental illness or substance-use disorders.

Another program with demonstrated effectiveness is the VA's domiciliary program, currently operating in 35 locations. Our bill will authorize $10 million for 10 new ''VA Domiciliary for Homeless Veterans'' programs. These programs, like the successful one at the VA in Lyons, New Jersey, have proven highly effective. They are not the entire solution, but they appear to obtain very good results, and I believe we need to have more of them.

The bill improves and expands VA's homeless grant program, which works with community-based and nonprofit providers to target services for homeless veterans. Current participants are already contributing substantially to the fulfillment of this bill's objective: To reduce homelessness and provide for the specialty needs of homeless veterans. The bill authorizes $285 million over 4 years for this program. It also provides a new mechanism for setting the per diem payment so that it can be adjusted on a regular basis without red tape.

The Department of Labor's Homeless Veteran Reintegration Program has a proven track record of helping veterans rejoin the labor force. H.R. 2716 extends and increases the authorization level to $250 million over 5 years for this effective program.

Employment is an important key to helping homeless veterans rejoin American society, but employment is not possible unless a homeless veteran has access to quality health and dental care, and other supportive services. The compromise expands access to these services in an innovative way.

These are just a few of the highlights of the comprehensive bill, the ''Homeless Veterans' Comprehensive Assistance Act of 2001.'' It will provide new assistance to homeless veterans, lift them up to a sustainable level and prevent them from returning to a state of homelessness, and help them become self-sufficient individuals, accountable for their own actions. This bill also holds accountable grant and contract recipients to perform their promised services in exchange for government investments, and promotes a greater opportunity for departments to work together to provide the best possible outcomes. It also sponsors prevention of homelessness in high-risk groups within the veteran population. And, it provides more authority and funds for programs that have proven themselves successful in reducing homelessness.

I would like to commend a number of people, the gentleman from Illinois (Mr. EVANS) who has been a tireless worker working on behalf of homeless veterans. We have worked very cooperatively on this legislation. He has been a friend and ally in its crafting, along with staff on both sides of the aisle, Pat Ryan, who is our committee staff counsel as well as our committee's chief of staff. I would like to thank so many people who contributed to this legislation and those who inspire like Jerry Colbert.

Madam Speaker, my wife and I were greatly moved by the National Memorial Day concert produced by Jerry Colbert here at the Capitol and the emphasis it placed on homelessness. This is a good bill, and deserves the support of every Member of this body.

Madam Speaker, I reserve the balance of my time.

Mr. EVANS. Madam Speaker, I yield myself such time as I may consume.

(Mr. EVANS asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. EVANS. Madam Speaker, I rise in strong support of H.R. 2716. I commend and thank the gentleman from New Jersey (Mr. SMITH) for his effective leadership on this legislation. I thank the many other Members who have supported this legislation, and also salute the staff who contributed to this bill before us today. I appreciate the work of the Committee staff, and in particular, the work of Susan Edgerton and Sandra McClellan of my staff for their contributions to this measure.

This bill will greatly benefit our homeless veterans, and it is a bipartisan measure in the best tradition of this committee. The legislation contains provisions which I originally proposed in H.R. 936, and also contains provisions authored by the gentleman from New Jersey (Mr. SMITH). The bipartisan legislation now on the floor is worthy of the strong support of every Member of this body.

H.R. 2716 recognizes and addresses the needs of a special group of veterans, our Nation's homeless veterans. The preponderance of the evidence is that the male population of veterans suggests a compelling need for legislation that specifically addresses the needs of this extremely complex and vulnerable population.

The legislation before the House today will greatly benefit our homeless veterans. It maintains the focus of my original bill which emphasizes mental health and substance use disorder treatment as essential building blocks in the effort to restore veterans' functionality and independence.

There are simply not enough vital substance abuse and mental health programs today to help veterans onto the path of sobriety and increased functionality. Additional resources are needed to help more homeless veterans and this legislation provides needed added resources.

Madam Speaker, I urge the passage of this legislation, and include for the RECORD a summary explanation of this legislation.

HOMELESS VETERANS COMPREHENSIVE ASSISTANCE ACT OF 2001—H.R. 2716, AS AMENDED

Title: To amend title 38, United States Code, to revise, improve, and consolidate provisions of law providing benefits and services for homeless veterans, and for other purposes.

H.R. 2716, as amended would:

1. Provide that this bill may be cited as the ''Homeless Veterans Comprehensive Assistance Act of 2001''.

2. Establish a national goal to end chronic homelessness among veterans and encourage all governmental and private agencies to work together to achieve this goal.

3. Provide a ''Sense of the Congress'' regarding the needs of homeless veterans and the responsibility of federal agencies in meeting these needs.

4. Consolidate and improve laws relating to homeless veterans into a new chapter of title 38, United States Code. Include provisions to increase per diem payments for the care of homeless veterans by community providers up to the rates paid to state home domiciliaries, authorize appropriations for the Homeless Veterans' Reintegration Program, coordinate outreach services among agencies dealing with homeless individuals, and undertake an outreach demonstration program within VA. Other provisions would authorize establishment of a grant program for homeless veterans with special needs, a limited dental care benefit for veterans using VA homeless programs, technical assistance grants to nonprofit community based groups, and establish an Advisory Committee on Homeless Veterans.

5. Establish evaluation centers for programs that serve homeless veterans and require reports of annual program assessments to be submitted to Congress.

6. Require a study of outcome effectiveness of a new grant program for homeless veterans with special needs.

7. Require VA to develop a plan to provide mental health services at all VA primary care sites; expand the comprehensive homeless service center program; and require a plan to provide substance use disorder treatment, including opioid substitution therapy at every VA medical center.

8. Require disabled veterans' outreach program specialists and local veterans' employment representatives to coordinate employment services with entities receiving financial assistance under homeless veterans' reintegration programs.

9. Establish priorities for homeless programs when VA considers disposing of real property or entering into enhanced-use lease arrangements.

10. Require an annual meeting of the Interagency Council on Homeless.

11. Set aside rental assistance vouchers for HUD VA-Supported Housing Program.

Effective Date: Date of enactment.

Cost: The Congressional Budget Office estimates the cost of H.R. 2716, as amended, would authorize funding or modify provisions governing discretionary spending in additional outlays of about $90 million in 2002 and about $945 million over the 2002–2006 period, assuming appropriation of the necessary amounts. Because the bill would not affect direct spending or receipts, pay-as-you-go procedures would not apply.

Madam Speaker, I reserve the balance of my time.

Mr. SMITH of New Jersey. Madam Speaker, I yield 2 minutes to the gentleman from Connecticut (Mr. SIMMONS).

Mr. SIMMONS. Madam Speaker, I rise today in support of this legislation, and I commend the gentleman from New Jersey (Mr. SMITH) and the gentleman from Illinois (Mr. EVANS) for their support of this important bill. I also thank Heather French Henry, who has worked tirelessly to bring the plight of homeless veterans to the attention of our Nation.

This bipartisan bill sets a new national standard to end chronic homelessness for veterans in 10 years.

□ 1600

It has been estimated that 345,000 veterans will benefit from this legislation with assistance in housing, health care, mental health services, job training, dental care and so on and so forth.

As a Vietnam veteran, I know firsthand the importance of helping military personnel who are returning from a war zone. They have to deal with the issue of reintroducing themselves to society. For many, the emotional strains of war are more than they can bear. Many veterans have found themselves unable to cope with the expectations of returning to civilian life. They have problems on the job, they have problems with their family, and they get into a downward spiral that ultimately ends up with homelessness. Under the provisions of this legislation, government agencies and private agencies will provide these veterans with the support they need. It will provide them with per diem payments, greater access to outreach programs, mental health services, dental services, and so on and so forth.

Ending chronic homelessness will not be an easy task, but this is a piece of legislation that will bring us much closer to that important goal.

Madam Speaker, our veterans were there when we needed them. Now it is our turn. We should be there when they need us.

Mr. EVANS. Madam Speaker, I yield 4 minutes to the gentleman from Texas (Mr. REYES).

Mr. REYES. Madam Speaker, I rise in support of H.R. 2716, the Homeless Veterans Comprehensive Assistance Act of 2001. I want to thank the chairman of the full committee, the gentleman from New Jersey; and our ranking member, the gentleman from Illinois, for responding in a bipartisan fashion to the needs of our Nation's homeless veterans. I fully support the bill's goal of ending chronic homelessness among our Nation's veterans within a decade.

I am pleased to see that the bill requires dedicated employees at Veterans Administration regional offices to serve large numbers of our homeless veterans. It is difficult enough for veterans who are not coping with the hardships of homelessness to navigate through the VA bureaucracy. Our homeless veterans often need special assistance. This bill will provide it.

Madam Speaker, I would like to direct my remarks today to the great need of some of our most severely disabled and mentally ill homeless veterans. This bill contains a number of provisions to address the special needs of chronically mentally ill homeless veterans. It encourages the VA to make grants targeted to the chronically mentally ill. It requires access to mental health services and substance abuse treatment at VA health care facilities. These veterans clearly need more intensive services in order to achieve stable housing and maximum independence, even if employability is not a realistic goal.

As a Vietnam veteran myself, I know that during that time a number of individuals were accepted into military service who would not have been accepted for service under normal criteria. Some of these veterans were further traumatized by their military experience and have suffered ever since with severe mental health and substance abuse problems. Those veterans who became homeless as a result of these problems deserve our support.

To ensure that mentally ill veterans do not become homeless, I support expansion of programs to provide mental health services to our veterans. As the number of community-based outpatient clinics has increased, I continue to hear of inadequate access to mental health care and substance abuse treatment services. Veterans who are seriously mentally ill need access to health care and to treatment just as those who have other serious illnesses. Ensuring a plan for mental health treatment available through each VA primary care clinic will provide the access needed by our veterans.

Madam Speaker, I am proud to support this effort to address the longstanding problem of chronic homelessness among those who have served our Nation proudly. I urge all Members to support this bill, H.R. 2716.

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Just let me close, Mr. Speaker, by again thanking the gentleman from Illinois (Mr. EVANS) for his partnership in working on this legislation. I also appreciate the work of our colleagues in the Senate, Chairman ROCKEFELLER and Ranking Member SPECTER, who toiled in good faith with us on behalf of finding consensus on this legislation that satisfies the needs and really does address the problem to truly make a difference. I want to recognize the staffs who contributed so much to these efforts, including our chief of staff and general counsel Pat Ryan, Kingston Smith, Michael Durishin, Susan Edgerton, John Bradley, Peter Dirkenson, Bill Brew, Bill Tuerk, Alexandra Sardegna, Bill Cahill, Kimberly Cowins, Perry Lange, Debbie Smith, Summer Larson, Jeannie McNally, as well as counsels in both bodies, Bob Cover, Pierre Poisson and Charlie Armstrong, as well as several others who worked together to accomplish a truly remarkable bill that in the future will be seen as a tremendous contribution to solving a perplexing national problem for veterans. I commend all our Members on both sides of the aisle, and in both Houses, for their support in moving this legislation as well.

On behalf of homeless veterans, Mr. Speaker, who need these services, I want to particularly honor Stuart Collick, Walter McConnell, Angela Gipson and other formerly homeless veterans of my own State who serve as inspirations and role models, and for all of those who aid them in their ongoing efforts to solve this problem, one veteran at a time, trying to rescue one life at a time.

GENERAL LEAVE

Mr. SMITH of New Jersey. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days within which to revise and extend their remarks on this legislation.

The SPEAKER pro tempore (Mr. OTTER). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SMITH of New Jersey. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. EVANS. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. RODRIGUEZ).

Mr. RODRIGUEZ. Mr. Speaker, I am pleased that the Senate has acted quickly to pass this important piece of legislation to assist homeless veterans. I would like to thank our distinguished chairman and ranking member of the Committee on Veterans' Affairs for crafting this bipartisan legislation that targets the specialized needs of an often neglected population within the veterans community, the homeless, which have very little access to services.

The VA issued a report last year on homeless veterans. It found that during 1999 there were an estimated 350,000 homeless veterans, an increase of 34 percent above the 1998 estimate. Things are getting worse instead of better. Many of our homeless veterans suffer from posttraumatic stress disorder and other mental illnesses in addition to drug addiction. Unfortunately, the VA has cut the number of inpatient beds in half.

We heard forceful testimony in committee that the lack of inpatient beds has adversely affected the quality of care for veterans who suffer from substance abuse, many of whom are homeless. The VA admitted during a hearing that they have not met 1996 capacity requirements for substance abuse.

So while I am happy that H.R. 2716 authorizes more resources for homeless programs and promotes greater accountability and oversight for these programs, I have concerns with some of

the VA policies which may hinder implementation. In particular, the VA's move from inpatient hospital settings to community-based clinics may have unintentionally turned homeless veterans away from treatment. Therefore, I hope that this legislation will enable the VA to better serve this population through aggressive outreach efforts and to render much needed services as quickly as possible.

The events of the recent past have reminded us that our Nation's peace and security must be protected at any cost. Those men and women who answer the call to defend our democracy when it is under attack should be assured that we will take care of them when they are in crisis.

Mr. Speaker, I want to reemphasize the importance of these programs for our homeless veterans, and I want to encourage the importance of making sure that we have caseworkers out there that reach out to these veterans. Too many times, these veterans, as we well know, suffer from mental health problems. They are not the type to come in for an appointment. We have to make sure that we reach out to them and make sure that we provide that access to that service. When we look at a lot of these veterans, these are the same ones that might be suffering from substance abuse as a way of trying to correct their problems with mental health and trying to protect themselves.

In closing, let me just say, Mr. Speaker, I urge that my colleagues support H.R. 2716.

Mr. FORBES. Mr. Speaker, last week, we commemorated the 60th anniversary of the attack on Pearl Harbor. That single event changed the history of the world, and altered the paths of all Americans. No one was more affected, however, than the World War II veterans who picked up arms in response to that attack. Ceremonies all across the nation honored them for their sacrifices last Friday, including one in which I was proud to participate on the U.S.S. *Enterprise*.

There can be no greater exhibition of gratitude, however, than passage of legislation that improves the lives of those veterans and expands upon the benefits that they have richly earned. For months now, several bills passed by the House to help our veterans have awaited action by the other chamber. Today, I am pleased to join my colleagues in finally passing some of them and sending them to the President for his signature into law.

The first bill sets a high, but I think attainable goal, of ending chronic homelessness among veterans. Far too many of the brave men and women who fought to provide us with freedom spend their days and nights on the streets and in shelters. They returned from the battlefield but were unable to make the transition back to their civilian lives. Given the great sacrifices they have made on our behalf, we should be able to make a real effort to help them find their place in our society where they can feel welcome and comfortable. As many as 300,000 veterans sleep on the streets on any given night. The $1 billion authorized by this legislation over the next five years will go far to help them find peace and shelter.

The second bill provides a 2.6 percent cost-of-living adjustment for veterans disability compensation. For 100 percent disabled veterans, this translates into an average of $738 each year. These men and women sacrificed their ability to do many routine tasks, including work, when they put on the uniform and were wounded. This legislation merely helps them keep pace with inflation, so that they can pay their bills and live their lives. It is a modest increase compared to what they have given.

The final bill consolidates several bills considered by the House that increase education, housing, burial, and disability benefits for veterans by $3.1 billion over the next five years. Specifically, the bill increases the popular and successful Montgomery GI Bill college education benefit by 51 percent over current levels, increases the veterans home loan guaranty by nearly $10,000, and increases grants for disabled veterans' implements. Furthermore this bill expands the list of illnesses for which veterans can qualify for disability compensation and will repeal the 30-year presumptive period for respiratory cancers associated with exposure to Agent Orange and other herbicides.

Together, these bills are a fitting way to thank our veterans and to extend a promise to the millions of American soldiers, sailors, airmen, and Marines that are now serving in uniform. Without these men and women, the world would be far less secure and the future would be bleak. I am proud to be a part of the effort to show our thanks.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 2716, the Homeless Veterans Assistance Act of 2001. I urge my colleagues to join in supporting this timely, appropriate legislation.

This legislation authorizes, in addition to the current existing program, 500 Department of Housing and Urban Development low-income housing vouchers per year for the next four years. Along with this, the bill also requires the Veterans Health Administration to increase the number of caseworkers so that all veterans who receive such a housing voucher will be seen by a case manager.

The legislation also requires the VA to ensure the accuracy of its reporting system on: the demand for services by homeless veterans, the level of understanding among grant recipients of their responsibility to serve homeless veterans, and the development of an evaluation system to analyze the progress of veterans enrolled in the program, and on the overall effectiveness of the various homeless programs. The Secretary is also given the authority to rescind or recover homeless grant funds from those programs that fail to meet their established guidelines for using such money with relation to offering services to homeless veterans.

In terms of specific funding, the bill provides $60 million for FY 2002 for the Department of Veterans Affairs Homeless Grant and Per Diem Program, and raises this amount to $75 million for FYs 2003–2005. Moreover, it also directs the VA Secretary to establish 10 new domiciliary for homeless veterans programs, and authorizes $5 million per year for this purpose beginning in 2003.

Finally, the legislation strengthens and expands job training and counseling services offered through the Department of Labor's Homeless Veterans Reintegration Program. Additional services are authorized through the creation of a demonstration project in six locations for veterans in institutional confinement, particularly those with substances abuse problems or mental illnesses. These services are designed to facilitate the successful reintegration of the veteran into productive society.

The issue of homeless veterans is one of our government's more significant failures with regards to military and social policy. Every night thousands of veterans sleep on the streets or inside shelters. Additionally, many of these individuals have criminal records, substance abuse problems, and are often mentally ill.

Simply put, this is inexcusable. These veterans answered their country's call to service in their prime years. We as a nation have an obligation to these men and women to ensure that they at least have a roof over their head, and whatever assistance they may require to deal with the demons of mental illness or substance abuse.

This bill takes a significant step towards that goal. Accordingly, I urge my colleagues to lend it their wholehearted support.

Mr. MATHESON. Mr. Speaker, I appreciate the opportunity to speak today concerning H.R. 2716, the Homeless Veterans Assistance Act. In this time of war, we have many of our men and women in uniform fighting for the security of the free world in Afghanistan. As a cosponsor of this legislation, I am proud that Congress has remembered its responsibility to those who fought before—in the Gulf War, Vietnam, Korea, World War II, and the myriad other conflicts our nation has faced.

This legislation attempts to resolve a problem that has long plagued veterans: homelessness. While our nation is fortunate to have many businesses that welcome veterans with open arms, some veterans return from service without being able to reintegrate into society easily. Many of these men and women end up on the streets, without a home. It is terrible that these valiant soldiers could fight for their country, protect freedom and liberty, and then return home to nothing.

This legislation calls on the United States to eliminate chronic homelessness among our nation's veterans within ten years—a very admirable goal. It authorizes 2,000 Housing and Urban Development low-income housing vouchers to be disseminated to homeless veterans. It establishes programs to provide counseling services to certain veterans, offer technical assistance to non-profit organizations working to alleviate veteran homelessness, improve veteran dental services, and requires Homeless Veterans Comprehensive Service Program centers in the 20 largest U.S. cities.

I am grateful, Mr. Speaker, for the work that my colleagues have done to see this legislation move forward. I am even more grateful for the dedication and sacrifice that our veterans have given to preserve our freedom. Mr. Speaker, I support this legislation and ask my colleagues to join me in voting in favor of H.R. 2716.

Ms. CARSON of Indiana. Mr. Speaker, I would like to thank Chairman SMITH for his hard work in making sure this measure was considered by the Senate so it could become law in this session of Congress. I also want to thank Chairman STEARNS and Ranking Member FILNER of the Health Subcommittee for their hard work on this legislation.

The Stuart Collick-Heather French Henry Homeless Veterans Assistance Act establishes as a national goal an end to chronic

homelessness among veterans and encourages all governmental and private agencies to work together to achieve this goal.

It is the responsibility of the federal government to see to the needs of homeless veterans and the responsibility of federal agencies in meeting those needs. This bill does this by authorizing 10 new Domiciliary for Homeless Veterans programs; $285 million over four years for the Homeless Grant and Per Diem program; $250 million over five years for the Labor Department's Homeless Veterans Reintegration Program to expedite the reintegration of homeless veterans into the labor force; and it earmarks $10 million over three years for medical care for homeless veterans with special needs, including older veterans, women, substance abusers and those with post-traumatic-stress disorder.

I believe so strongly in this issue that I donated personal property to the cause. The Hoosier Veterans Assistance Foundation has worked hard to make my dream a reality. The house assists homeless veterans by supplying transitional housing as well as needed supportive services. We must work together. I have been touched by the number of people who are asking to help since they saw the story on the news.

I am pleased that this measure is being considered this session and urge its passage.

Ms. SCHAKOWSKY. Mr. Speaker, I rise in support of the Senate amendments to the House passed Homeless Veterans Assistance Act and Veterans Benefits Act. These amendments will provide greater care for our nation's veterans and will help America keep its promise to protect the men and women that have done so much to protect America.

I supported the Homeless Veterans Assistance Act when it passed the House of Representatives, and now, I support the Senate-passed version because it does much more. This bill will provide new programs, and will modify existing programs, to furnish a multitude of services for homeless veterans. These services include outreach, rehabilitation, vocational counseling and training, and transitional housing assistance to homeless veterans. In other words, this bill seeks to fight the causes of veterans' homelessness at their root.

Mr. Speaker, as many as 80,000 of our country's 3 million homeless are in the city of Chicago, Many of these are veterans. There are few things as tragic as the sight of the homeless set against the background of a society with so much wealth and prosperity. We have the responsibility to do more. This bill is a modest step in the right direction. Providing veterans with the best possible benefits and rewarding them for their tremendous service to our country is important to me. I believe we must ensure that veterans' programs are sufficiently funded. Providing the means for disenfranchised veterans to renew their lives is the very least we can do.

I also supported the Veterans Benefits Act when it passed the House because it provides a cost of living adjustment for the rates of veterans' disability compensation, additional compensation for dependents, the clothing allowance for certain disabled adult children, and dependency and indemnity compensation for surviving spouses and children. This legislation seeks to ensure that our veterans and their families are not- left behind in the struggle to move forward in these pressuring economic times.

I believe that veterans who served our country deserve the fairest treatment available and that our national priorities must recognize the contributions of all military personnel. This Congress should remain committed to our veterans and work to ensure that they are provided the best possible service. I urge my colleagues to vote in favor of the Senate amendments to the Homeless Veterans Assistance Act and the Veterans Benefits Act.

Mr. FILNER. Mr. Speaker, I rise in support of H.R. 2716, the Homeless Veterans Comprehensive Assistance Act of 2001. This homeless bill retains the best components of two individuals bills, introduced by Ranking Member EVANS and Chairman SMITH. I was an original co-sponsor of H.R. 936, the Heather French Henry Homeless Veterans Assistance Act introduced by Ranking Member EVANS and later in the Senate as S. 736 by Senator PAUL WELLSTONE, because I believed it would enhance effective programs serving homeless veterans, such as community based ''grant and per diem'' care, the homeless veterans reintegration program, and the comprehensive homeless veterans centers. In particular, the bill emphasizes the VA's mental health and substance abuse programs—programs that help veterans achieve the stability they need in order to move toward rebuilding productive lives.

I also believe H.R. 936 would address gaps in VA's care continuum that have been identified by homeless veterans their advocates, such as dental care and outreach to prevent veterans at risk for homelessness. It allows innovative new grant programs to address the needs of veterans whose needs may not be addressed by mainstream programs—programs for terminally ill veterans, veterans with ''dual diagnosis'', that is mental illness and substance abuse disorders, frail elderly veterans, and women.

In Committee hearings, Members from both sides of the aisle identified both the medical necessity and the social importance of a dental benefit in helping veterans regain their footing in society. I believe dental care is an important, but underemphasized part of the VA health care system. This is a small, but critical step we can take toward making this service available to additional veterans.

I also appreciate elements of Chairman SMITH's bill, the Homeless Veterans' Assistance Act. I particularly appreciated his bill's emphasis on finding permanent supported housing options for homeless veterans.

Together, the composite legislation will allow VA to consolidate and coordinate programs for homeless veterans both within the Department, within other federal agencies, and in the non-profit sector that furnish services to our homeless veterans. I believe this comprehensive homeless legislation will make a real difference in the lives of America's homeless veterans.

The final bill retains the stated goal of H.R. 936: to end chronic homelessness among veterans within a decade. I believe the comprehensive bill before us puts the Department of Veterans Affairs on the right path for making this happen. I urge my colleagues to support this measure.

Mr. UDALL of New Mexico. Mr. Speaker, I rise today in strong support of H.R. 2716. I am proud to be a cosponsor of this measure and I would like to thank all members and staff who worked to help bring this excellent piece of legislation before the House for passage. I strongly believe that H.R. 2716 will truly benefit our nation's homeless veterans.

I would also like to express my regret and disappointment over some of the partisan politics that have surrounded this legislation. For far too long, too many of the men and women who have served in our nation's military have been homeless. It is a sad fact that an estimated 225,000 veterans throughout the United States live on the streets. Delaying action on this bill over partisan politics only hurt the veteran's living on the streets.

Nevertheless, I am pleased that the bill is finally ready for passage and I strongly support H.R. 2716, which is a critical step in addressing the shameful situation of homeless veterans in our country.

Among several other provisions included in this bill, H.R. 2716 authorizes 2,000 additional HUD Section 8 low-income housing vouchers over four years for homeless veterans, establishes a grant program for homeless veterans with special needs, and establishes a limited dental provision for veterans using VA homeless programs.

In addition, H.R. 2716 establishes evaluation centers for programs that serve homeless populations and requires annual program assessments to be submitted to Congress.

These are just a few of the many critical provisions in H.R. 2716 that will help eliminate the problem of chronic homelessness among veterans. I ask my colleagues to join me in support of this important legislation for the men and women who have sacrificed so much in defense of liberty and democracy.

Mr. EVANS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and concur in the Senate amendment to the bill, H.R. 2716.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment was concurred in.

A motion to reconsider was laid on the table.

VETERANS BENEFITS ACT OF 2001

Mr. SMITH of New Jersey. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 2540) to amend title 38, United States Code, to make various improvements to veterans benefits programs under laws administered by the Secretary of Veterans Affairs, and for other purposes.

The Clerk read as follows:

Senate amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; REFERENCES TO TITLE 38, UNITED STATES CODE.

(a) SHORT TITLE.—This Act may be cited as the ''Veterans' Compensation Rate Amendments of 2001''.

(b) REFERENCES TO TITLE 38, UNITED STATES CODE.—Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. DISABILITY COMPENSATION.

(a) INCREASE IN RATES.—Section 1114 is amended—

(1) by striking ''$98'' in subsection (a) and inserting ''$103'';

(2) by striking ''$188'' in subsection (b) and inserting ''$199'';

(3) by striking ''$288'' in subsection (c) and inserting ''$306'';

(4) by striking ''$413'' in subsection (d) and inserting ''$439'';

(5) by striking ''$589'' in subsection (e) and inserting ''$625'';

(6) by striking ''$743'' in subsection (f) and inserting ''$790'';

(7) by striking ''$937'' in subsection (g) and inserting ''$995'';

(8) by striking ''$1,087'' in subsection (h) and inserting ''$1,155'';

(9) by striking ''$1,224'' in subsection (i) and inserting ''$1,299'';

(10) by striking ''$2,036'' in subsection (j) and inserting ''$2,163'';

(11) in subsection (k)—

(A) by striking ''$76'' both places it appears and inserting ''$80''; and

(B) by striking ''$2,533'' and ''$3,553'' and inserting ''$2,691'' and ''$3,775'', respectively;

(12) by striking ''$2,533'' in subsection (l) and inserting ''$2,691'';

(13) by striking ''$2,794'' in subsection (m) and inserting ''$2,969'';

(14) by striking ''$3,179'' in subsection (n) and inserting ''$3,378'';

(15) by striking ''$3,553'' each place it appears in subsections (o) and (p) and inserting ''$3,775'';

(16) by striking ''$1,525'' and ''$2,271'' in subsection (r) and inserting ''$1,621'' and ''$2,413'', respectively; and

(17) by striking ''$2,280'' in subsection (s) and inserting ''$2,422''.

(b) SPECIAL RULE.—The Secretary of Veterans Affairs may authorize administratively, consistent with the increases authorized by this section, the rates of disability compensation payable to persons within the purview of section 10 of Public Law 85–857 who are not in receipt of compensation payable pursuant to chapter 11 of title 38, United States Code.

SEC. 3. ADDITIONAL COMPENSATION FOR DEPENDENTS.

Section 1115(1) is amended—

(1) by striking ''$117'' in clause (A) and inserting ''$124'';

(2) by striking ''$201'' and ''$61'' in clause (B) and inserting ''$213'' and ''$64'', respectively;

(3) by striking ''$80'' and ''$61'' in clause (C) and inserting ''$84'' and ''$64'', respectively;

(4) by striking ''$95'' in clause (D) and inserting ''$100'';

(5) by striking ''$222'' in clause (E) and inserting ''$234''; and

(6) by striking ''$186'' in clause (F) and inserting ''$196''.

SEC. 4. CLOTHING ALLOWANCE FOR CERTAIN DISABLED VETERANS.

Section 1162 is amended by striking ''$546'' and inserting ''$580''.

SEC. 5. DEPENDENCY AND INDEMNITY COMPENSATION FOR SURVIVING SPOUSES.

(a) NEW LAW RATES.—Section 1311(a) is amended—

(1) by striking ''$881'' in paragraph (1) and inserting ''$935''; and

(2) by striking ''$191'' in paragraph (2) and inserting ''$202''.

(b) OLD LAW RATES.—The table in section 1311(a)(3) is amended to read as follows:

Pay grade and monthly rate	
E–1	*$935*
E–2	*935*
E–3	*935*
E–4	*935*
E–5	*935*
E–6	*935*
E–7	*967*
E–8	*1,021*
E–9	*1,066* [1]
W–1	*988*
W–2	*1,028*
W–3	*1,058*
W–4	*$1,119*
O–1	*988*
O–2	*1,021*
O–3	*1,092*
O–4	*1,155*
O–5	*1,272*
O–6	*1,433*
O–7	*1,549*
O–8	*1,699*
O–9	*1,818*
O–10	*1,994* [2]

''[1]If the veteran served as Sergeant Major of the Army, Senior Enlisted Advisor of the Navy, Chief Master Sergeant of the Air Force, Sergeant Major of the Marine Corps, or Master Chief Petty Officer of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be $1,149.

''[2]If the veteran served as Chairman or Vice Chairman of the Joint Chiefs of Staff, Chief of Staff of the Army, Chief of Naval Operations, Chief of Staff of the Air Force, Commandant of the Marine Corps, or Commandant of the Coast Guard, at the applicable time designated by section 1302 of this title, the surviving spouse's rate shall be $2,139.''.

(c) ADDITIONAL DIC FOR CHILDREN.—Section 1311(b) is amended by striking ''$222'' and inserting ''$234''.

(d) AID AND ATTENDANCE ALLOWANCE.—Section 1311(c) is amended by striking ''$222'' and inserting ''$234''.

(e) HOUSEBOUND RATE.—Section 1311(d) is amended by striking ''$107'' and inserting ''$112''.

SEC. 6. DEPENDENCY AND INDEMNITY COMPENSATION FOR CHILDREN.

(a) DIC FOR ORPHAN CHILDREN.—Section 1313(a) is amended—

(1) by striking ''$373'' in paragraph (1) and inserting ''$397'';

(2) by striking ''$538'' in paragraph (2) and inserting ''$571'';

(3) by striking ''$699'' in paragraph (3) and inserting ''$742''; and

(4) by striking ''$699'' and ''$136'' in paragraph (4) and inserting ''$742'' and ''$143'', respectively.

(b) SUPPLEMENTAL DIC FOR DISABLED ADULT CHILDREN.—Section 1314 is amended—

(1) by striking ''$222'' in subsection (a) and inserting ''$234'';

(2) by striking ''$373'' in subsection (b) and inserting ''$397''; and

(3) by striking ''$188'' in subsection (c) and inserting ''$199''.

SEC. 7. EFFECTIVE DATE.

The amendments made by this Act shall take effect on December 1, 2001.

Amend the title so as to read: ''An Act to amend title 38, United States Code, to provide a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from Illinois (Mr. EVANS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2540, the Veterans Compensation Rate Amendments of 2001, is a clean bill providing a cost-of-living adjustment to disabled veterans and surviving spouses. Most of the changes to other benefit authorities that were part of the bill when it passed the House will be taken up as part of the compromise agreement to H.R. 1291.

Upon enactment of this vital legislation, all veterans or qualified survivors of veterans who receive disability compensation payment will receive a 2.6 percent cost-of-living adjustment beginning on December 1 of this year. This increase, which matches the Social Security COLA, will raise payments to disabled veterans by more than $400 million in the first year. In all, compensation payments will be increased by more than $2.5 billion over the next 5 years. For more than 170,000 veterans who are permanently and totally disabled, the average annual increase is $738.

Mr. Speaker, I want to thank every Member who contributed to this bill. I especially want to thank the gentleman from Idaho (Mr. SIMPSON), who is the chairman of our Subcommittee on Benefits, and the gentleman from Texas (Mr. REYES), who is the ranking member, for their excellent work on H.R. 2540.

Mr. Speaker, I reserve the balance of my time.

Mr. EVANS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 2540, as amended. I again want to thank the gentleman from New Jersey for his leadership on this important legislation and for his continuing efforts on behalf of our Nation's veterans. I also want to thank the leaders of our Subcommittee on Benefits, the gentleman from Idaho and the gentleman from Texas, as well as the other members of this subcommittee, for their support of this important legislation. This measure deserves the support of every Member of this House.

The importance of this bill cannot be overstated. It protects the purchasing power of disability benefits which our Nation's service-connected veterans have earned by virtue of their military service and provides similar protection for the recipients of DIC payment for compensation.

Under H.R. 2540, effective December 1 of this year, a cost-of-living adjustment will be provided for service-connected disability compensation and DIC benefits. The adjustment, 2.6 percent, will be the same as that provided to Social Security recipients. I call on every Member of this body to join the chairman of this committee in supporting this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of New Jersey. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. EVANS. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. REYES).

Mr. REYES. Mr. Speaker, as an original cosponsor and strong supporter of H.R. 2540, the Veterans Compensation Rate Amendments of 2001, I am pleased

that we are moving forward to assure a cost-of-living increase for our Nation's disabled veterans and their families. Our Nation's veterans, their surviving spouses and dependents expect that their benefits will be increased to reflect changes in the cost of living. The effective date of this legislation, Mr. Speaker, is December 1, 2001, with receipt of the increase in benefits in 2002.

Mr. Speaker, I would like to acknowledge the cooperation of the gentleman from New Jersey (Mr. SMITH) and the gentleman from Illinois (Mr. EVANS), as well as our Subcommittee on Benefits chairman, the gentleman from Idaho (Mr. SIMPSON), for bringing this important legislation before the House today.

□ 1615

H.R. 2540 is a good bill. I urge all Members to support it and to support our Nation's veterans and their families by providing them the necessary increases to their deserved benefits. These men and women place their lives on the line in the defense of our country and the national ideals of freedom and democracy. They deserve adequate benefits for their service. They deserve the kind of compensation that we can all be proud of.

Mr. EVANS. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. RODRIGUEZ).

Mr. RODRIGUEZ. Mr. Speaker, I am pleased that H.R. 2540 is before us, the Veterans Benefit Act, and that the President will soon have the opportunity to sign it into law.

I would like to thank the chairman of the committee, the gentleman from New Jersey (Mr. SMITH) for his efforts on this particular piece of legislation, and also my distinguished colleague, the gentleman from Illinois (Mr. EVANS), the ranking member, for this bill.

The legislation before us would provide a cost of living adjustment to those receiving disability compensation benefits for the year 2002. As a member of the committee, I am proud to join this bipartisan effort to improve the quality and delivery of veterans benefits programs. The veterans should not be left wondering if the Federal Government is going to fulfill their promises. I have heard too many stories from veterans in my district who do not receive sufficient benefits to meet their living expenses.

H.R. 2540 would provide a cost of living increase for those who have received service-connected disability benefits, as well as their survivors. Veterans work around the clock for us. They deserve no less in return. For many of our veterans, the physical and psychological wounds of war do not go away.

Today, men and women have answered the new call to action, carrying the banner of freedom into Afghanistan in search of those responsible for the horrifying attacks of September 11. When they return home, these brave sons and daughters need to know that we will be there for them should they suffer from debilitating conditions as a result of their military service.

Mr. Speaker, I urge my colleagues to support this bill and vote for H.R. 2540.

Mr. BUYER. Mr. Speaker, today we will consider several bills that were favorably reported by the Committee on Veterans Affairs, with my support, which will provide veterans with much needed assistance.

The first bill, H.R. 2540, would provide veterans with a cost-of-living adjustment (COLA) for veterans with a service-connected disability and for survivors of certain service-connected disabled veterans. This year's COLA is 2.6 percent and is effective December 1, 2001. I can't think of any group that is more deserving of this increase in their benefits than those who have answered the call to defend our country's freedoms.

I want to thank our Chairman CHRIS SMITH, for his bold leadership in bringing the Homeless Veterans Comprehensive Assistance Act to this point. H.R. 2716, addresses many of the issues that homeless veterans are forced to confront on a daily basis such as how to obtain health care, housing, employment training and other benefits. This bill goes a long way to ensuring that our nation's homeless veterans will receive the assistance they need to turn their lives around by providing the necessary resources. It is shameful that one-third of our nation's homeless are Vietnam-era veterans. Veterans should not be forced to sleep on our streets or be warehoused in our nation's jails. That is why I am pleased to support passage of this important initiative.

One of the most important benefits that we offer people who choose to serve their country is that in return we will provide them with education benefits. H.R. 1291, the Veterans Education and Benefits Expansion Act of 2001, makes several important improvements to our current programs. Passage of this legislation will increase the $650 monthly benefit to $800 per month effective January of 2002. In October 1 of 2002 that amount will increase to $900 per month, and effective October 1 of 2003, the monthly benefit will be $985. This should help those individuals who could not keep pace with the escalating cost of higher education. Again, I want to applaud our Chairman, Mr. SMITH, for his outstanding work in making this one of the Committee's top priorities.

H.R. 1291 also contains several other provisions including an expansion of the definition of illnesses for Gulf War veterans; offering additional assistance to disabled veterans by increasing specially adapted housing allowance for severally disabled veterans from $43,000 to $48,000 per year; increasing burial and funeral expenses for a service-connected veteran from $1,500 to $2,000; increasing the allowance for burial plots for eligible veterans to $300; and prohibits payments of veterans' benefits to fugitive felons.

I urge my colleagues to support our veterans and vote for these three bills.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 2540, the Veterans Benefits Act of 2001. I urge my colleagues to join in supporting this important legislation.

Mr. Speaker, the House typically passes a general veterans benefits bill each year. H.R. 2450 represents this year's benefits legislation, providing several important improvements to existing programs.

First, this bill provides for the annual cost-of-living adjustment to the rates of disability compensation for those veterans with service connected disabilities. This new rate, reflecting an increase of 2.6 percent, will go into effect on December 1, 2001.

Congress has approved an annual cost-of-living adjustment to our veterans and survivors since 1976.

Second, this legislation adds type II diabetes to the list of diseases presumed to be service-connected in Vietnam veterans exposed to herbicide agents. It also greatly extends the definition of undiagnosed illnesses for Persian Gulf war veterans, and authorizes the Secretary of Veterans Affairs to protect the grant of service connection of Gulf war veterans who participate in VA sponsored medical research projects. It further extends the presumptive period for providing compensation to Persian Gulf veterans with undiagnosed illnesses to December 31, 2003.

Mr. Speaker, many of our veterans from the Vietnam and Gulf wars, went years suffering from undiagnosed ailments while receiving neither recognition nor treatment from the veterans health care system.

During the past ten years, the Congress made significant strides in recognizing the special circumstances surrounding the post service experiences of these veterans. This bill is an extension of this process, and for that reason, I urge its adoption by the House.

Mrs. MCCARTHY of New York. Mr. Speaker, I rise today in support of the Veterans health bill. Before coming to Congress, I spent 30 years as a nurse on Long Island, New York. And even now, I know that there isn't a better career in the world than nursing or better training for being a Member of Congress. The only difference is now I have a lot more patients.

That's why I am particularly saddened when we talk about the nursing shortage—especially in our VA hospitals. Our veterans give their lives for our country and therefore deserve the best health care in the world. Unfortunately, like the rest of health care in this country, VA hospitals are experiencing a nursing shortage.

As a nurse, I know the key to solving our nation's nursing shortage is recruiting and retaining nurses. And the best way to attract new students and keep good nurses is through education. Helping nursing students pay for their education or helping them to finish an advanced degree goes a long way in attracting those who want to help people to the nursing profession. That's why I am proud of this bill, it does just that. Through the Employee Incentive Scholarships and Education Debt Reduction Programs nursing students and nurses can choose to work for a VA hospital and receive financial assistance for their education.

In addition, this bill requires the VA to develop a nationwide policy on staffing standards to ensure that veterans are provided with safe and high quality care, taking into consideration the numbers and skill mix required of staff in specific health care settings. We promised our Vets we would take care of them—let's keep that promise by improving their health care.

We need to end the nursing shortage crisis across this country, but tonight I am honored to fight for our VA nurses as the first step.

I urge all my colleagues to vote in favor of the Veteran's health bill.

Mr. UDALL of New Mexico. Mr. Speaker, I rise today in strong support of H.R. 2540, the

Veterans' Compensation Rate Amendments of 2001.

I would first like to thank my colleagues on both sides of the aisle, and their staffs, who worked to bring this bill before the House for final passage.

This legislation provides an important annual cost-of-living adjustment for disabled veterans, as well as surviving spouses of veteran's who receive dependency and indemnity compensation. Under H.R. 2540, the compensation rate is raised by 2.6 percent, the same percentage as the increase provided to Social Security recipients.

As the cost living continues to rise, it is important that the well-deserved benefits received by veterans and their families are not diminished as a result of inflationary costs.

I urge my colleagues to join me in support of this legislation and ensure that the benefits for the men and women who served our nation keep up with the ever-increasing cost of living.

Mrs. JOHNSON of Connecticut. Mr. Speaker, I rise today in support of the Veterans Benefits Act of 2001, specifically a provision in the legislation that ensures all veterans will be eligible for a government-furnished grave marker.

I would like to thank the Chairman for his hard work and commitment to our Nation's veterans and I appreciate the willingness of the Chairman and the committee to include my veterans marker provision in the conference report. I would also like to thank the Chairman for accommodating my request in the Joint Explanatory Statement to encourage the Secretary of Veterans Affairs to consider pre-existing requests for markers.

This legislation is essential to our veterans' futures, ensuring that their acts of heroism will be recognized beyond their lifetimes. This legislation remedies a glaring discrepancy in the law, ensuring that every veteran, regardless of whether their grave is privately marked, will be eligible for a government grave marker upon their death.

Every single veteran deserves to be permanently recognized for their contribution to our nation. Every veterans family deserves solace in knowing their loved one will continue to receive the recognition they deserve.

Mr. Speaker, I extend the heartfelt thanks from the veterans in my district.

Mr. EVANS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. OTTER). The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 2540.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

A motion to reconsider was laid on the table.

PROVIDING FOR APPOINTMENT OF PATRICIA Q. STONESIFER AS CITIZEN REGENT OF BOARD OF REGENTS OF SMITHSONIAN INSTITUTION

Mr. EHLERS. Mr. Speaker, I move to suspend the rules and pass to the Senate joint resolution (S.J. Res. 26) providing for the appointment of Patricia Q. Stonesifer as a citizen regent of the Board of Regents of the Smithsonian Institution.

The Clerk read as follows:

S.J. RES. 26

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in accordance with section 5581 of the Revised Statutes of the United States (20 U.S.C. 43), the vacancy on the Board of Regents of the Smithsonian Institution, in the class other than Members of Congress, occurring by reason of the expiration of the term of Dr. Homer Neal of Michigan on December 7, 2001, is filled by the appointment of Patricia Q. Stonesifer of Washington. The appointment is for a term of 6 years and shall take effect on December 8, 2001.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan (Mr. EHLERS) and the gentleman from Florida (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. EHLERS).

Mr. EHLERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, Senate Joint Resolution 26 provides for the appointment of Patricia Stonesifer to serve on the Smithsonian Institution's Board of Regents. This board governs the Smithsonian Institution and includes the Chief Justice of the United States Supreme Court and the Vice President of the United States. It also is comprised of three Members each from the U.S. House and Senate and nine citizens who are nominated by the Board and approved jointly in a resolution of Congress.

Patricia Stonesifer currently serves as cochair and President of the Bill and Melinda Gates Foundation. She works to achieve that foundation's mission of improving access to advances in global health and education for all people as we move into the 21st century. Her other philanthropic work includes serving on the Board of the Vaccine Fund, which was started in 1999 to address the need for vaccines among the world's poorest countries.

Prior to her being appointed President and Cochair of the Gates Foundation, she held a Senior Vice President position at Microsoft and ran her own management and consulting firm.

I believe her diverse background and strong management experience make her an excellent candidate for appointment to the Smithsonian Institution's Board of Regents, and I urge my colleagues to support Senate Joint Resolution 26.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Florida. Mr. Speaker, I yield myself such time as I may consume.

At the risk of repeating some of the comments that the gentleman from Michigan (Mr. EHLERS) has stated, let me also join him to say I am delighted at this appointment.

Ms. Patricia Stonesifer has distinguished herself in a variety of fields. She brings a combination of skills to the Smithsonian Institute. As has been previously alluded to her, in her capacity as Cochair and President of the Gates Foundation, she focused on improving global health throughout the world. She has also served on the Board of the Vaccine Fund, established in 1999, to address the dire need to combat preventible disease in the world's poorest countries.

As the gentleman mentioned, she brings considerable expertise in the private sector, which, combined with her philanthropic work, will make her a very welcome addition to this board.

Mr. HOYER. Mr. Speaker, Ms. Patricia Stonesifer will make a wonderful addition to the Smithsonian Institution's Board of Regents. Ms. Stonesifer has distinguished herself in numerous philanthropic, business, and public activities during her career, and I urge every Member to support her appointment.

Ms. Stonesifer now serves as the co-chair and president of the Bill and Melinda Gates Foundation. At the Gates Foundation, she focuses on global health and education issues, reflecting her personal commitment to improving living conditions for peoples everywhere.

Ms. Stonesifer also serves on the boards of the Vaccine Fund, established 2 years ago to combat preventable disease in the world's poorest countries, and that of the African Comprehensive HIV/AIDS Partnership, an organization working to fight the spread of AIDS in Botswana. She has served as a member of the American Delegation to the United Nations General Assembly's special session on AIDS.

In her business career, Ms. Stonesifer has both served as a senior vice president at Microsoft, and operated her own consulting firm, so she knows business large and small. She serves on the boards of two publicly held corporations, the King County (Wash.) YWCA, and the Seattle Foundation.

Mr. Speaker, there is no doubt that Patricia Stonesifer will bring the right mix of philanthropic and business experience to the Smithsonian Institution. I urge the House to support her appointment.

Mr. DAVIS of Florida. Mr. Speaker, I yield back the balance of my time.

Mr. EHLERS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Michigan (Mr. EHLERS) that the House suspend the rules and pass the Senate joint resolution, S.J. Res. 26.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate joint resolution was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EHLERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on Senate Joint Resolution 26.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

HONORING THE UNITED STATES CAPITOL POLICE FOR THEIR COMMITMENT TO SECURITY AT THE CAPITOL

Mr. EHLERS. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 309) honoring the United States Capitol Police for their commitment to security at the Capitol.

The Clerk read as follows:

H. RES. 309

Whereas the Capitol is an important symbol of freedom and democracy across the United States and throughout the world, and those who safeguard the Capitol safeguard that freedom and democracy;

Whereas millions of people visit the Capitol each year to observe and learn the workings of the democratic process;

Whereas the United States Capitol Police force was created by Congress in 1828 to provide security for the Capitol;

Whereas today the United States Capitol Police provide protection and support services throughout an array of congressional buildings, parks, and thoroughfares;

Whereas the United States Capitol Police provide security for Members of Congress, their staffs, other government employees, and many others who live near, work on, and visit Capitol Hill;

Whereas the United States Capitol Police have successfully managed and coordinated major demonstrations, joint sessions of Congress, State of the Union Addresses, State funerals, and inaugurations;

Whereas the United States Capitol Police have bravely faced numerous emergencies, including three bombings and two shootings, one of which, in 1998, tragically took the lives of Private First Class Jacob ''J.J.'' Chestnut and Detective John Michael Gibson;

Whereas the terrorist attacks of September 11, 2001, have created a uniquely difficult environment for the United States Capitol Police;

Whereas the United States Capitol Police responded to this challenge quickly and courageously, including by facilitating the evacuation of all of the buildings under their purview, as well as the perimeter thereof; and

Whereas the United States Capitol Police have instituted longer shifts, requiring that officers work substantial overtime each week to ensure the continued protection of the Capitol: Now, therefore, be it

Resolved, That the House of Representatives honors and thanks the United States Capitol Police for their outstanding work and dedication during a period of heightened security that began on September 11, 2001.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Michigan (Mr. EHLERS) and the gentleman from Florida (Mr. DAVIS) each will control 20 minutes.

The Chair recognizes the gentleman from Michigan (Mr. EHLERS).

Mr. EHLERS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise here today with my colleague, the gentleman from Florida (Mr. DAVIS), for consideration of H. Res. 309, a resolution honoring the United States Capitol Police for their commitment to the security of the Capitol, the public and the employees and Members of Congress. Their unwavering dedication to protect and serve shall not go unnoticed.

Congress created the United States Capitol Police force in 1828 to provide security for the Capitol. Since inception of the Capitol Police, their officers have courageously and successfully protected the Capitol, and the people and buildings that surround this symbol of freedom and democracy. The U.S. Capitol, which is simultaneously a national shrine, a tourist attraction and a working office building, imposes challenging security requirements.

Since the September 11 tragedy, the Capitol Police have been placed under a tremendous strain to implement the increasing number of important security enhancements that have been instituted. Working 6 or 7 days straight with 12 hour shifts, the United States Capitol Police deserve a great ''thank you.''

In addition, when the House of Representatives relocated to the General Accounting Office, the Capitol Police protected us there as well. We know this was not an easy task, and we truly appreciate their service.

Mr. Speaker, their valor has not come easily. The United States Capitol Police have faced several emergencies, three bombings and two shootings, one of which took the lives of Private First Class Jacob ''JJ'' Chestnut and Detective John Michael Gibson. I want to extend our appreciation of their commitment to protect and serve this institution.

Last year more than 2 million tourists visited the Capitol complex, which is comprised of 19 buildings. At the same time, the Capitol hosted more than 1,200 American and foreign dignitaries and 1,000 special events and was the site of nearly 500 scheduled demonstrations. In addition to lawmakers and their staffs, a sizable number of journalists, lobbyists and service personnel also work within the Capitol complex.

Achieving a secure environment for the Capitol complex, while still maintaining an atmosphere of openness, has become increasingly challenging in recent years. Both the potential threats to the Capitol and the number of people entering the area every day have grown dramatically. The men and women of the United States Capitol Police risk their lives every day for the safeguarding of the Capitol.

Again, our thanks go out to you, our officers, our protectors and our friends.

Mr. Speaker, I reserve the balance of my time.

Mr. DAVIS of Florida. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Ms. LEE), the sponsor of the resolution.

Ms. LEE. Mr. Speaker, I rise today in strong support of H. Res. 309, legislation which I introduced to honor the United States Capitol Police. I would like to thank our lead Republican cosponsor, the gentleman from Illinois (Mr. SHIMKUS), the gentleman from Ohio (Chairman NEY) and the ranking member, the gentleman from Maryland (Mr. HOYER), and also the leadership in both parties, for bringing this important resolution to the House floor today.

The terrorist attacks of September 11 have created a uniquely difficult environment for the Capitol Police. New security measures have been implemented, requiring the police to work longer hours, sometimes 12 hours and longer a day, oftentimes 6 days a week.

The Capitol Police have had to go even further above and beyond the call of duty to protect Members of Congress, staff and many of our visitors. The Capitol Police have responded to the new security challenges on Capitol Hill, including the attacks on September 11 and the anthrax attacks, quickly and courageously. They have continued their fine tradition of serving the Capitol Hill community.

Mr. Speaker, I am very proud to have the opportunity to thank our Capitol Police for the tremendous job that they do every day, and especially since September 11. They truly are heroes, and we salute them today.

Mr. EHLERS. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. SHIMKUS).

Mr. SHIMKUS. Mr. Speaker, I thank the gentleman from Michigan for yielding me time.

Mr. Speaker, I rise in support of this resolution. I would like to commend the sponsor of the legislation, the gentlewoman from California (Ms. LEE) who just spoke, and thank her for her work on this.

This legislation honors the Capitol Police, who we all know and work with on a daily basis, for their outstanding work and dedication during the period of heightened security needs on the day of September 11, 2001, and thereafter. It really should not take a national emergency for us to thank those who serve and protect us on a day-to-day basis, but it is an important act to do so today.

The Capitol is an important symbol of freedom and democracy, across this country and throughout the world, and those who safeguard the Capitol safeguard that freedom and democracy. Thousands of people visit the Capitol each day to observe and learn the workings of a democratic process.

The horrific events of September 11 have created a difficult environment to work in, prompting extra alertness and some strain among Members, Staff and visitors. The Capitol Police Force has responded to this challenge quickly and courageously, especially during the evacuation of the Capitol complex during the attacks of September 11.

Many people like to boast about how many hours they work during the day, and we as elected officials and politicians put in a lot of hours during our day, sometimes 12 to 18 hours. I would challenge any people to try doing that for an extended period of time. It is personally wearing and draining. Our folks here in the Capitol Police have had to do 12 to 18 hour days, 6 to 7 days a week, for weeks on end, before we finally got some relief through the

bringing in of the National Guard folks.

One of the great benefits of being a Member of Congress is the chance to have access to the Capitol at all times. Many times we are working at some pretty weird hours. We have all been here at 3 a.m. in the morning, 6 a.m., 9 p.m., 2 p.m., 10 p.m., up until midnight, working. Among the granite walls and marble statues and the ghosts of the past history of this country stands a living memorial to freedom and democracy. Our first responders to our symbol of freedom are our Capitol Police.

I would like to take this opportunity to personally thank the Capitol Police Force for their hard work in protecting the Capitol complex, staff, Members and visitors.

Mr. DAVIS of Florida. Mr. Speaker, I yield 3 minutes to the gentlewoman from the District of Columbia (Ms. NORTON).

□ 1630

Ms. NORTON. Mr. Speaker, I thank the gentleman for yielding me this time.

I appreciate the work of the gentleman from Ohio (Mr. NEY), the chairman of the committee, and the gentleman from Maryland (Mr. HOYER), the ranking member who sponsored this bill, and I appreciate the way in which they are meeting the challenges that security poses within the Congress as well.

I rise in strong support of this resolution. It was passed in the Senate on October 9. It is especially appropriate for the House to consider it today, December 11, 3 months after the attack, particularly given the service that the Capitol Police have rendered to the Nation and to the Congress since then. The House certainly must not adjourn without honoring the Capitol Police for dedication and professionalism above what any of us could have asked. Indeed, the Capitol Police give ''rising to the occasion'' new meaning.

It would be difficult for the Capitol Police to improve upon the reputation that they have earned over the years, but somehow they have managed to do just that since September 11.

I know them perhaps as well as any Member because I live with them 7 days a week. I see them when I do my race walk on the weekends when the Senate and the House are deserted, and I see them on the streets of Capitol Hill, which they patrol. I sponsored Public Law 102–397, the Capitol Police Jurisdiction Reform Act, which expanded their jurisdiction for the first time. We have a long relationship and friendship with the Capitol Police and their union.

I am pleased that D.C.'s own National Guard has relieved the Capitol Police of the back-breaking, 12-hour days they have had to put in. I regret that the National Guard has had to do this, but I am pleased that the funding for additional personnel and police is now assured the Capitol Police.

I do want to set the record straight on an erroneous impression in a December 7 Washington Times column that indicated that I had criticized the Capitol Police for closing tours of the Capitol; also, that I had been pleased to have 24-hour protection of the Capitol Police. I am pleased to say I have never had and never have needed 24-hour protection; but if so, I know who would have been pleased to give it: the fine Capitol Police. The tours are controlled not by the Capitol Police, but by the Capitol Police Board.

I wrote a letter to the three members of the board, by name the Architect of the Capitol, and the two Sergeants at Arms. My letter was directed to them and to them alone. Indeed, I am grateful to the board that they have decided that there is a way to open this Capitol to tours and to keep it safe at the same time. I always knew the cops knew how to do that.

For the record, I want to submit my letter to the three board members into the RECORD and my letter to the Washington Times correcting them for the RECORD. I have nothing but praise and the highest regard for the Capitol Police. The Nation will know that is how the entire House and Senate regard them when this resolution justifiably passes today. I thank my colleagues for their work on this bill.

NORTON ASKS REVERSAL OF CAPITOL POLICE BOARD BY ELECTED OFFICIALS IF TOURS REMAIN CLOSED

WASHINGTON, DC.—Following the closing of tours of the Capitol as D.C. school children were about to be the first in line, Congresswoman Eleanor Holmes Norton today released a letter to the three-man Capitol Police Board that made the decision. She asked the two Sergeants-at-Arms of the Congress and the Architect of the Capitol to reconsider their decision and put them on notice that otherwise, she would appeal to House leaders and, if necessary, introduce a resolution. The Norton letter follows:

DECEMBER 5, 2001.

Hon. ALFONSO LEHARDT,
Senate Sergeant-at-Arms, Capitol,
Washington, DC.
Hon. WILSON LIVINGOOD,
House Sergeant-at-Arms, Capitol,
Washington, DC.
Mr. ALAN HANTMAN,
Architect of the Capitol, Capitol,
Washington, DC.

DEAR SIRS: I am deeply disappointed that you have decided once again to close tours of the Capitol, this time precipitously just before tours were to begin again after many weeks. I write now to ask you to reconsider this decision within the next week by finding ways to keep the Capitol safe while normal activities proceed and to inform you that if you are unable to do so, I intend to appeal your decision to the leadership of the Senate and the House, and, if necessary, to introduce an appropriate resolution.

Letters to the Editor
The Washington Times,
Washington, DC.

TO THE EDITOR: John McCaslin's December 7, Cops Can't Win column had to be trying hard to get the entire Capitol Police issue as wrong as he did on both of the points he made. (1) I never criticized the Capitol Police for closing Capitol tours. My letter of December 5, attached to a release from my office, was addressed to only the three officials who made the decision, the Capitol Police Board consisting of the Sergeants-At-Arms of the House and Senate and the Architect of the Capitol. (2) I have never requested, never had, and hope never to need the excellent services of the Capitol Police for 24-hour security.

I have taken a special interest in the work of the Capitol Police ever since coming to Congress and have a very special affection for these men and women. With the strong support of the Capitol Police and their union, I wrote PL 102–397, the Capitol Police Jurisdiction Reform Act, which expanded their jurisdiction for the first time to include more than a few blocks around the Capitol.

These officers not only protect me as a member of Congress; they protect city neighborhoods. The Capitol Police deserve the nation's highest respect. They certainly have mine.

Sincerely,

ELEANOR HOLMES NORTON

Mr. DAVIS of Florida. Mr. Speaker, I yield myself such time as I may consume to commend the gentleman from Michigan (Mr. EHLERS) for presenting the bill and the gentlewoman from California (Ms. LEE) and the gentleman from Illinois (Mr. SHIMKUS) on bringing this bill before our body. I would like to just add my personal 2 cents here.

The professionalism of the Capitol Police is above any that any of us I think have ever seen in State and local law enforcement throughout the country. Normally their job, until September 11, has involved balancing the tremendous public access to this building, and the people that work in it, against security. It requires a remarkable level of patience, charm, and very watchful eyes. But since September 11, what I particularly want to commend the Capitol Police for is the tremendous level of flawless security they provide this facility that has given each of us the peace of mind that our constituents have expected us to have to do our very best work. So I would like to join my colleagues in urging adoption of the resolution.

Mr. HOYER. Mr. Speaker, the operative clause of this resolution says simply that ''the House of Representatives honors and thanks the United States Capitol Police for their outstanding work and dedication during a period of heightened security that began on September 11, 2001.'' I trust that all members will support this honor for the men and women of the U.S. Capitol Police. They have certainly earned it. They continue to earn it at this hour, mere steps from this spot and all around Capitol Hill.

Congress established the Capitol Police during the administration of John Quincy Adams. Ponder how different the world was then, and how different the job of providing security for the Capitol would have been then.

In the last 173 years, the world has changed immeasurably, and so has the work of the Capitol Police.

In modern times, the police have had to cope with emergencies, bombings and shootings, including the tragic 1998 murders of officer J.J. Chestnut and Detective John Gibson, that remain so painfully fresh in our memories.

After that tragic event, Congress properly heightened Capitol security, adopting a posture that requires considerable additional manpower. Recent events have obviously underscored the need for more officers and greater security. Fortunately, additional resources are in the pipeline.

Congress has appropriated money to fund all the additional officers the Capitol police can hire and train during 2002, and supplemental funds have been provided to address needs identified since September 11.

Today, the Capitol police face evolving threats from those who, for whatever reason, wish our country harm.

What was unthinkable only a few weeks ago, has been done. We must remain vigilant and prepared as we work to rid the world of the scourge of terrorism.

We will continue to rely on the Capitol police as the first line of defense for the people's house and all who work and visit here.

The men and women of the Capitol police meet their challenges with courage and a level of professionalism not exceeded anywhere.

Since the dastardly attacks of September 11, Capitol police officers have worked long hours under adverse conditions. These men and women clearly represent the best that America has to offer.

I want to express my personal thanks for a job well done.

Men and women of the District of Columbia National Guard now ably assist our Capitol police. Congress likewise owes the guardsmen and women thanks for their assistance, and for giving our police much-needed relief.

Mr. Speaker, I urge adoption of the resolution. The police clearly deserve the honor. I applaud the gentlewoman from California [Ms. LEE] for introducing it, the chairman [Mr. NEY], the gentleman from Michigan [Mr. EHLERS], and of course my friend from Florida [Mr. DAVIS] for bringing it to the floor today.

Mr. DAVIS of Florida. Mr. Speaker, I yield back the balance of my time.

Mr. EHLERS. Mr. Speaker, I have no further speakers at this time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. OTTER). The question is on the motion offered by the gentleman from Michigan (Mr. EHLERS) that the House suspend the rules and agree to the resolution, H.Res. 309.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. EHLERS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the subject of House Resolution 309, the resolution just agreed to.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Michigan?

There was no objection.

CONVEYANCE OF PROPERTY IN TRAVERSE CITY, MICHIGAN

Mr. LATOURETTE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3370) to amend the Coast Guard Authorization Act of 1996 to modify the reversionary interest of the United States in a parcel of property conveyed to the Traverse City Area School District in Traverse City, Michigan.

The Clerk read as follows:

H.R. 3370

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. CONVEYANCE OF PROPERTY IN TRAVERSE CITY, MICHIGAN.

Section 1005(c) of the Coast Guard Authorization Act of 1996 (110 Stat. 3957) is amended by striking ''the Traverse City Area Public School District'' and inserting ''a public or private nonprofit entity for an educational or recreational purpose''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. LATOURETTE) and the gentleman from Tennessee (Mr. CLEMENT) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. Mr. Speaker, I yield myself such time as I may consume.

Initially, I want to thank two fine Members that we will hear from later, the gentleman from Michigan (Mr. CAMP) and the gentleman from Michigan (Mr. STUPAK), for bringing this matter to our attention.

Mr. Speaker, H.R. 3370 is a bill that allows certain property conveyed to the Traverse City Public Schools in Traverse City, Michigan, to be used by a public or private nonprofit entity for an educational or recreational purpose.

Under the 1996 language that transferred the property to the Traverse City School District, the property reverts to the Federal Government if it is not used by the school district. The local YMCA has developed a plan to improve the property and construct a three-pool swimming facility on part of the property. The school district would then use the new fields and facility and the Coast Guard will be able to use the pool for winter training and rescue swimmers.

Without the amendments made by H.R. 3370, this worthwhile project would not be able to proceed. For this reason, I urge all of my colleagues to support this legislation.

Mr. Speaker, I reserve the balance of my time.

GENERAL LEAVE

Mr. CLEMENT. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and insert extraneous material on the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Tennessee?

There was no objection.

Mr. CLEMENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I might say to my colleagues, I know the Speaker referred to the gentleman from Ohio (Mr. LATOURETTE) as being from Tennessee, and he would have been a good Tennesseean. We would sure have accepted him. He is an outstanding Member of the House, and I am proud to be able to call him a friend.

Mr. Speaker, I rise in support of H.R. 3370, a bill to clarify the revisionary interests of the United States Government and property conveyed to the Traverse City School District.

The Coast Guard Authorization Act of 1996 provided for Coast Guard real property in Traverse City, Michigan, to be conveyed to the Traverse City School District. The school district has used the property for soccer fields for their youth. However, the revisionary clause in that act required the property to be used exclusively for educational purposes. Now the school district would like to enter into a joint venture with the YMCA for additional athletic facilities for the students and community.

Under the joint venture, the school district will provide the land, and the YMCA will provide the building. The school district will be able to use the indoor pool and other athletic facilities in the building for their school activities at no cost, and other members of the community will also be able to join the YMCA and use the facilities.

Mr. Speaker, I believe this bill will help the community of Traverse City. I would like to commend the gentleman from Michigan (Mr. STUPAK) for his efforts on their behalf. I urge my colleagues to support passage of H.R. 3370.

Mr. Speaker, I yield 3 minutes to the gentleman from Michigan (Mr. STUPAK), a fine gentleman and a real fighter and street fighter in the House of Representatives.

(Mr. STUPAK asked and was given permission to revise and extend his remarks.)

Mr. STUPAK. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, first let me thank the gentleman from Michigan (Mr. CAMP) for coauthoring this legislation with me and moving this bill along. He is on the floor here tonight and I am sure he will have some remarks, along with his son Andrew. Maybe we should let Andrew have his remarks on record, because at least he would be able to tell us the value of these soccer fields.

Mr. Speaker, back in 1996 we moved this land from the Coast Guard to Traverse City Area Public Schools to be used for soccer fields. It has been a great success. But as those soccer fields have been used more and more by over 3,000 students in the Traverse City area, we saw great potential in this property. By bringing the YMCA to build a new facility, which they need to do, by bringing the YMCA in, everybody will benefit even further, not only the school district, but the community as a whole, because they are going to put in three different swimming pools,

plus all the other activities that the YMCA offers. The Coast Guard will be using the pool for training, for rescue, water rescues along the Great Lakes, as they do constantly.

So it is just a great situation for everyone. The community wins, the school system wins, the Coast Guard wins, the Federal Government benefits, we all benefit. We just have to change this reverter clause so that it can be used not only for the school, but also for the YMCA and for the benefit of the community.

Mr. Speaker, I ask all of my colleagues to support and vote ''yes'' on H.R. 3370. I thank the gentleman for yielding me time. I want to thank the leadership and the gentleman from Tennessee (Mr. CLEMENT), the gentleman from Ohio (Mr. LATOURETTE), and the Committee on Transportation and Infrastructure for moving this bill so quickly on the request of myself and the gentleman from Michigan (Mr. CAMP).

Mr. LATOURETTE. Mr. Speaker, it is my pleasure to yield such time as he might consume to the gentleman from Michigan (Mr. CAMP), one of the authors of this fine piece of legislation.

Mr. CAMP. Mr. Speaker, I thank the gentleman for yielding me this time.

I rise with the gentleman from Michigan (Mr. STUPAK) on behalf of this legislation. This will bring big benefits to the residents of the Traverse City, Michigan, area. This makes a technical change in existing law to allow the Traverse City area school district to transfer a parcel of property to the local YMCA, as the gentleman mentioned, for recreational purposes. This is going to be a big benefit, as I mentioned, because this will allow the construction of a swimming pool, a gymnasium, tennis courts, soccer fields, and will be a real help to the sports teams and other residents and students, physical education classes.

They are also going to begin construction on a new alternative education facility that will be used by nearly 200 students. So this new school will enable Traverse City area students to attend a school that will actually have programs tailored to their needs.

The Coast Guard will be able to continue to use and practice lifesaving techniques, rescue and recovery missions in the new YMCA pool.

So I am pleased to support this bill, which was introduced by my colleague which will make a positive difference in the lives of so many residents in Michigan, especially younger residents. I appreciate the gentleman's work, and support of the members of the Michigan congressional delegation. I want to thank the gentleman from Alaska (Mr. YOUNG) and the gentleman from Ohio (Mr. LATOURETTE) for their support in bringing this bill to the floor; and also I thank our leadership, the gentleman from Texas (Mr. ARMEY), the majority leader, who allowed this bill to come on the suspension calendar.

With that, Mr. Speaker, I urge support for this bill.

Mr. CLEMENT. Mr. Speaker, I have no other speakers, and I yield back the balance of my time.

Mr. LATOURETTE. Mr. Speaker, I yield myself the balance of my time just to indicate to the gentleman from Tennessee that I very much appreciate his kind remarks. He has been someone that I have looked up to in the 7 years that I have been in Congress, and I would be remiss if I did not make mention of the fact that he apparently has used his weekend wisely and he is sporting a new hairdo and is even more dapper than he was last week.

Mr. Speaker, I urge passage of the bill, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and pass the bill, H.R. 3370.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

21ST CENTURY MONTGOMERY GI BILL ENHANCEMENT ACT AMENDMENTS

Mr. SMITH of New Jersey. Mr. Speaker, I move to suspend the rules and agree to the resolution (H. Res. 310) providing for the concurrence by the House with an amendment in the amendments of the Senate to H.R. 1291.

The Clerk read as follows:

H. RES. 310

Resolved, That, upon the adoption of this resolution, the House shall be considered to have taken from the Speaker's table the bill H.R. 1291, with the Senate amendments thereto, and to have concurred in the Senate amendment to the title of the bill and to have concurred in the Senate amendment to the text of the bill with the following amendment:

In lieu of the matter proposed to be inserted by the amendment of the Senate to the text of the bill, insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Veterans Education and Benefits Expansion Act of 2001''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References to title 38, United States Code.

TITLE I—EDUCATIONAL ASSISTANCE PROVISIONS

Sec. 101. Increase in rates of basic educational assistance under Montgomery GI Bill.
Sec. 102. Increase in rates of survivors' and dependents' educational assistance.
Sec. 103. Restoration of certain education benefits of individuals being ordered to active duty.
Sec. 104. Accelerated payments of educational assistance under Montgomery GI Bill for education leading to employment in high technology industry.
Sec. 105. Eligibility for Montgomery GI Bill benefits of certain additional Vietnam era veterans.
Sec. 106. Increase in maximum allowable annual Senior ROTC educational assistance for eligibility for benefits under the Montgomery GI Bill.
Sec. 107. Expansion of work-study opportunities.
Sec. 108. Eligibility for survivors' and dependents' educational assistance of spouses and surviving spouses of veterans with total service-connected disabilities.
Sec. 109. Expansion of special restorative training benefit to certain disabled spouses or surviving spouses.
Sec. 110. Inclusion of certain private technology entities in definition of educational institution.
Sec. 111. Distance education.

TITLE II—COMPENSATION AND PENSION PROVISIONS

Sec. 201. Modification and extension of authorities on presumption of service-connection for herbicide-related disabilities of Vietnam veterans.
Sec. 202. Payment of compensation for Persian Gulf War veterans with certain chronic disabilities.
Sec. 203. Preservation of service connection for undiagnosed illnesses to provide for participation in research projects by Persian Gulf War veterans.
Sec. 204. Repeal of limitation on payments of benefits to incompetent institutionalized veterans.
Sec. 205. Extension of round-down requirement for compensation cost-of-living adjustments.
Sec. 206. Expansion of presumptions of permanent and total disability for veterans applying for non-service-connected pension.
Sec. 207. Eligibility of veterans 65 years of age or older for veterans' pension benefits.

TITLE III—TRANSITION AND OUTREACH PROVISIONS

Sec. 301. Authority to establish overseas veterans assistance offices to expand transition assistance.
Sec. 302. Timing of preseparation counseling.
Sec. 303. Improvement in education and training outreach services for separating servicemembers and veterans.
Sec. 304. Improvement of veterans outreach programs.

TITLE IV—HOUSING MATTERS

Sec. 401. Increase in home loan guaranty amount for construction and purchase of homes.
Sec. 402. Native American veteran housing loan pilot program.
Sec. 403. Modification of loan assumption notice requirement.
Sec. 404. Increase in assistance amount for specially adapted housing.
Sec. 405. Extension of other housing authorities.
Sec. 406. Clarifying amendment relating to eligibility of members of the Selected Reserve for housing loans.

TITLE V—OTHER MATTERS

Sec. 501. Increase in burial benefits.
Sec. 502. Government markers for marked graves at private cemeteries.
Sec. 503. Increase in amount of assistance for automobile and adaptive equipment for certain disabled veterans.

Sec. 504. Extension of limitation on pension for certain recipients of medicaid-covered nursing home care.
Sec. 505. Prohibition on provision of certain benefits with respect to persons who are fugitive felons.
Sec. 506. Limitation on payment of compensation for veterans remaining incarcerated since October 7, 1980.
Sec. 507. Elimination of requirement for providing a copy of notice of appeal to the Secretary of Veterans Affairs.
Sec. 508. Increase in fiscal year limitation on number of veterans in programs of independent living services and assistance.
Sec. 509. Technical and clerical amendments.

TITLE VI—UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

Sec. 601. Facilitation of staggered terms of judges through temporary expansion of the Court.
Sec. 602. Repeal of requirement for written notice regarding acceptance of reappointment as condition to retirement from the Court.
Sec. 603. Termination of notice of disagreement as jurisdictional requirement for the Court.
Sec. 604. Registration fees.
Sec. 605. Administrative authorities.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—EDUCATIONAL ASSISTANCE PROVISIONS

SEC. 101. INCREASE IN RATES OF BASIC EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL.

(a) IN GENERAL.—(1) Paragraph (1) of section 3015(a) is amended to read as follows:

''(1) for an approved program of education pursued on a full-time basis, at the monthly rate of—

''(A) for months beginning on or after January 1, 2002, $800;

''(B) for months occurring during fiscal year 2003, $900;

''(C) for months occurring during fiscal year 2004, $985; and

''(D) for months occurring during a subsequent fiscal year, the amount for months occurring during the previous fiscal year increased under subsection (h); or''.

(2) Paragraph (1) of section 3015(b) is amended to read as follows:

''(1) for an approved program of education pursued on a full-time basis, at the monthly rate of—

''(A) for months beginning on or after January 1, 2002, $650;

''(B) for months occurring during fiscal year 2003, $732;

''(C) for months occurring during fiscal year 2004, $800; and

''(D) for months occurring during a subsequent fiscal year, the amount for months occurring during the previous fiscal year increased under subsection (h); or''.

(b) CPI ADJUSTMENT.—No adjustment in rates of educational assistance shall be made under section 3015(h) of title 38, United States Code, for fiscal years 2003 and 2004.

SEC. 102. INCREASE IN RATES OF SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE.

(a) SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE.—Section 3532 is amended—

(1) in subsection (a)(1)—

(A) by striking ''$588'' and inserting ''$670'';

(B) by striking ''$441'' and inserting ''$503''; and

(C) by striking ''$294'' and inserting ''$335'';

(2) in subsection (a)(2), by striking ''$588'' and inserting ''$670'';

(3) in subsection (b), by striking ''$588'' and inserting ''$670''; and

(4) in subsection (c)(2)—

(A) by striking ''$475'' and inserting ''$541'';

(B) by striking ''$356'' and inserting ''$406''; and

(C) by striking ''$238'' and inserting ''$271''.

(b) CORRESPONDENCE COURSES.—Section 3534(b) is amended by striking ''$588'' and inserting ''$670''.

(c) SPECIAL RESTORATIVE TRAINING.—Section 3542(a) is amended—

(1) by striking ''$588'' and inserting ''$670''; and

(2) by striking ''$184'' each place it appears and inserting ''$210''.

(d) APPRENTICESHIP TRAINING.—Section 3687(b)(2) is amended—

(1) by striking ''$428'' and inserting ''$488'';

(2) by striking ''$320'' and inserting ''$365'';

(3) by striking ''$212'' and inserting ''$242''; and

(4) by striking ''$107'' and inserting ''$122''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect as of January 1, 2002, and shall apply with respect to educational assistance allowances payable under chapter 35 and section 3687(b)(2) of title 38, United States Code, for months beginning on or after that date.

SEC. 103. RESTORATION OF CERTAIN EDUCATION BENEFITS OF INDIVIDUALS BEING ORDERED TO ACTIVE DUTY.

(a) IN GENERAL.—Sections 3013(f)(2)(A), 3231(a)(5)(B)(i), and 3511(a)(2)(B)(i) are each amended by striking '', in connection with the Persian Gulf War, to serve on active duty under section 672 (a), (d), or (g), 673, 673b, or 688 of title 10;'' and inserting ''to serve on active duty under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304 of title 10;''.

(b) INCREASE IN CHAPTER 35 DELIMITING PERIOD.—Section 3512 is amended by adding at the end the following new subsection:

''(h) Notwithstanding any other provision of this section, if an eligible person, during the delimiting period otherwise applicable to such person under this section, serves on active duty pursuant to an order to active duty issued under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304 of title 10, such person shall be granted an extension of such delimiting period for the length of time equal to the period of such active duty plus four months.''.

(c) APPLICATION TO CHAPTER 31.—(1) Section 3105 is amended by adding at the end the following new subsection:

''(e)(1) Notwithstanding any other provision of this chapter or chapter 36 of this title, any payment of a subsistence allowance and other assistance described in paragraph (2) shall not—

''(A) be charged against any entitlement of any veteran under this chapter; or

''(B) be counted toward the aggregate period for which section 3695 of this title limits an individual's receipt of allowance or assistance.

''(2) The payment of the subsistence allowance and other assistance referred to in paragraph (1) is the payment of such an allowance or assistance for the period described in paragraph (3) to a veteran for participation in a vocational rehabilitation program under this chapter if the Secretary finds that the veteran had to suspend or discontinue participation in such vocational rehabilitation program as a result of being ordered to serve on active duty under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304 of title 10.

''(3) The period for which, by reason of this subsection, a subsistence allowance and other assistance is not charged against entitlement or counted toward the applicable aggregate period under section 3695 of this title shall be the period of participation in the vocational rehabilitation program for which the veteran failed to receive credit or with respect to which the veteran lost training time, as determined by the Secretary.''.

(2) Section 3103 is amended by adding at the end the following new subsection:

''(e) In any case in which the Secretary has determined that a veteran was prevented from participating in a vocational rehabilitation program under this chapter within the period of eligibility otherwise prescribed in this section as a result of being ordered to serve on active duty under section 688, 12301(a), 12301(d), 12301(g), 12302, or 12304 of title 10, such period of eligibility shall not run for the period of such active duty service plus four months.

(d) CONFORMING AMENDMENTS.—Sections 3013(f)(2)(B) and 3231(a)(5)(B)(ii) of such title are each amended by striking '', in connection with such War,''.

(e) EFFECTIVE DATE.—The amendments made by this section shall take effect as of September 11, 2001.

SEC. 104. ACCELERATED PAYMENTS OF EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL FOR EDUCATION LEADING TO EMPLOYMENT IN HIGH TECHNOLOGY INDUSTRY.

(a) IN GENERAL.—(1) Chapter 30 is amended by inserting after section 3014 the following new section:

''§ 3014A. Accelerated payment of basic educational assistance for education leading to employment in high technology industry

''(a) An individual described in subsection (b) who is entitled to basic educational assistance under this subchapter may elect to receive an accelerated payment of the basic educational assistance allowance otherwise payable to the individual under section 3015 of this title.

''(b) An individual described in this subsection is an individual who is—

''(1) enrolled in an approved program of education that leads to employment in a high technology industry (as determined pursuant to regulations prescribed by the Secretary); and

''(2) charged tuition and fees for the program of education that, when divided by the number of months (and fractions thereof) in the enrollment period, exceeds the amount equal to 200 percent of the monthly rate of basic educational assistance allowance otherwise payable to the individual under section 3015 of this title.

''(c)(1) The amount of the accelerated payment of basic educational assistance made to an individual making an election under subsection (a) for a program of education shall be the lesser of—

''(A) the amount equal to 60 percent of the established charges for the program of education; or

''(B) the aggregate amount of basic educational assistance to which the individual remains entitled under this chapter at the time of the payment.

''(2) In this subsection, the term 'established charges', in the case of a program of education, means the actual charges (as determined pursuant to regulations prescribed by the Secretary) for tuition and fees which similarly circumstanced nonveterans enrolled in the program of education would be

required to pay. Established charges shall be determined on the following basis:

''(A) In the case of an individual enrolled in a program of education offered on a term, quarter, or semester basis, the tuition and fees charged the individual for the term, quarter, or semester.

''(B) In the case of an individual enrolled in a program of education not offered on a term, quarter, or semester basis, the tuition and fees charged the individual for the entire program of education.

''(3) The educational institution providing the program of education for which an accelerated payment of basic educational assistance allowance is elected by an individual under subsection (a) shall certify to the Secretary the amount of the established charges for the program of education.

''(d) An accelerated payment of basic educational assistance made to an individual under this section for a program of education shall be made not later than the last day of the month immediately following the month in which the Secretary receives a certification from the educational institution regarding—

''(1) the individual's enrollment in and pursuit of the program of education; and

''(2) the amount of the established charges for the program of education.

''(e)(1) Except as provided in paragraph (2), for each accelerated payment of basic educational assistance made to an individual under this section, the individual's entitlement to basic educational assistance under this chapter shall be charged the number of months (and any fraction thereof) determined by dividing the amount of the accelerated payment by the full-time monthly rate of basic educational assistance allowance otherwise payable to the individual under section 3015 of this title as of the beginning date of the enrollment period for the program of education for which the accelerated payment is made.

''(2) If the monthly rate of basic educational assistance allowance otherwise payable to an individual under section 3015 of this title increases during the enrollment period of a program of education for which an accelerated payment of basic educational assistance is made under this section, the charge to the individual's entitlement to basic educational assistance under this chapter shall be determined by prorating the entitlement chargeable, in the matter provided for under paragraph (1), for the periods covered by the initial rate and increased rate, respectively, in accordance with regulations prescribed by the Secretary.

''(f) The Secretary may not make an accelerated payment under this section for a program of education to an individual who has received an advance payment under section 3680(d) of this title for the same enrollment period.

''(g) The Secretary shall prescribe regulations to carry out this section. The regulations shall include requirements, conditions, and methods for the request, issuance, delivery, certification of receipt and use, and recovery of overpayment of an accelerated payment under this section.''.

(2) The table of sections at the beginning of that chapter is amended by inserting after the item relating to section 3014 the following new item:

''3014A. Accelerated payment of basic educational assistance for education leading to employment in high technology industry.''.

(b) RESTATEMENT AND ENHANCEMENT OF CERTAIN ADMINISTRATIVE AUTHORITIES.—Subsection (g) of section 3680 is amended to read as follows:

''Determination of Enrollment, Pursuit, and Attendance

''(g)(1) The Secretary may, pursuant to regulations which the Secretary shall prescribe, determine and define with respect to an eligible veteran and eligible person the following:

''(A) Enrollment in a course or program of education or training.

''(B) Pursuit of a course or program of education or training.

''(C) Attendance at a course or program of education or training.

''(2) The Secretary may withhold payment of benefits to an eligible veteran or eligible person until the Secretary receives such proof as the Secretary may require of enrollment in and satisfactory pursuit of a program of education by the eligible veteran or eligible person. The Secretary shall adjust the payment withheld, when necessary, on the basis of the proof the Secretary receives.

''(3) In the case of an individual other than an individual described in paragraph (4), the Secretary may accept the individual's monthly certification of enrollment in and satisfactory pursuit of a program of education as sufficient proof of the certified matters.

''(4) In the case of an individual who has received an accelerated payment of basic educational assistance under section 3014A of this title during an enrollment period for a program of education, the Secretary may accept the individual's certification of enrollment in and satisfactory pursuit of the program of education as sufficient proof of the certified matters if the certification is submitted after the enrollment period has ended.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect October 1, 2002, and shall apply with respect to enrollments in courses or programs of education or training beginning on or after that date.

SEC. 105. ELIGIBILITY FOR MONTGOMERY GI BILL BENEFITS OF CERTAIN ADDITIONAL VIETNAM ERA VETERANS.

(a) ACTIVE DUTY PROGRAM.—Section 3011(a)(1) is amended—

(1) by striking ''or'' at the end of subparagraph (A);

(2) by adding ''or'' at the end of subparagraph (B); and

(3) by adding at the end the following new subparagraph:

''(C) as of December 31, 1989, was eligible for educational assistance benefits under chapter 34 of this title and—

''(i) was not on active duty on October 19, 1984;

''(ii) reenlists or reenters on a period of active duty on or after October 19, 1984; and

''(iii) on or after July 1, 1985, either—

''(I) serves at least three years of continuous active duty in the Armed Forces; or

''(II) is discharged or released from active duty (aa) for a service-connected disability, for a medical condition which preexisted such service on active duty and which the Secretary determines is not service connected, for hardship, or for a physical or mental condition that was not characterized as a disability, as described in subparagraph (A)(ii)(I) of this paragraph, (bb) for the convenience of the Government, if the individual completed not less than 30 months of continuous active duty after that date, or (cc) involuntarily for the convenience of the Government as a result of a reduction in force, as determined by the Secretary of the military department concerned in accordance with regulations prescribed by the Secretary of Defense or by the Secretary of Transportation with respect to the Coast Guard when it is not operating as a service in the Navy;''.

(b) SELECTED RESERVE PROGRAM.—Section 3012(a)(1) is amended—

(1) by striking ''or'' at the end of subparagraph (A);

(2) by adding ''or'' at the end of subparagraph (B); and

(3) by adding at the end the following new subparagraph:

''(C) as of December 31, 1989, was eligible for educational assistance under chapter 34 of this title and—

''(i) was not on active duty on October 19, 1984;

''(ii) reenlists or reenters on a period of active duty on or after October 19, 1984; and

''(iii) on or after July 1, 1985—

''(I) serves at least two years of continuous active duty in the Armed Forces, subject to subsection (b) of this section, characterized by the Secretary concerned as honorable service; and

''(II) subject to subsection (b) of this section and beginning within one year after completion of such two years of service, serves at least four continuous years in the Selected Reserve during which the individual participates satisfactorily in training as prescribed by the Secretary concerned;''.

(c) TIME FOR USE OF ENTITLEMENT.—Section 3031 is amended—

(1) in subsection (a)—

(A) by striking ''and'' at the end of paragraph (1);

(B) by striking the period at the end of paragraph (2) and inserting ''; and''; and

(C) by adding at the end the following new paragraph:

''(3) in the case of an individual who becomes entitled to such assistance under section 3011(a)(1)(C) or 3012(a)(1)(C) of this title, on the date of the enactment of this paragraph.''; and

(2) in subsection (e)(1), by striking ''section 3011(a)(1)(B) or 3012(a)(1)(B)'' and inserting ''section 3011(a)(1)(B), 3011(a)(1)(C), 3012(a)(1)(B), or 3012(a)(1)(C)''.

SEC. 106. INCREASE IN MAXIMUM ALLOWABLE ANNUAL SENIOR ROTC EDUCATIONAL ASSISTANCE FOR ELIGIBILITY FOR BENEFITS UNDER THE MONTGOMERY GI BILL.

(a) IN GENERAL.—Sections 3011(c)(3)(B) and 3012(d)(3)(B) are each amended by striking ''$2,000'' and inserting ''$3,400''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply with respect to educational assistance allowances paid under chapter 30 of title 38, United States Code, for months beginning after the date of the enactment of this Act.

SEC. 107. EXPANSION OF WORK-STUDY OPPORTUNITIES.

(a) FIVE-YEAR EXPANSION OF QUALIFYING WORK-STUDY ACTIVITIES.—Subsection (a) of section 3485 is amended to read as follows:

''(a)(1) Individuals utilized under the authority of subsection (b) shall be paid an additional educational assistance allowance (hereinafter in this section referred to as 'work-study allowance'). Such allowance shall be paid in return for an individual's entering into an agreement described in paragraph (3).

''(2) Such work-study allowance shall be paid in an amount equal to the product of—

''(A) the applicable hourly minimum wage; and

''(B) the number of hours worked during the applicable period.

''(3) An agreement described in this paragraph is an agreement of an individual to perform services, during or between periods of enrollment, aggregating not more than a number of hours equal to 25 times the number of weeks in the semester or other applicable enrollment period, required in connection with a qualifying work-study activity.

''(4) For the purposes of this section, the term 'qualifying work-study activity' means any of the following:

''(A) The outreach services program under subchapter II of chapter 77 of this title as carried out under the supervision of a Department employee or, during the five-year period beginning on the date of the enactment of the Veterans Education and Benefits Expansion Act of 2001, outreach services to servicemembers and veterans furnished by employees of a State approving agency.

''(B) The preparation and processing of necessary papers and other documents at educational institutions or regional offices or facilities of the Department.

''(C) The provision of hospital and domiciliary care and medical treatment under chapter 17 of this title, including, during the five-year period beginning on the date of the enactment of the Veterans Education and Benefits Expansion Act of 2001, the provision of such care to veterans in a State home for which payment is made under section 1741 of this title.

''(D) Any other activity of the Department as the Secretary determines appropriate.

''(E) In the case of an individual who is receiving educational assistance under chapter 1606 of title 10, an activity relating to the administration of that chapter at Department of Defense, Coast Guard, or National Guard facilities.

''(F) During the five-year period beginning on the date of the enactment of the Veterans Education and Benefits Expansion Act of 2001, an activity relating to the administration of a national cemetery or a State veterans' cemetery.

''(5) An individual may elect, in a manner prescribed by the Secretary, to be paid in advance an amount equal to 40 percent of the total amount of the work-study allowance agreed to be paid under the agreement in return for the individual's agreement to perform the number of hours of work specified in the agreement (but not more than an amount equal to 50 times the applicable hourly minimum wage).

''(6) For the purposes of this subsection and subsection (e), the term 'applicable hourly minimum wages' means—

''(A) the hourly minimum wage under section 6(a) of the Fair Labor Standards Act of 1938 (29 U.S.C. 206(a)); or

''(B) the hourly minimum wage under comparable law of the State in which the services are to be performed, if such wage is higher than the wage referred to in subparagraph (A) and the Secretary has made a determination to pay such higher wage.''.

(b) EFFECTIVE DATE.—The amendment made by this section shall apply with respect to agreements entered into under section 3485 of title 38, United States Code, on or after the date of the enactment of this Act.

SEC. 108. ELIGIBILITY FOR SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE OF SPOUSES AND SURVIVING SPOUSES OF VETERANS WITH TOTAL SERVICE-CONNECTED DISABILITIES.

(a) DESIGNATION OF ELIGIBILITY.—Section 3501(a)(1)(D) is amended—

(1) by inserting ''(i)'' after ''(D)''; and

(2) by inserting ''(ii)'' after ''or''.

(b) RESTATEMENT AND EXPANSION OF TREATMENT OF USE OF ELIGIBILITY.—(1) Section 3511 is amended by adding at the end the following new subsection:

''(c) Any entitlement used by an eligible person as a result of eligibility under section 3501(a)(1)(A)(iii), 3501(a)(1)(C), or 3501(a)(1)(D)(i) of this title shall be deducted from any entitlement to which such person may subsequently be entitled under this chapter.''.

(2) Section 3512 is amended by striking subsection (g).

(c) DELIMITING PERIOD.—(1) Section 3511(a)(1) is amended by adding at the end the following new sentence: ''In no event may the aggregate educational assistance afforded to a spouse made eligible under both 3501(a)(1)(D)(i) and 3501(a)(1)(D)(ii) of this title exceed 45 months.''.

(2) Paragraph (1) of section 3512(b) is amended to read as follows:

''(1)(A) Except as provided in subparagraph (B), a person made eligible by subparagraph (B) or (D) of section 3501(a)(1) of this title may be afforded educational assistance under this chapter during the 10-year period beginning on the date (as determined by the Secretary) the person becomes an eligible person within the meaning of section 3501(a)(1)(B), 3501(a)(1)(D)(i), or 3501(a)(1)(D)(ii) of this title. In the case of a surviving spouse made eligible by clause (ii) of section 3501(a)(1)(D) of this title, the 10-year period may not be reduced by any earlier period during which the person was eligible for educational assistance under this chapter as a spouse made eligible by clause (i) of that section.

''(B) Notwithstanding subparagraph (A), an eligible person referred to in that subparagraph may, subject to the Secretary's approval, elect a later beginning date for the 10-year period than would otherwise be applicable to the person under that subparagraph. The beginning date so elected may be any date between the beginning date determined for the person under subparagraph (A) and whichever of the following dates applies:

''(i) The date on which the Secretary notifies the veteran from whom eligibility is derived that the veteran has a service-connected total disability permanent in nature.

''(ii) The date on which the Secretary determines that the veteran from whom eligibility is derived died of a service-connected disability.''.

(3) Section 3512(b) is further amended by striking paragraph (3).

(4) The amendments made by this subsection shall apply with respect to any determination (whether administrative or judicial) of the eligibility of a spouse or surviving spouse for educational assistance under chapter 35 of title 38, United States Code, made on or after the date of the enactment of this Act, whether pursuant to an original claim for such assistance or pursuant to a reapplication or attempt to reopen or readjudicate a claim for such assistance.

SEC. 109. EXPANSION OF SPECIAL RESTORATIVE TRAINING BENEFIT TO CERTAIN DISABLED SPOUSES OR SURVIVING SPOUSES.

(a) IN GENERAL.—Section 3540 is amended by striking ''section 3501(a)(1)(A) of this title'' and inserting ''subparagraphs (A), (B), and (D) of section 3501(a)(1) of this title''.

(b) CONFORMING AMENDMENTS.—(1) Section 3541(a) is amended in the matter preceding paragraph (1) by striking ''of the parent or guardian''.

(2) Section 3542(a) is amended—

(A) by striking ''the parent or guardian shall be entitled to receive on behalf of such person'' and inserting ''the eligible person shall be entitled to receive''; and

(B) by striking ''upon election by the parent or guardian of the eligible person'' and inserting ''upon election by the eligible person''.

(3) The second sentence of section 3543(a) is amended by striking ''the parent or guardian for the training provided to an eligible person'' and inserting ''for the training provided to the eligible person''.

(4) Section 3543 is amended by adding at the end the following new subsection:

''(c) In a case in which the Secretary authorizes training under section 3541(a) of this title on behalf of an eligible person, the parent or guardian shall be entitled—

''(1) to receive on behalf of the eligible person the special training allowance provided for under section 3542(a) of this title;

''(2) to elect an increase in the basic monthly allowance provided for under such section; and

''(3) to agree with the Secretary on the fair and reasonable amounts which may be charged under subsection (a).''.

SEC. 110. INCLUSION OF CERTAIN PRIVATE TECHNOLOGY ENTITIES IN DEFINITION OF EDUCATIONAL INSTITUTION.

(a) IN GENERAL.—Sections 3452(c) and 3501(a)(6) are each amended by adding at the end the following new sentence: ''Such term also includes any private entity (that meets such requirements as the Secretary may establish) that offers, either directly or under an agreement with another entity (that meets such requirements), a course or courses to fulfill requirements for the attainment of a license or certificate generally recognized as necessary to obtain, maintain, or advance in employment in a profession or vocation in a high technology occupation (as determined by the Secretary).''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to enrollments in courses beginning on or after the date of the enactment of this Act.

SEC. 111. DISTANCE EDUCATION.

(a) IN GENERAL.—Subsection (a)(4) of section 3680A is amended—

(1) by inserting ''(A)'' after ''leading''; and

(2) by inserting before the period the following: '', or (B) to a certificate that reflects educational attainment offered by an institution of higher learning''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall apply to enrollments in independent study courses beginning on or after the date of the enactment of this Act.

TITLE II—COMPENSATION AND PENSION PROVISIONS

SEC. 201. MODIFICATION AND EXTENSION OF AUTHORITIES ON PRESUMPTION OF SERVICE-CONNECTION FOR HERBICIDE-RELATED DISABILITIES OF VIETNAM VETERANS.

(a) PRESUMPTIVE PERIOD FOR RESPIRATORY CANCERS.—(1)(A) Subparagraph (F) of subsection (a)(2) of section 1116 is amended by striking ''within 30 years'' and all that follows through ''May 7, 1975''.

(B) The amendment made by subparagraph (A) shall take effect January 1, 2002.

(2) The Secretary of Veterans Affairs shall enter into a contract with the National Academy of Sciences, not later than six months after the date of the enactment of this Act, for the performance of a study to include a review of all available scientific literature on the effects of exposure to an herbicide agent containing dioxin on the development of respiratory cancers in humans and whether it is possible to identify a period of time after exposure to herbicides after which a presumption of service-connection for such exposure would not be warranted. Under the contract, the National Academy of Sciences shall submit a report to the Secretary setting forth its conclusions. The report shall be submitted not later than 18 months after the contract is entered into.

(3) For a period of six months beginning on the date of the receipt of the report of the National Academy of Sciences under paragraph (2), the Secretary may, if warranted by clear scientific evidence presented in the National Academy of Sciences report, initiate a rulemaking under which the Secretary would specify a limit on the number of years after a claimant's departure from Vietnam after which respiratory cancers would not be presumed to have been associated with the claimant's exposure to herbicides while serving in Vietnam. Any such limit under such a

rule may not take effect until 120 days have passed after the publication of a final rule to impose such a limit.

(4)(A) Subject to subparagraphs (B) and (C), if the Secretary imposes such a limit under paragraph (3), that limit shall be effective only as to claims filed on or after the effective date of that limit.

(B) In the case of any veteran whose disability or death due to respiratory cancer is found by the Secretary to be service-connected under section 1116(a)(2)(F) of title 38, United States Code, as amended by paragraph (1), such disability or death shall remain service-connected for purposes of all provisions of law under such title notwithstanding the imposition, if any, of a time limit by the Secretary by rulemaking authorized under paragraph (3).

(C) Subaragraph (B) does not apply in a case in which—

(i) the original award of compensation or service connection was based on fraud; or

(ii) it is clearly shown from military records that the person concerned did not have the requisite service or character of discharge.

(b) PRESUMPTION THAT DIABETES MELLITUS (TYPE 2) IS SERVICE-CONNECTED.—Subsection (a)(2) of section 1116 is further amended by adding at the end the following new subparagraph:

''(H) Diabetes Mellitus (Type 2).''.

(c) PRESUMPTION OF EXPOSURE TO HERBICIDE AGENTS IN VIETNAM DURING VIETNAM ERA.—(1) Section 1116 is further amended—

(A) by transferring paragraph (3) of subsection (a) to the end of the section and redesignating such paragraph, as so transferred, as subsection (f);

(B) by redesignating paragraph (4) of subsection (a) as paragraph (3); and

(C) in subsection (f), as transferred and redesignated by subparagraph (A) of this paragraph—

(i) by striking ''For the purposes of this subsection, a veteran'' and inserting ''For purposes of establishing service connection for a disability or death resulting from exposure to a herbicide agent, including a presumption of service-connection under this section, a veteran''; and

(ii) by striking ''and has a disease referred to in paragraph (1)(B) of this subsection''.

(2)(A) The heading of that section is amended to read as follows:

''§ 1116. Presumptions of service connection for diseases associated with exposure to certain herbicide agents; presumption of exposure for veterans who served in the Republic of Vietnam''.

(B) The item relating to that section in the table of sections at the beginning of chapter 11 is amended to read as follows:

''1116. Presumptions of service connection for diseases associated with exposure to certain herbicide agents; presumption of exposure for veterans who served in the Republic of Vietnam.''.

(d) EXTENSION OF AUTHORITY TO PRESUME SERVICE-CONNECTION FOR ADDITIONAL DISEASES.—(1) Subsection (e) of such section is amended by striking ''10 years'' and all that follows through ''Agent Orange Act of 1991'' and inserting ''on September 30, 2015''.

(2) Section 3(i) of the Agent Orange Act of 1991 (38 U.S.C. 1116 note) is amended by striking ''10 years'' and all that follows and inserting ''on October 1, 2014.''.

SEC. 202. PAYMENT OF COMPENSATION FOR PERSIAN GULF WAR VETERANS WITH CERTAIN CHRONIC DISABILITIES.

(a) ILLNESSES THAT CANNOT BE CLEARLY DEFINED.—(1) Subsection (a) of section 1117 is amended to read as follows:

''(a)(1) The Secretary may pay compensation under this subchapter to a Persian Gulf veteran with a qualifying chronic disability that became manifest—

''(A) during service on active duty in the Armed Forces in the Southwest Asia theater of operations during the Persian Gulf War; or

''(B) to a degree of 10 percent or more during the presumptive period prescribed under subsection (b).

''(2) For purposes of this subsection, the term 'qualifying chronic disability' means a chronic disability resulting from any of the following (or any combination of any of the following):

''(A) An undiagnosed illness.

''(B) A medically unexplained chronic multisymptom illness (such as chronic fatigue syndrome, fibromyalgia, and irritable bowel syndrome) that is defined by a cluster of signs or symptoms.

''(C) Any diagnosed illness that the Secretary determines in regulations prescribed under subsection (d) warrants a presumption of service-connection.''.

(2) Subsection (c)(1) of such section is amended—

(A) in the matter preceding subparagraph (A), by striking ''for an undiagnosed illness (or combination of undiagnosed illnesses)''; and

(B) in subparagraph (A), by striking ''for such illness (or combination of illnesses)''.

(b) SIGNS OR SYMPTOMS THAT MAY INDICATE UNDIAGNOSED ILLNESSES.—(1) Such section is further amended by adding at the end the following new subsection:

''(g) For purposes of this section, signs or symptoms that may be a manifestation of an undiagnosed illness or a chronic multisymptom illness include the following:

''(1) Fatigue.

''(2) Unexplained rashes or other dermatological signs or symptoms.

''(3) Headache.

''(4) Muscle pain.

''(5) Joint pain.

''(6) Neurological signs and symptoms.

''(7) Neuropsychological signs or symptoms.

''(8) Signs or symptoms involving the upper or lower respiratory system.

''(9) Sleep disturbances.

''(10) Gastrointestinal signs or symptoms.

''(11) Cardiovascular signs or symptoms.

''(12) Abnormal weight loss.

''(13) Menstrual disorders.''.

(2) Section 1118(a) is amended by adding at the end the following new paragraph:

''(4) For purposes of this section, signs or symptoms that may be a manifestation of an undiagnosed illness include the signs and symptoms listed in section 1117(g) of this title.''.

(c) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall take effect on March 1, 2002.

(d) CLARIFICATION OF AUTHORITY TO PRESUME SERVICE-CONNECTION FOR ADDITIONAL DISEASES.—(1) Sections 1117(c)(2) and 1118(e) are each amended by striking ''10 years'' and all that follows through ''of 1998'' and inserting ''on September 30, 2011''.

(2) Section 1603(j) of the Persian Gulf War Veterans Act of 1998 (38 U.S.C. 1117 note) is amended by striking ''10 years'' and all that follows and inserting ''on October 1, 2010.''.

SEC. 203. PRESERVATION OF SERVICE CONNECTION FOR UNDIAGNOSED ILLNESSES TO PROVIDE FOR PARTICIPATION IN RESEARCH PROJECTS BY PERSIAN GULF WAR VETERANS.

(a) AUTHORITY FOR SECRETARY TO PROVIDE FOR PARTICIPATION WITHOUT LOSS OF BENEFITS.—Section 1117 is amended by adding after subsection (g), as added by section 202(b), the following new subsection:

''(h)(1) If the Secretary determines with respect to a medical research project sponsored by the Department that it is necessary for the conduct of the project that Persian Gulf veterans in receipt of compensation under this section or section 1118 of this title participate in the project without the possibility of loss of service connection under either such section, the Secretary shall provide that service connection granted under either such section for disability of a veteran who participated in the research project may not be terminated. Except as provided in paragraph (2), nothwithstanding any other provision of law any grant of service-connection protected under this subsection shall remain service-connected for purposes of all provisions of law under this title.

''(2) Paragraph (1) does not apply in a case in which—

''(A) the original award of compensation or service connection was based on fraud; or

''(B) it is clearly shown from military records that the person concerned did not have the requisite service or character of discharge.

''(3) The Secretary shall publish in the Federal Register a list of medical research projects sponsored by the Department for which service connection granted under this section or section 1118 of this title may not be terminated pursuant to paragraph (1).''.

(b) EFFECTIVE DATE.—The authority provided by subsection (h) of section 1117 of title 38, United States Code, as added by subsection (a), may be used by the Secretary of Veterans Affairs with respect to any medical research project of the Department of Veterans Affairs, whether commenced before, on, or after the date of the enactment of this Act.

SEC. 204. REPEAL OF LIMITATION ON PAYMENTS OF BENEFITS TO INCOMPETENT INSTITUTIONALIZED VETERANS.

(a) REPEAL.—Section 5503 is amended—

(1) by striking subsections (b) and (c); and

(2) by redesignating subsections (d), (e), and (f) as subsections (b), (c), and (d), respectively.

(b) CONFORMING AMENDMENTS.—(1) Section 1114(r) is amended by striking ''section 5503(e)'' and inserting ''section 5503(c)''.

(2) Section 5112 is amended by striking subsection (c).

SEC. 205. EXTENSION OF ROUND-DOWN REQUIREMENT FOR COMPENSATION COST-OF-LIVING ADJUSTMENTS.

Sections 1104(a) and 1303(a) are amended by striking ''2002'' and inserting ''2011''.

SEC. 206. EXPANSION OF PRESUMPTIONS OF PERMANENT AND TOTAL DISABILITY FOR VETERANS APPLYING FOR NON-SERVICE-CONNECTED PENSION.

(a) IN GENERAL.—Section 1502(a) is amended by striking ''such a person'' and all that follows through the end of the subsection and inserting the following: ''such person is any of the following:

''(1) A patient in a nursing home for long-term care because of disability.

''(2) Disabled, as determined by the Commissioner of Social Security for purposes of any benefits administered by the Commissioner.

''(3) Unemployable as a result of disability reasonably certain to continue throughout the life of the person.

''(4) Suffering from—

''(A) any disability which is sufficient to render it impossible for the average person to follow a substantially gainful occupation, but only if it is reasonably certain that such disability will continue throughout the life of the person; or

''(B) any disease or disorder determined by the Secretary to be of such a nature or extent as to justify a determination that persons suffering therefrom are permanently and totally disabled.''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of September 17, 2001.

SEC. 207. ELIGIBILITY OF VETERANS 65 YEARS OF AGE OR OLDER FOR VETERANS' PENSION BENEFITS.

(a) IN GENERAL.—(1) Subchapter II of chapter 15 is amended by inserting after section 1512 the following new section:

"§ 1513. Veterans 65 years of age and older

''(a) The Secretary shall pay to each veteran of a period of war who is 65 years of age or older and who meets the service requirements of section 1521 of this title (as prescribed in subsection (j) of that section) pension at the rates prescribed by 1521 of this title and under the conditions (other than the permanent and total disability requirement) applicable to pension paid under that section.

''(b) If a veteran is eligible for pension under both this section and section 1521 of this title, pension shall be paid to the veteran only under section 1521 of this title.''.

(2) The table of sections at the beginning of such chapter is amended by inserting after the item relating to section 1512 the following new item:

''1513. Veterans 65 years of age and older.''.

(b) CONFORMING AMENDMENTS.—(1) Section 1521(f)(1) is amended by inserting ''or the age and service requirements prescribed in section 1513 of this title,'' after ''of this section,''.

(2) Section 1522(a) is amended by inserting ''1513 or'' after ''under section''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect as of September 17, 2001.

TITLE III—TRANSITION AND OUTREACH PROVISIONS

SEC. 301. AUTHORITY TO ESTABLISH OVERSEAS VETERANS ASSISTANCE OFFICES TO EXPAND TRANSITION ASSISTANCE.

Section 7723(a) is amended by inserting after the first sentence the following new sentence: ''The Secretary may maintain such offices on such military installations located elsewhere as the Secretary, after consultation with the Secretary of Defense, determines to be necessary to carry out such purposes.''.

SEC. 302. TIMING OF PRESEPARATION COUNSELING.

(a) IN GENERAL.—(1) The first sentence of section 1142(a)(1) of title 10, United States Code, is amended to read as follows: ''Within the time periods specified in paragraph (3), the Secretary concerned shall (except as provided in paragraph (4)) provide for individual preseparation counseling of each member of the armed forces whose discharge or release from active duty is anticipated as of a specific date.''.

(2) Such section is further amended by adding at the end the following new paragraphs:

''(3)(A) In the case of an anticipated retirement, preseparation counseling shall commence as soon as possible during the 24-month period preceding the anticipated retirement date. In the case of a separation other than a retirement, preseparation counseling shall commence as soon as possible during the 12-month period preceding the anticipated date. Except as provided in subparagraph (B), in no event shall preseparation counseling commence later than 90 days before the date of discharge or release.

''(B) In the event that a retirement or other separation is unanticipated until there are 90 or fewer days before the anticipated retirement or separation date, preseparation counseling shall begin as soon as possible within the remaining period of service.

''(4)(A) Subject to subparagraph (B), the Secretary concerned shall not provide preseparation counseling to a member who is being discharged or released before the completion of that member's first 180 days of active duty.

''(B) Subparagraph (A) shall not apply in the case of a member who is being retired or separated for disability.''.

(b) CONFORMING AMENDMENT.—The second sentence of section 1144(a)(1) of title 10, United States Code, is amended by striking ''during the 180-day period'' and all that follows and inserting ''within the time periods provided under paragraph (3) of section 1142(a) of this title, except that the Secretary concerned shall not provide preseparation counseling to a member described in paragraph (4)(A) of such section.''.

SEC. 303. IMPROVEMENT IN EDUCATION AND TRAINING OUTREACH SERVICES FOR SEPARATING SERVICEMEMBERS AND VETERANS.

(a) PROVIDING OUTREACH THROUGH STATE APPROVING AGENCIES.—Section 3672(d) is amended by inserting ''and State approving agencies'' before ''shall actively promote the development of programs of training on the job''.

(b) ADDITIONAL DUTY.—Such section is further amended—

(1) by inserting ''(1)'' after ''(d)''; and

(2) by adding at the end the following new paragraph:

''(2) In conjunction with outreach services provided by the Secretary under chapter 77 of this title for education and training benefits, each State approving agency shall conduct outreach programs and provide outreach services to eligible persons and veterans about education and training benefits available under applicable Federal and State law.''.

SEC. 304. IMPROVEMENT OF VETERANS OUTREACH PROGRAMS.

Section 7722(c) is amended—

(1) by inserting ''(1)'' after ''(c)''; and

(2) by adding at the end the following:

''(2) Whenever a veteran or dependent first applies for any benefit under laws administered by the Secretary (including a request for burial or related benefits or an application for life insurance proceeds), the Secretary shall provide to the veteran or dependent information concerning benefits and health care services under programs administered by the Secretary. Such information shall be provided not later than three months after the date of such application.''.

TITLE IV—HOUSING MATTERS

SEC. 401. INCREASE IN HOME LOAN GUARANTY AMOUNT FOR CONSTRUCTION AND PURCHASE OF HOMES.

Section 3703(a)(1) is amended by striking ''$50,750'' each place it appears in subparagraphs (A)(i)(IV) and (B) and inserting ''$60,000''.

SEC. 402. NATIVE AMERICAN VETERAN HOUSING LOAN PILOT PROGRAM.

(a) EXTENSION OF PILOT PROGRAM.—Section 3761(c) is amended by striking ''December 31, 2001'' and inserting ''December 31, 2005''.

(b) AUTHORIZATION OF THE USE OF CERTAIN FEDERAL MEMORANDUMS OF UNDERSTANDING.—Section 3762(a)(1) is amended—

(1) by inserting ''(A)'' after ''(1)'';

(2) by striking ''and'' after the semicolon and inserting ''or''; and

(3) by adding at the end the following:

''(B) the tribal organization that has jurisdiction over the veteran has entered into a memorandum of understanding with any department or agency of the United States with respect to direct housing loans to Native Americans that the Secretary determines substantially complies with the requirements of subsection (b); and''.

(c) EXTENSION OF ANNUAL REPORT.—Section 3762(j) is amended by striking ''2002'' and inserting ''2006''.

SEC. 403. MODIFICATION OF LOAN ASSUMPTION NOTICE REQUIREMENT.

Section 3714(d) is amended to read as follows:

''(d) With respect to a loan guaranteed, insured, or made under this chapter, the Secretary shall provide, by regulation, that at least one instrument evidencing either the loan or the mortgage or deed of trust therefor, shall conspicuously contain, in such form as the Secretary shall specify, a notice in substantially the following form: 'This loan is not assumable without the approval of the Department of Veterans Affairs or its authorized agent'.''.

SEC. 404. INCREASE IN ASSISTANCE AMOUNT FOR SPECIALLY ADAPTED HOUSING.

Section 2102 is amended—

(1) in the matter preceding paragraph (1) of subsection (a), by striking ''$43,000'' and inserting ''$48,000''; and

(2) in subsection (b)(2), by striking ''$8,250'' and inserting ''$9,250''.

SEC. 405. EXTENSION OF OTHER HOUSING AUTHORITIES.

(a) HOUSING LOANS FOR MEMBERS OF THE SELECTED RESERVE.—Section 3702(a)(2)(E) is amended by striking ''September 30, 2007'' and inserting ''September 30, 2009''.

(b) ENHANCED LOAN ASSET SALE AUTHORITY.—Section 3720(h)(2) is amended by striking ''December 31, 2008'' and inserting ''December 31, 2011''.

(c) HOME LOAN FEE AUTHORITIES.—The table in section 3729(b)(2) is amended by striking ''October 1, 2008'' each place it appears and inserting ''October 1, 2011''.

(d) PROCEDURES APPLICABLE TO LIQUIDATION SALES ON DEFAULTED HOME LOANS GUARANTEED BY THE DEPARTMENT OF VETERANS AFFAIRS.—Section 3732(c)(11) is amended by striking ''October 1, 2008'' and inserting ''October 1, 2011''.

SEC. 406. CLARIFYING AMENDMENT RELATING TO ELIGIBILITY OF MEMBERS OF THE SELECTED RESERVE FOR HOUSING LOANS.

Section 3729(b)(4)(B) is amended by inserting before the period the following: ''who is eligible under section 3702(a)(2)(E) of this title''.

TITLE V—OTHER MATTERS

SEC. 501. INCREASE IN BURIAL BENEFITS.

(a) BURIAL AND FUNERAL EXPENSES.—(1) Clause (1) of section 2307 is amended by striking ''$1,500'' and inserting ''$2,000''.

(2) The amendment made by paragraph (1) shall apply to deaths occurring on or after September 11, 2001.

(b) PLOT ALLOWANCE.—(1) Section 2303(b) is amended by striking ''$150'' each place it appears and inserting ''$300''.

(2) The amendments made by paragraph (1) shall apply to deaths occurring on or after December 1, 2001.

SEC. 502. GOVERNMENT MARKERS FOR MARKED GRAVES AT PRIVATE CEMETERIES.

(a) GOVERNMENT MARKER BENEFIT.—Section 2306 of title 38, United States Code, is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following new subsection (d):

''(d)(1) The Secretary shall furnish, when requested, an appropriate Government marker at the expense of the United States for the grave of an individual described in paragraph (2) or (5) of subsection (a) who is buried in a private cemetery, notwithstanding that the grave is marked by a headstone or marker furnished at private expense. Such a marker may be furnished only if the individual making the request for the Government marker certifies to the Secretary that the marker will be placed on the grave for which the marker is requested.

''(2) Any marker furnished under this subsection shall be delivered by the Secretary directly to the cemetery where the grave is located.

''(3) The authority to furnish a marker under this subsection expires on December 31, 2006.

''(4) Not later than February 1, 2006, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the use of the authority under this subsection. The report shall include the following:

''(A) The rate of use of the benefit under this subsection, shown by fiscal year.

''(B) An assessment as to the extent to which markers furnished under this subsection are being delivered to cemeteries and placed on grave sites consistent with the provisions of this subsection.

''(C) The Secretary's recommendation for extension or repeal of the expiration date specified in paragraph (3).''.

(b) DESIGN OF MARKER.—Subsection (c) of such section is amended by striking ''subsection (a) or (b)'' and inserting ''subsection (a), (b), or (d)''.

(c) CROSS REFERENCE CORRECTION.—Subsection (a)(5) of such section is amended by striking ''chapter 67'' and inserting ''chapter 1223''.

(d) EFFECTIVE DATE.—The amendments made by subsections (a) and (b) shall apply with respect to markers for the graves of individuals dying on or after the date of the enactment of this Act.

SEC. 503. INCREASE IN AMOUNT OF ASSISTANCE FOR AUTOMOBILE AND ADAPTIVE EQUIPMENT FOR CERTAIN DISABLED VETERANS.

Section 3902(a) is amended by striking ''$8,000'' and inserting ''$9,000''.

SEC. 504. EXTENSION OF LIMITATION ON PENSION FOR CERTAIN RECIPIENTS OF MEDICAID-COVERED NURSING HOME CARE.

Paragraph (7) of subsection (d) of section 5503, as redesignated by section 204(a), is amended by striking ''September 30, 2008'' and inserting ''September 30, 2011''.

SEC. 505. PROHIBITION ON PROVISION OF CERTAIN BENEFITS WITH RESPECT TO PERSONS WHO ARE FUGITIVE FELONS.

(a) PROHIBITION.—(1) Chapter 53 is amended by inserting after section 5313A the following new section:

''§ 5313B. Prohibition on providing certain benefits with respect to persons who are fugitive felons

''(a) A veteran who is otherwise eligible for a benefit specified in subsection (c) may not be paid or otherwise provided such benefit for any period during which such veteran is a fugitive felon. A dependent of a veteran who is otherwise eligible for a benefit specified in subsection (c) may not be paid or otherwise provided such benefit for any period during which such veteran or such dependent is a fugitive felon.

''(b) For purposes of this section:

''(1) The term 'fugitive felon' means a person who is a fugitive by reason of—

''(A) fleeing to avoid prosecution, or custody or confinement after conviction, for an offense, or an attempt to commit an offense, which is a felony under the laws of the place from which the person flees; or

''(B) violating a condition of probation or parole imposed for commission of a felony under Federal or State law.

''(2) The term 'felony' includes a high misdemeanor under the laws of a State which characterizes as high misdemeanors offenses that would be felony offenses under Federal law.

''(3) The term 'dependent' means a spouse, surviving spouse, child, or dependent parent of a veteran.

''(c) A benefit specified in this subsection is a benefit under any of the following:

''(1) Chapter 11 of this title.

''(2) Chapter 13 of this title.

''(3) Chapter 15 of this title.

''(4) Chapter 17 of this title.

''(5) Chapter 19 of this title.

''(6) Chapter 30, 31, 32, 34, or 35 of this title.

''(7) Chapter 37 of this title.

''(d)(1) The Secretary shall furnish to any Federal, State, or local law enforcement official, upon the written request of such official, the most current address maintained by the Secretary of a person who is eligible for a benefit specified in subsection (c) if such official—

''(A) provides to the Secretary such information as the Secretary may require to fully identify the person;

''(B) identifies the person as being a fugitive felon; and

''(C) certifies to the Secretary that apprehending such person is within the official duties of such official.

''(2) The Secretary shall enter into memoranda of understanding with Federal law enforcement agencies, and may enter into agreements with State and local law enforcement agencies, for purposes of furnishing information to such agencies under paragraph (1).''.

(2) The table of sections at the beginning of that chapter is amended by inserting after the item relating to section 5313A the following new item:

''5313B. Prohibition on providing certain benefits with respect to persons who are fugitive felons.''.

(b) SENSE OF CONGRESS ON ENTRY INTO MEMORANDA OF UNDERSTANDING AND AGREEMENTS.—It is the sense of Congress that the memoranda of understanding and agreements referred to in section 5313B(d)(2) of title 38, United States Code (as added by subsection (a)), should be entered into as soon as practicable after the date of the enactment of this Act, but not later than six months after that date.

SEC. 506. LIMITATION ON PAYMENT OF COMPENSATION FOR VETERANS REMAINING INCARCERATED SINCE OCTOBER 7, 1980.

(a) LIMITATION.—Section 5313 of title 38, United States Code, other than subsection (d) of that section, shall apply with respect to the payment of compensation to or with respect to any veteran described in subsection (b).

(b) COVERED VETERANS.—A veteran described in this subsection is a veteran who is entitled to compensation and who—

(1) on October 7, 1980, was incarcerated in a Federal, State, or local penal institution for a felony committed before that date; and

(2) remains so incarcerated for conviction of that felony as of the date of the enactment of this Act.

(c) EFFECTIVE DATE.—This section shall apply with respect to the payment of compensation for months beginning on or after the end of the 90-day period beginning on the date of the enactment of this Act.

(d) COMPENSATION DEFINED.—For purposes of this section, the term ''compensation'' has the meaning given that term in section 5313 of title 38, United States Code.

SEC. 507. ELIMINATION OF REQUIREMENT FOR PROVIDING A COPY OF NOTICE OF APPEAL TO THE SECRETARY OF VETERANS AFFAIRS.

(a) REPEAL.—Section 7266 is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—Such section is further amended—

(1) by striking ''(1)'' after ''(a)'';

(2) by redesignating paragraph (2) as subsection (b);

(3) by redesignating paragraph (3) as subsection (c) and redesignating subparagraphs (A) and (B) thereof as paragraphs (1) and (2); and

(4) by redesignating paragraph (4) as subsection (d) and by striking ''paragraph (3)(B)'' therein and inserting ''subsection (c)(2)''.

SEC. 508. INCREASE IN FISCAL YEAR LIMITATION ON NUMBER OF VETERANS IN PROGRAMS OF INDEPENDENT LIVING SERVICES AND ASSISTANCE.

(a) INCREASE IN LIMITATION.—Section 3120(e) is amended by striking ''five hundred'' and inserting ''2,500''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall take effect as of September 30, 2001.

SEC. 509. TECHNICAL AND CLERICAL AMENDMENTS.

(a) REPEAL OF EXPIRED PROVISION.—(1) Section 712 is repealed.

(2) The table of sections at the beginning of chapter 7 is amended by striking the item relating to section 712.

(b) CORRECTION OF WORD OMISSION.—Section 1710B(c)(2)(B) is amended by inserting ''on'' before ''November 30, 1999''.

(c) REPEAL OF ERRONEOUS CROSS REFERENCE.—Section 1729B(b) is amended—

(1) by striking paragraph (1); and

(2) by redesignating paragraphs (2), (3), and (4) as paragraphs (1), (2), and (3), respectively.

(d) CORRECTION OF CROSS REFERENCE.—Section 3695(a)(5) is amended by striking ''1610'' and inserting ''1611''.

(e) STYLISTIC CORRECTION.—Section 1001(a)(2) of the Veterans' Benefits Improvements Act of 1994 (Public Law 103–446; 38 U.S.C. 7721 note) is amended by striking ''and'' at the end of subparagraph (C).

(f) CORRECTION OF PREVIOUS AMENDMENT.—Effective November 30, 1999, and as if included therein as originally enacted, section 204(e)(3) of the Veterans Millennium Health Care and Benefits Act (Public Law 106–117; 113 Stat. 1563) is amended by striking ''and inserting 'a';'' and inserting ''the first place it appears and inserting 'an';''.

TITLE VI—UNITED STATES COURT OF APPEALS FOR VETERANS CLAIMS

SEC. 601. FACILITATION OF STAGGERED TERMS OF JUDGES THROUGH TEMPORARY EXPANSION OF THE COURT.

(a) IN GENERAL.—Section 7253 is amended by adding at the end the following new subsection:

''(h) TEMPORARY EXPANSION OF COURT.—(1) During the period from January 1, 2002, through August 15, 2005, the authorized number of judges of the Court specified in subsection (a) is increased by two.

''(2)(A) Of the two additional judges authorized by this subsection—

''(i) only one may be appointed pursuant to a nomination made in 2002; and

''(ii) only one may be appointed pursuant to a nomination made in 2003.

''(B If a judge is not appointed under this subsection pursuant to a nomination made in 2002, a judge may be appointed under this subsection pursuant to a nomination made in 2004. If a judge is not appointed under this subsection pursuant to a nomination made in 2003, a judge may be appointed under this subsection pursuant to a nomination made in 2004. In either case, such an appointment may be made only pursuant to a nomination made before October 1, 2004.

''(3) The term of office and the eligibility for retirement of a judge appointed under this subsection, other than a judge described in paragraph (4), are governed by the provisions of section 1012 of the Court of Appeals for Veterans Claims Amendments of 1999 (title X of Public Law 106–117; 113 Stat. 1590; 38 U.S.C. 7296 note) if the judge is one of the first two judges appointed to the Court after November 30, 1999.

''(4) A judge of the Court as of the date of the enactment of this subsection who was

appointed to the Court before January 1, 1991, may accept appointment as a judge of the Court under this subsection notwithstanding that the term of office of the judge on the Court has not yet expired under this section. The term of office of an incumbent judge who receives an appointment as described in the preceding sentence shall be 15 years, which includes any period remaining in the unexpired term of the judge. Any service following an appointment under this subsection shall be treated as though served as part of the original term of office of that judge on the Court.

''(5) Notwithstanding paragraph (1), an appointment may not be made to the Court if the appointment would result in there being more than seven judges on the Court who were appointed after January 1, 1997. For the purposes of this paragraph, a judge serving in recall status under section 7257 of this title shall be disregarded in counting the number of judges appointed to the Court after such date.''.

(b) STYLISTIC AMENDMENTS.—That section is further amended—

(1) in subsection (b), by inserting ''APPOINTMENT.—'' before ''The judges'';

(2) in subsection (c), by inserting ''TERM OF OFFICE.—'' before ''The term'';

(3) in subsection (f), by striking ''(f)(1)'' and inserting ''(f) REMOVAL.—(1)''; and

(4) in subsection (g), by striking ''(g)(1)'' and inserting ''(g) RULES.—(1)''.

SEC. 602. REPEAL OF REQUIREMENT FOR WRITTEN NOTICE REGARDING ACCEPTANCE OF REAPPOINTMENT AS CONDITION TO RETIREMENT FROM THE COURT.

Section 7296(b)(2) is amended by striking the second sentence.

SEC. 603. TERMINATION OF NOTICE OF DISAGREEMENT AS JURISDICTIONAL REQUIREMENT FOR THE COURT.

(a) TERMINATION.—Section 402 of the Veterans' Judicial Review Act (division A of Public Law 100–687; 102 Stat. 4122; 38 U.S.C. 7251 note) is repealed.

(b) ATTORNEY FEES.—Section 403 of the Veterans' Judicial Review Act (102 Stat. 4122; 38 U.S.C. 5904 note) is repealed.

(c) CONSTRUCTION.—The repeal in subsection (a) may not be construed to confer upon the United States Court of Appeals for Veterans Claims jurisdiction over any appeal or other matter not within the jurisdiction of the Court as provided in section 7266(a) of title 38, United States Code.

(d) APPLICABILITY.—The repeals made by subsections (a) and (b) shall apply to any appeal filed with the United States Court of Appeals for Veterans Claims—

(1) on or after the date of the enactment of this Act; or

(2) before the date of the enactment of this Act but in which a final decision has not been made under section 7291 of title 38, United States Code, as of that date.

SEC. 604. REGISTRATION FEES.

(a) FEES FOR COURT-SPONSORED ACTIVITIES.—Subsection (a) of section 7285 is amended by adding at the end the following new sentence: ''The Court may also impose a registration fee on persons (other than judges of the Court) participating at judicial conferences convened pursuant to section 7286 of this title or in any other court-sponsored activity.''.

(b) USE OF FEES.—Subsection (b) of such section is amended by striking ''for the purposes of (1)'' and all that follows through the period and inserting ''for the following purposes:

''(1) Conducting investigations and proceedings, including employing independent counsel, to pursue disciplinary matters.

''(2) Defraying the expenses of—

''(A) judicial conferences convened pursuant to section 7286 of this title; and

''(B) other activities and programs of the Court that are intended to support and foster communication and relationships between the Court and persons practicing before the Court or the study, understanding, public commemoration, or improvement of veterans law or of the work of the Court.''.

(c) CLERICAL AMENDMENTS.—(1) The heading for such section is amended to read as follows:

''§ 7285. Practice and registration fees''.

(2) The item relating to such section in the table of sections at the beginning of chapter 72 is amended to read as follows:

''7285. Practice and registration fees.''.

SEC. 605. ADMINISTRATIVE AUTHORITIES.

(a) IN GENERAL.—Subchapter III of chapter 72 is amended by inserting after section 7286 the following new section:

''§ 7287. Administration

''Notwithstanding any other provision of law, the Court of Appeals for Veterans Claims may exercise, for purposes of management, administration, and expenditure of funds of the Court, the authorities provided for such purposes by any provision of law (including any limitation with respect to such provision of law) applicable to a court of the United States (as that term is defined in section 451 of title 28), except to the extent that such provision of law is inconsistent with a provision of this chapter.''.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such chapter is amended by inserting after the item related to section 7286 the following new item:

''7287. Administration.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from Illinois (Mr. EVANS) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as chairman of the Committee on Veterans' Affairs, I am very proud and happy to bring to the floor H.R. 1291, as amended, the Veterans Education and Benefits Expansion Act of 2001.

□ 1645

Mr. Speaker, this bill is derived from measures which the House approved overwhelmingly earlier this year: H.R. 801, the Veterans Opportunities Act of 2001; H.R. 1291, the 21st Century Montgomery G.I. Bill Enhancement Act; H.R. 2540, the Veterans Benefits Act of 2001. It also includes a number of provisions contained in S. 1088, the Benefits Veterans Improvement Act of 2001.

Mr. Speaker, I want to thank the ranking member, the gentleman from Illinois (Mr. EVANS); former chairman of the Subcommittee on Benefits, the gentleman from Arizona (Mr. HAYWORTH); the ranking member, the gentleman from Texas (Mr. REYES); and the current subcommittee chairman, the gentleman from Idaho (Mr. SIMPSON), for working with me in crafting these bills.

Little did we know last spring what terrorists would do to America on September 11. Although our resolve was already firm, the events of September 11 have heightened the Nation's concern that we provide adequate benefits for those who serve in our Nation's Armed Forces. I am proud that we have been able to respond so positively to their concerns.

We had two goals in mind, Mr. Speaker, when we were preparing these bills. The first goal was to continue our Nation's commitment to those veterans who have already been in harm's way in past wars and conflicts.

Second, we wanted to create a level playing field for the generation of veterans who protect our freedoms now and into the future.

Our bipartisan legislation carried out these two broad goals in three primary ways: first, through improvements in the Montgomery G.I. bill and other VA education programs, so as to position our returning service members for long-term, sustained employment; second, through improvements in VA programs for disabled veterans and their widows and orphans, so as to honor our commitment to them; and third, by building on former Under Secretary Joe Thompson's initiatives to reach out to America's sons and daughters before, rather than after, they leave the military to ease their transition to civilian life.

Mr. Speaker, with respect to veterans education, I am pleased that the compromise agreement contains no less than 11 provisions to improve the Montgomery G.I. bill and other VA education programs. Under current law, a full-time veteran-student receives $672 monthly under the Montgomery G.I. bill, from which the veteran-student pays the tuitions, books, supplies, fees, and subsistence, including housing, food, and transportation.

H.R. 1291, as amended, would increase the $672 monthly amount to $800 per month effective this January; to $900, effective October 1 of 2002; and to $985 per month effective October 1, 2003. Mr. Speaker, this represents a 52 percent increase in the monthly benefit, phased in over 3 years.

According to data furnished by the College Board this spring, the monthly G.I. bill benefit would have had to rise to $1,025 per month for a veteran-student to attend a 4-year student as a commuter student at an average cost of $9,229 per year. This figure includes tuition, fees, and living expenses.

Veteran students are highly engaging and resourceful individuals, but the $1,025 per month figure has been shown to be woefully inadequate and that the Montgomery G.I. bill just simply did not cover those costs. That is what we are trying to rectify with this legislation.

Frankly, we should not be surprised, Mr. Speaker, that only about half of the eligible veterans for the Montgomery G.I. bill have used it since 1985, one of the main reasons being the lack of funding in the actual benefit provided.

The bill also builds on the wisdom and foresight of former chairman

Sonny Montgomery, who, back in 1980, understood the linkage between the success of an all-volunteer force and a sound educational incentive to recruit high-quality individuals. Serving one's country literally has taken on a new meaning since September 11. Now more than ever we need a new G.I. bill that does reflect the selflessness of our service members who are putting their lives on the line to ferret out and to eliminate terrorism. This bill goes a long way to closing the gap between school costs and benefits.

The compromise agreement also contains nine provisions that make improvements in VA programs benefiting disabled veterans and their dependents and keeps our commitments to veterans who suffer from chronic illnesses subsequent to their service during the Persian Gulf War.

Effective April 1, 2002, the bill revises the definition of ''undiagnosed illnesses'' for Persian Gulf War veterans to include fibromyalgia, chronic fatigue syndrome and chronic multisyndrome illnesses, and other illnesses that cannot be clearly defined.

I thank the gentleman from Illinois (Mr. EVANS), the gentleman from Florida (Mr. BILIRAKIS), the gentleman from Indiana (Mr. BUYER), the gentleman from Nevada (Mr. GIBBONS), and the gentleman from Illinois (Mr. MANZULLO) for their leadership on this particular provision.

This bill keeps America's promise to disabled veterans by increasing specially adapted housing allowances for severely disabled veterans from $43,000 to $48,000 per year; increases the automobile and adaptive equipment grant for severely disabled veterans from $8,000 to $9,000; increases the payments for burial and funeral expenses for service-connected veterans from $1,500 to $2,000; and increases the burial plot allowance for eligible veterans from $150 to $300.

Lastly, the measure makes the second improvement in as many years for spouses of children of 100 percent service-connected disabled veterans or their survivors of veterans who die from their service-connected disability. The monthly education benefit would increase from $588 per month to $670 per month.

Lastly, following the recommendations of the congressional Veterans Claim Adjudication Commission and the congressional Commission on Service Members and Veterans Transition Assistance, the bill gives the VA greater authority to reach out to those service members defending our freedom around the world before they leave the military.

The VA will now have the authority to create regional offices overseas, thus creating a vision for a world-class worldwide organization. And the Departments of Defense, Veterans Affairs, and Labor will be able to make transition counseling available to first-time service members as early as 12 months before separation and 24 months prior to separation for retirees.

Mr. Speaker, I include for the RECORD the Explanatory Statement on the House Amendment.

EXPLANATORY STATEMENT ON HOUSE AMENDMENT TO SENATE AMENDMENTS TO H.R. 1291

The House amendment to the Senate amendments to H.R. 1291 reflect a compromise agreement that the House and Senate Committees on Veterans' Affairs have reached on H.R. 801, H.R. 1291, H.R. 2540, H.R. 3240, and S. 1088. H.R. 801 passed the House on March 27, 2001. H.R. 1291 passed the House on June 19, 2001. H.R. 2540 passed the House on July 31, 2001. H.R. 3240 passed the House on November 13, 2001. The Senate considered S. 1088 (hereinafter known as the ''Senate bill'') on December 7, 2001. This measure was incorporated in H.R. 1291 as an amendment and passed the Senate by unanimous consent on December 7, 2001.

The House and Senate Committees on Veterans' Affairs have prepared the following explanation of H.R. 1291, as amended, (hereinafter referred to as the ''Compromise Agreement''). Differences between the provisions contained in the Compromise Agreement and the related provisions of H.R. 801, H.R. 1291, H.R. 2540, H.R. 3240, and S. 1088 are noted in this document, except for clerical corrections, conforming changes made necessary by the Compromise Agreement, and minor drafting, technical, and clarifying changes.

TITLE I—EDUCATIONAL ASSISTANCE PROVISIONS

INCREASES IN RATES OF BASIC EDUCATIONAL ASSISTANCE UNDER THE MONTGOMERY GI BILL

Current Law

Section 3011 of title 38, United States Code, establishes basic educational assistance entitlement under the All-Volunteer Force Educational Assistance Program, commonly referred to as the Montgomery GI Bill or MGIB—Active Duty program. Section 3015 establishes the base amount of such educational assistance at the monthly rate of $528 for a 3–year period of service and $429 for a 2–year period of service. These amounts increased to $650 per month and $528 per month, respectively, on November 1, 2000. With the addition of a cost-of-living adjustment (COLA) on October 1, 2001, the rates are $672 and $546, respectively.

House Bill

Section 2(a)(1) of H.R. 1291 would amend section 3015(a)(1) to increase the amount of educational benefits under the Montgomery GI Bill for an approved program of education on a full-time basis from the current monthly rate of $650 ($672 with COLA) for an obligated period of active duty of 3 or more years to $800 effective October 1, 2001, $950 effective October 1, 2002, and $1,100 effective October 1, 2003.

Section 2(a)(2) of H.R. 1291 would amend section 3015(b)(1) of title 38, United States Code, to increase the amount of educational benefits for an obligated period of active duty of 2 years from the current monthly rate of $528 ($546 with COLA) to $650 effective October 1, 2001, $772 effective October 1, 2002, and $894 effective October 1, 2003.

Section 2(b) of H.R. 1291 would suspend the statutory annual adjustment in MGIB rates based on the Consumer Price Index beginning in fiscal year 2002 and reinstate that adjustment beginning in fiscal year 2005.

Senate Bill

Section 101 of the Senate bill would increase the amount of educational benefits under the Montgomery GI Bill for veterans whose original service obligation was 3 or more years to $700 in fiscal year 2002, $800 in fiscal year 2003, and $950 in fiscal year 2004. For veterans whose original service obligation was 2 years, the monthly educational benefit would be increased to $569 in fiscal year 2002, $650 in fiscal year 2003, and $772 in fiscal year 2004.

Compromise Agreement

Section 101 of the compromise agreement would increase the amount of educational benefits under the Montgomery GI Bill for an obligated period of active duty of 3 or more years to $800 effective January 1, 2002; $900 effective October 1, 2002; and $985 effective October 1, 2003. For service obligation of 2 years, increases are to $650 effective January 1, 2002; $732 effective October 1, 2002; and $800 effective October 1, 2003. The COLA is suspended for Fiscal Years 2003 and 2004.

INCREASE IN RATES OF SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE

Current Law

Chapter 35 of title 38, United States Code, provides educational assistance to spouses and dependent children of veterans who are totally disabled or who die as a result of a service-connected condition. Eligible persons are paid at a monthly rate of $588, $441, and $294, respectively, for full, three-quarter, and half-time studies. The cost-of-living adjustment (COLA) furnished on October 1, 2001, increased these rates to $608, $456, and $304, respectively.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 106 of the Senate bill would increase the monthly amount of education benefits provided under chapter 35 of title 38, United States Code, for full-time students from $588 ($608 with the COLA) to $690, from $441 ($456 of COLA) to $517 for three-quarter time students, and from $294 ($306 with the COLA) to $345 for half-time students (rates in current law after cost-of-living adjustment). These increases would take effect October 1, 2001.

Compromise Agreement

Section 102 of the compromise agreement would follow the language of the Senate bill, except that it would increase the monthly amount of education benefits provided to full-time students in traditional education programs, training in business or industry, correspondence courses or special restorative training from $608 to $670 on January 1, 2002. The compromise agreement would also include increases for on-job training, apprenticeship, and farm cooperative programs.

RESTORATION OF CERTAIN EDUCATION BENEFITS OF INDIVIDUALS BEING ORDERED TO ACTIVE DUTY

Current Law

Sections 3013(f)(2), 3231(a)(5), and 3511(a)(2)(B)(i) of title 38, United States Code, provide that no educational allowance paid to servicemembers, reservists, or eligible dependents shall be counted against the total length or amount of their education entitlement if the pursuit of an educational objective was interrupted as a result of being ordered to serve in connection with the Persian Gulf War.

House Bill

H.R. 3240 would restore entitlement under the Montgomery GI Bill (MGIB), Veterans' Educational Assistance Program (VEAP), and Survivors' and Dependents' Educational Assistance program (DEA) for any servicemembers, reservists, or DEA recipients called to active duty during Operation Enduring Freedom and at any time in the future.

Senate Bill

Section 105 of the Senate bill would restore entitlement under the MGIB, VEAP, and

Survivor's and DEA programs for any servicemembers, reservists, or DEA recipients called to active duty in connection with the National Emergency declared by the Presidential Proclamation dated September 14, 2001.

Compromise Bill

Section 103 of the compromise agreement follows the House language and adds entitlement restoration for persons pursuing education or training under chapter 31 of title 38, United States Code. Further, the period during which the person may use his or her educational benefits under chapters 31 or 35 would be the period equal to the length of active service for which the person is recalled, plus four months.

ACCELERATED PAYMENTS OF EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL FOR EDUCATION LEADING TO EMPLOYMENT IN HIGH TECHNOLOGY INDUSTRY

Current Law

Section 3014 of title 38, United States Code, provides that the basic educational benefit available under the Montgomery GI Bill be disbursed in up to 36 monthly installments. Benefits are provided for each month in which the MGIB participant is certified to be participating in a course of study. If requested by a veteran, section 3680(d)(2) of title 38, United States Code, allows for an advance payment of educational assistance in an amount equivalent to the allowance for the month, or fraction thereof, in which pursuit of an education program will commence, plus the allowance for the succeeding month. This payment structure is geared primarily toward the pursuit of traditional two- and four-year degrees.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 103 of the Senate bill would further expand the Montgomery GI Bill benefit to accommodate a compressed schedule of courses leading to employment in a high technology industry by authorizing accelerated payment covering up to 60% of the cost of a high technology course, provided the cost of such course exceeds 200% of the monthly MGIB rate. This lump sum would be deducted from the veteran's remaining MGIB entitlement.

Compromise Agreement

Section 104 of the compromise agreement follows the Senate language, effective October 1, 2002.

ELIGIBILITY FOR MONTGOMERY GI BILL BENEFITS OF CERTAIN ADDITIONAL VIETNAM-ERA VETERANS

Current Law

Section 3011 of title 38, United States Code, provides that a Vietnam-era veteran may convert his or her Vietnam-era GI Bill benefit to the Montgomery GI Bill educational benefit, if the veteran had eligibility for Vietnam-era GI Bill benefits as of December 31, 1989, was on active duty on October 19, 1984, and served 3 continuous years after June 30, 1985.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 104 of the Senate bill would enable Vietnam-era veterans to convert their Vietnam-era GI Bill benefits to Montgomery GI Bill benefits if the veteran had eligibility for the Vietnam-era GI Bill benefits as of December 31, 1989, was not on active duty on October 19, 1984, and served 3 continuous years in the Armed Forces on or after July 1, 1985.

Compromise Agreement

Section 105 of the compromise agreement follows the Senate language.

INCREASE IN MAXIMUM ALLOWABLE ANNUAL ROTC AWARD FOR ELIGIBILITY FOR BENEFITS UNDER THE MONTGOMERY GI BILL

Current Law

Sections 3011(c)(3)(B) and 3012(d)(3)(B) of title 38, United States Code, provide that $2,000 is the maximum annual amount of a partial scholarship that a participant in the Senior Reserve Officers' Training Corps (SROTC) may receive and still be eligible for basic educational assistance entitlement for service on active duty under the Montgomery GI Bill educational assistance program.

House Bill

Section 101 of H.R. 801 would increase from $2,000 to $3,400 per year the amount a student under SROTC may receive in scholarship assistance and still retain eligibility for the Montgomery GI Bill—Active Duty under chapter 30, of title 38, United States Code.

Senate Bill

The Senate bill contains no comparable provision.

Compromise Agreement

Section 106 of the compromise agreement follows the House language.

EXPANSION OF WORK-STUDY OPPORTUNITIES

Current Law

Section 3485(a)(1) of title 38, United States Code, establishes work-study policies for veteran-students and eligible dependents. In general, VA work-study students may prepare or process VA paperwork at schools or VA facilities, provide care at VA hospitals and domiciliaries, or work at Department of Defense facilities in certain circumstances.

House Bill

Section 102 of H.R. 801 would expand work-study opportunities for veteran-students and eligible dependents to include: outreach services furnished by State Approving Agencies to servicemembers and veterans; activities for veteran-students and/or dependents (who have declared an academic major) within the department of an academic discipline that complements and reinforces the program of education pursued by the veteran-student; and the provision of chapter 17 of title 38, United States Code, domiciliary care and nursing home and hospital care to veterans, including state veterans homes.

Senate Bill

The Senate bill contains no comparable provision.

Compromise Agreement

Section 107 of the compromise agreement follows the House language but excludes work-study opportunities within the department of the veteran-student's academic discipline, and adds additional work-study opportunities through national and state veterans cemeteries.

ELIGIBILITY FOR SURVIVORS' AND DEPENDENTS' EDUCATIONAL ASSISTANCE BENEFITS OF SPOUSES AND SURVIVING SPOUSES OF VETERANS WITH TOTAL SERVICE-CONNECTED DISABILITIES

Current Law

Spouses of veterans who die of service-connected conditions, who are rated as totally and permanently disabled, or who die while rated as totally and permanently disabled, are eligible for Survivors' and Dependents' Educational Assistance (DEA) benefits. Prior to *Ozer* v. *Principi*, a 2001 decision by the U.S. Court of Appeals for Veterans Claims, 14 Vet. App. 257 (2001), VA applied a 10-year delimiting period during which spouses were eligible to use their DEA benefits. VA had been following regulations stating that the 10-year delimiting period began when eligibility is first established. However, the statute which authorized the DEA regulations prescribed that a spouse may not receive educational assistance beyond 10 years after the last occurrence of three eligibility criteria, one of which is the veteran's death. In its *Ozer* decision, the Court invalidated the VA regulation, reasoning that the delimiting period established by VA was in conflict with the authorizing statute.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 107 of the Senate bill would reinstate a 10-year delimiting period in which spouses may, upon first becoming eligible, use DEA benefits. Spouses made eligible for DEA under more than one of the eligibility criteria would have two separate 10–year delimiting periods in which to use their DEA benefits, but in no case would their aggregate entitlement exceed 45 months.

Compromise Agreement

Section 108 of the compromise agreement follows the Senate language.

EXPANSION OF SPECIAL RESTORATIVE TRAINING BENEFIT TO CERTAIN DISABLED SPOUSES OR SURVIVING SPOUSES

Current Law

Section 3541 of title 38, United States Code, provides that eligible children entitled to assistance under the Survivors' and Dependents' Educational Assistance program of chapter 35 may receive special restorative training to overcome or lessen the effects of a physical or mental disability and enable them to undertake a program of education.

House Bill

Section 104 of H.R. 801 would expand the special restorative training benefit provided under the chapter 35 program to include certain disabled spouses or surviving spouses.

Senate Bill

The Senate bill contains no comparable provision.

Compromise Agreement

Section 109 of the compromise agreement follows the House language.

INCLUSION OF CERTAIN PRIVATE TECHNOLOGY ENTITIES IN THE DEFINITION OF EDUCATIONAL INSTITUTION

Current Law

Section 3452(c) of title 38, United States Code, defines ''educational institution'' as any public or private elementary school, secondary school, vocational school, correspondence school, business school, junior college, teachers' college, college, normal school, professional school, university, scientific or technical institution furnishing education for adults. Section 3501(a)(6) of title 38, United States Code, uses a substantively identical definition with the addition of any other institution if it furnishes education at the secondary school level or above.

House Bill

Section 103 of H.R. 801 would expand the definition of an educational institution to include any private entity that offers, either directly or under an agreement with another entity, a course or courses to fulfill a requirement for the attainment of a license or certificate generally recognized as necessary to obtain, maintain, or advance in employment in a profession or vocation in a technological occupation, as determined by the Secretary.

Senate Bill

Section 105 of the Senate bill contains a substantively identical provision.

Compromise Agreement

Section 110 of the compromise agreement follows the Senate language.

DISTANCE EDUCATION

Current Law

Section 3680A(a)(4) of title 38, United States Code, limits the enrollment of an eligible veteran to an accredited independent study program (including open circuit television) leading to a standard college degree.

House Bill

Section 105 of H.R. 801 would permit eligible veterans to receive VA education benefits while pursuing non college-degree courses that are offered through independent study by institutions of higher learning.

Senate bill

The Senate bill contains no comparable provision.

Compromise Agreement

Section 111 of the compromise agreement follows the House language.

TITLE II—COMPENSATION AND PENSION PROVISIONS

MODIFICATION AND EXTENSION OF AUTHORITIES ON PRESUMPTION OF SERVICE-CONNECTION FOR HERBICIDE-RELATED DISABILITIES OF VIETNAM-ERA VETERANS

Current Law

Under section 1116(a)(2)(F) of title 38, the presumption of service-connection with respect to respiratory cancers is limited to those cancers manifesting within 30 years of a servicemember's last active-duty date in Vietnam.

The CAVC decision in *McCartt* v. *West*, 12 Vet. App. 164 (1999) held that the Department of Veterans Affairs (VA) can only presume exposure to Agent Orange if the Vietnam veteran has one of the diseases listed as related to such exposure in 38 U.S.C. §1116(a) or 38 C.F.R. §3.309(e). VA practice prior to this decision had been to presume exposure for anyone who had served in Vietnam during the statutorily defined period of war unless there was affirmative evidence to the contrary.

Section 1116 authorizes the Secretary of Veterans' Affairs to establish, through regulation, a presumption of service-connection for diseases associated with exposure to Agent Orange. The Secretary is further authorized to contract with the National Academy of Sciences for the purposes of studying the effects of dioxin, and is required to base the establishment of a presumption of service-connection on NAS findings. This authority commenced in 1993 and will expire at the end of Fiscal Year 2003.

House Bill

Section 201 of H.R. 2540 codifies VA's July 9, 2001, regulation providing benefits for Vietnam veterans with Type 2 diabetes.

Senate Bill

Section 201 of the Senate bill would remove the 30-year limitation on the manifestation of respiratory cancer. This section would also change the result of the CAVC decision in *McCartt* by requiring VA to presume exposure to Agent Orange for all persons serving in Vietnam during the statutorily defined period of that conflict.

Section 201 would extend the Secretary's authority to determine a presumption of service-connection for additional diseases, based on future NAS Reports, through 2011. VA's authority to contract with the NAS to review scientific evidence on the effects of dioxin or herbicide exposure would be extended through 2011.

Compromise Agreement

Section 201(a)(1) of the compromise agreement follows the Senate language, but modifies the effective date for subsection (a) of the Senate bill to January 1, 2002. Section 201(a)(2) of the compromise directs the Secretary to enter into a contract with the National Academy of Sciences specifically to review available scientific literature on exposure to herbicides and dioxin and the development of respiratory cancers. Section 201(a)(3) allows the Secretary to consider whether an upper limit on manifestation of respiratory cancers can be supported, and to impose such a limit by regulation if warranted, by available scientific evidence. Section 201(4) protects a grant of service-connection made under this section for purposes of all benefits administered by the Secretary; section 201(b) of the compromise agreement provides a statutory presumption of service-connection of Diabetes Type 2 for veterans exposed to Agent Orange and follows the House language; section 201(c) of the compromise agreement presumes that veterans who served in the Republic of Vietnam during the time period when herbicides were used were exposed to herbicides and follows the Senate language; and section 201(d) of the compromise agreement extends the Secretary's authority to contract with NAS through October 1, 2014, and extends the Secretary's authority to determine a presumption of service-connection through September 30, 2015.

PAYMENT OF COMPENSATION FOR PERSIAN GULF WAR VETERANS WITH CERTAIN CHRONIC DISABILITIES

Current Law

Public Law 103–446 gave the Secretary the authority to compensate a Gulf War veteran who suffers from disabilities that cannot be diagnosed or clearly defined, when other causes cannot be identified. Section 1117 of title 38, United States Code, sets forth parameters for compensating disabilities occurring in Gulf War veterans.

House Bill

Section 202 of H.R. 2540 would expand, effective April 1, 2002, the definition of ''undiagnosed illness'' for Gulf War veterans to include fibromyalgia, chronic fatigue syndrome, and chronic multisymptom illness, as well as other illnesses that cannot be clearly defined. Signs and symptoms listed in the House bill that are associated with an undiagnosed illness include headache, muscle pain, joint pain, neurologic signs or symptoms, neuropsychological signs or symptoms, signs or symptoms involving the respiratory system (upper or lower), sleep disturbances, gastrointestinal signs or symptoms, cardiovascular signs or symptoms, abnormal weight loss, and/or menstrual disorders.

Senate Bill

Section 202(b) of the Senate bill would expand the definition of ''undiagnosed illness'' by adding poorly defined chronic multisymptom illnesses of unknown etiology, regardless of diagnosis, characterized by two or more of the symptoms already listed in VA regulations. This section would also extend the presumptive period for service connection for Gulf War veterans by 10 years.

Compromise Agreement

Section 202 of the compromise agreement authorizes the Secretary effective March 1, 2002, to pay compensation to any eligible Gulf War veteran chronically disabled by an ''undiagnosed illness,'' a ''medically unexplained chronic multisymptom illness defined by a cluster of signs or symptoms,'' or ''any diagnosed illness that the Secretary determines in regulations prescribed under subsection (d) warrants a presumption of service-connection'' (or any combination of these). The term ''undiagnosed illnesses'' has been interpreted by VA to preclude from eligibility for benefits under section 1117 or 1118 of title 38, United States Code, any veteran who has received a diagnosis, even if that diagnosis is merely a descriptive label for a collection of unexplained symptoms. This provision's addition of ''medically unexplained chronic multisymptom illness defined by a cluster of signs or symptoms'' to the list of compensable conditions fully implements the intent of Public Law 103–446. Public Law 103–446 authorized the Secretary to compensate certain Gulf War veterans disabled by symptoms that could not be connected conclusively to specific wartime exposures otherwise not compensable under other existing statutory bases.

In selecting this language, it is the intent of the Committees to ensure eligibility for chronically disabled Gulf War veterans not withstanding a diagnostic label by a clinician in the absence of conclusive pathophysiology or etiology. The compromise agreement's definition encompasses a variety of unexplained clinical conditions, characterized by overlapping symptoms and signs, that share features such as fatigue, pain, disability out of proportion to physical findings, and inconsistent demonstration of laboratory abnormalities. Aaron and Buchwald, A Review of the Evidence for Overlap Among Unexplained Clinical Conditions, 134(9) Annals of Internal Med: 868–880 (2001). Although chronic fatigue syndrome, fibromyalgia, and irritable bowel syndrome are the most common diagnoses under this definition, other conditions that may be characterized similarly include other chronic musculoskeletal pain disorders and chronic headache disorders.

By listing the first three diagnoses as examples, it is the Committees' intent to give guidance to the Secretary rather than to limit eligibility for compensation based upon other similarly described conditions that may be defined or redefined in the future. The Committees do not intend this definition to assert that the cited syndromes can be clinically or scientifically linked to Gulf War service based on current evidence, nor do they intend to include chronic multisymptom illnesses of partially understood etiology and pathophysiology such as diabetes or multiple sclerosis.

In evaluating chronic multisymptom illnesses, the Committees expect that VA will develop a schedule for rating disabilities based on severity of symptoms and the degree to which these impair a veteran's ability to obtain and retain substantially gainful employment. The ratings schedule already established by VA in section 4.88b of 38 CFR (6354) for chronic fatigue syndrome bases the degree of disability on the veteran's incapacitation rather than specific medical findings. This schedule can be used as a model for rating disabilities stemming from chronic multisymptom illnesses in general.

The compromise agreement includes a technical correction substituting a date certain of October 1, 2010, for ''10 years after the last day of the fiscal year in which the National Academy of Sciences (NAS) submits the first report'' as written under current law in section 1603(j) of the Persian Gulf War Veterans Act of 1998. This provision requires the Secretary to contract with the NAS for five biennial reports on Gulf War health issues. The compromise also amends sections 1117 and 1118 of title 38, United States Code, to clarify that the authority of the Secretary to determine that a disease warrants presumptive service-connection based on these NAS reports continuing through September 30, 2011.

PRESERVATION OF SERVICE CONNECTION FOR UNDIAGNOSED ILLNESSES TO PROVIDE FOR PARTICIPATION IN RESEARCH PROJECTS BY GULF WAR VETERANS

Current Law

Under current law, the Secretary does not have specific authority to protect a Persian Gulf War veteran's grant of service connection for an undiagnosed illness if, as a result of participating in a medical research study, the condition is diagnosed.

House Bill

Section 203 of H.R. 2540 would authorize the Secretary to protect the grant of service connection for an undiagnosed illness when a Persian Gulf War veteran participates in a VA-sponsored medical research project. The Secretary would be required to publish in the Federal Register any medical research project whose participants would be protected under this section. The Secretary's authority extends to research projects commenced before, on or after date of enactment.

Senate Bill

The Senate bill contains no comparable provision.

Compromise Agreement

Section 203 of the compromise agreement protects veterans participating in medical research projects sponsored by the Department from loss of service-connection if the Secretary determines that such protection is necessary for conduct of the medical research. The Secretary is required to publish in the Federal Register a list of medical research projects sponsored by the Department for which service-connection is protected under this section.

REPEAL OF THE LIMITATION ON PAYMENTS OF BENEFITS TO INCOMPETENT VETERANS

Current Law

Subsections (b) and (c) of section 5503 of title 38, United States Code, establishes that compensation and pension benefits cannot be issued to an incompetent, institutionalized veteran with no dependents whose assets exceed five times the 100-percent compensation rate. Public Law 106–419 raised the dollar amount of the cutoff from $1,500 to its present level.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 209 of the Senate bill would repeal the asset limitation on payment of benefits to incompetent institutionalized veterans who have no dependents.

Compromise Agreement

Section 204 of the compromise agreement follows the Senate language.

EXTENSION OF ROUND-DOWN REQUIREMENT FOR COMPENSATION COST-OF-LIVING ADJUSTMENTS

Current Law

Under sections 1104 and 1303 of title 38, United States Code, the Secretary has the authority to round down to the next lower whole dollar amount in the computation of cost-of-living adjustments through fiscal year 2002.

House Bill

The House bills contain no comparable provision.

Senate Bill

The Senate bill contains no comparable provision.

Compromise Agreement

Section 205 of the compromise agreement extends the Secretary's authority to round down to the next lower whole dollar amount the computation of cost-of-living adjustments through Fiscal Year 2011.

EXPANSION OF PRESUMPTIONS OF PERMANENT AND TOTAL DISABILITY FOR VETERANS APPLYING FOR NONSERVICE-CONNECTED PENSION

Current Law

Under section 1502(a) of title 38, United States Code, applicants for nonservice-connected pensions are considered to be totally and permanently disabled if they are unemployable, unable to follow a gainful occupation, or determined by the Secretary to be totally and permanently disabled. It is the Committees' understanding that VA regional office directors have been verbally instructed to implement a policy of presuming permanent and total disability for veterans who are patients in nursing homes for long-term care, or veterans determined permanently disabled by the Social Security Administration.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 203 of the Senate bill would presume that veterans who are in nursing homes for long-term care; are determined to be permanently disabled by the Social Security Administration (SSA); are at least 65 years old and have no current, recurring income from employment; or are unemployable as a result of a disability reasonably certain to continue throughout life, are permanently and totally disabled for purposes of nonservice-connected pension. This provision would be made retroactive to September 10, 2001.

Compromise Agreement

According to information provided to the Committees, VA has recently instructed its employees to adjudicate pension claims for veterans who are patients in long-term care facilities or who have been determined to be permanently disabled by the Social Security Administration without requiring a VA determination of disability. The Committees express their strong disapproval of the verbal manner in which the policy changes concerning evaluation of disability for patients in long-term care and those determined disabled by SSA were implemented. Verbally advising VA regional office directors to implement major policy changes without issuing either formal regulations or written guidance invites misinterpretation and confusion. The Committees strongly urge the Secretary to communicate all interpretative changes to policy in writing to appropriate officials, to make such instructions available to the public, and to comply with the notice and comment requirements of the Administrative Procedures Act for all substantive rules.

Section 206(a)(1) of the compromise agreement provides specific statutory authority for the evidentiary presumption verbally communicated to regional office directors for determining the eligibility of patients in a nursing home for long-term care to be disabled for purposes of pension benefits. The compromise agreement follows the Senate language and provides for an effective date of September 17, 2001, the date VA regional offices are believed to have implemented this policy.

Section 206(a)(2) of the compromise agreement provides that persons who have been determined disabled by the Social Security Administration (SSA) will be considered disabled for purposes of pension benefits. Since the Committees believe that a SSA disability determination is an appropriate evidentiary basis for considering a veteran disabled, the compromise agreement considers a veteran disabled if SSA has made a determination of disability. The bill provides for an effective date of September 17, 2001, the date VA regional offices are believed to have implemented this policy.

Section 206(a)(3) of the compromise agreement provides that a person shall be considered disabled if the veteran is unemployable as a result of disability reasonably certain to continue throughout the life of the person. The compromise agreement follows the Senate language.

Section 206(a)(4) restates provisions currently contained in section 1502(a)(1) and (2) of current law. The compromise agreement follows the Senate language.

ELIGIBILITY OF VETERANS 65 YEARS OF AGE OR OLDER FOR VETERANS' PENSION BENEFITS

Current Law

Public Law 90–77 provided that a veteran is presumed disabled for purposes of pension benefits at age 65. Public Law 101–508 revoked the Secretary's authority to presume that a veteran was disabled for purposes of pension benefits at age 65. Although the Secretary lacks statutory authority to presume disability at age 65, it is the Committees' understanding that VA regional office directors were verbally instructed to implement a policy of presuming disability for pension applicants aged 65 and older.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 203(a)(3) of the Senate bill would restore the presumption of disability for purposes of pension eligibility at age 65 for veterans who based on evidence available to the Secretary have no current recurring income from employment.

Compromise Agreement

According to information provided to the Committees, VA has recently instructed its employees to adjudicate pension claims for veterans who are aged 65 or older and who have no wages from employment without requiring a VA determination of disability. The Committees express their strong disapproval of the Secretary's decision to ignore the requirements of Public Law 101–508 prohibiting a presumption of disability for purposes of pension eligibility at age 65 by verbally reinstating the policy. When the Secretary believes that legislation passed by Congress and enacted into law is unwise or administratively inefficient, it is the Secretary's responsibility to propose appropriate legislation to the Congress so that the problem identified can be corrected. Verbally instructing VA regional office directors to ignore statutory requirements and to presume that veterans are disabled at age 65 without authorizing legislation violates current law. The Committees expect the Secretary to advise Congress of any statutory provisions, which in the judgment of the Secretary are detrimental to caring for our Nation's veterans, and to transmit appropriate corrective legislative proposals for consideration.

Section 207 of the compromise agreement provides that a pension will be provided to wartime veterans aged 65 and older without regard to disability. These veterans must still meet the nondisability requirements of section 1521 of title 38, United States Code, such as income and net worth. In determining that benefits will be provided at age 65 without regard to employment status, the Committees note that any veteran employed full-time and receiving at least a minimum wage would not qualify for pension based on the pension income limitations.

Nonetheless, the Committees agree that a policy of requiring proof of disability for an

aged wartime veteran with incomes below the pension benefit amount involves use of scarce agency resources without a commensurate return. The Committees have determined that aged wartime veterans should be provided a needs-based pension under conditions similar to that provided for veterans of the Indian Wars and the Spanish-American War. The compromise agreement renders a wartime veteran eligible for a needs-based pension upon attaining age 65 effective September 17, 2001, the date VA regional offices are believed to have implemented a policy of providing a presumption of disability for wartime veterans aged 65 and older.

TITLE III—TRANSITION AND OUTREACH PROVISIONS

AUTHORITY TO ESTABLISH OVERSEAS VETERANS ASSISTANCE OFFICES TO EXPAND TRANSITION ASSISTANCE

Current Law

Sections 7722, 7723 and 7724 of title 38, United States Code, set forth VA's responsibilities with respect to outreach services, including outreach provided to separating servicemembers and eligible dependents. These sections do not specifically provide for the establishment and maintenance of veterans' assistance offices on military installations outside of the United States, its territorial possessions, or the Commonwealth of Puerto Rico. Through a funding arrangement with the Department of Defense, VA currently assigns representatives overseas on a rotational basis in a number of locations with large military populations.

House Bill

Section 201(a) of H.R. 801 would amend section 7723(a) of title 38, United States Code, to give the Secretary specific discretionary authority to establish veterans' assistance offices on such military installations in other locations as the Secretary determines necessary. In doing so, the Secretary would be required to consult with the Secretary of Defense.

Senate Bill

The Senate bill contains no comparable provision.

Compromise Agreement

Section 301 of the compromise agreement follows the House language.

TIMING OF PRESEPARATION COUNSELING

Current Law

The Departments of Defense, Veterans Affairs, and Labor assist separating servicemembers with benefits and services to facilitate a successful transition to civilian life. Currently, section 1142(a)(1) of title 10, United States Code, requires that pre-separation counseling begin not less than 90 days prior to discharge or release.

House Bill

Section 202 of H.R. 801 would change the timing of preseparation counseling to begin as soon as possible during the 24-month period preceding an anticipated retirement and as soon as possible during the 12-month period preceding other separations, but in no event later than 90 days before the date of discharge or release. In the case of an unanticipated retirement or other separation with 90 days or fewer prior to separation, preseparation counseling shall begin as soon as possible within the remaining period of service. Except in the case of a servicemember who is being retired or separated for a disability, the Secretary concerned would not be permitted to provide preseparation counseling to a servicemember who is being discharged or released before the completion of that servicemember's first 180 days of active duty service.

Senate Bill

The Senate bill contains no comparable provision.

Compromise Agreement

Section 302 of the compromise agreement follows the House language.

IMPROVEMENT IN EDUCATION AND TRAINING OUTREACH SERVICES FOR SEPARATING SERVICEMEMBERS AND VETERANS

Current Law

Section 3672(d) of title 38, United States Code, requires that the Secretary of Veterans Affairs actively promote the development of programs for purposes of section 3677 (on the job training) and section 3687 (apprenticeship or other on-job training).

House Bill

Section 203 of H.R. 801 would require that State Approving Agencies (SAA), in addition to the Secretary, actively promote the development of VA programs of training on the job (including programs of apprenticeship) under chapter 36 of title 38, United States Code. Section 203 would also require SAAs, in conjunction with outreach services furnished by the Secretary for education and training benefits under chapter 77 of title 38, United States Code, to conduct outreach programs and provide outreach services to eligible persons and veterans about education and training benefits available under applicable Federal and State law.

Senate Bill

The Senate bill contains no comparable provision.

Compromise Agreement

Section 303 of the compromise agreement follows the House language.

IMPROVEMENT OF VETERANS OUTREACH PROGRAMS

Current Law

Section 7722(c) of title 38, United States Code requires the Secretary to distribute full information to eligible veterans and eligible dependents regarding all benefits and services to which they may be entitled under laws administered by the Department and may, to the extent feasible, distribute information on other governmental programs (including manpower and training programs) that the Secretary determines would be beneficial to veterans.

House Bill

Section 205 of H.R. 801 would require VA, whenever a veteran or dependent first applies for any benefit (including a request for burial or related benefits or on application for life insurance proceeds), to provide information concerning all benefits and health services under programs administered by the Secretary.

Senate Bill

The Senate bill contains no comparable provision.

Compromise Agreement

Section 304 of the compromise agreement follows the House language with a modification that the Secretary provides the information within 3 months of the veteran or dependent making an initial contact with VA.

TITLE IV—HOUSING MATTERS

INCREASE OF THE VA HOME LOAN GUARANTY AMOUNT FOR CONSTRUCTION AND PURCHASE OF HOMES

Current Law

Under section 3703 of title 38, United States Code, VA currently provides a guaranty of up to $50,750 on home mortgage loans issued to eligible veterans by private lenders.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 301 of the Senate bill would increase the maximum home mortgage loan guaranty amount to $63,175.

Compromise Agreement

Section 401 of the compromise agreement would increase the maximum home mortgage loan guaranty amount to $60,000.

NATIVE AMERICAN VETERAN HOUSING LOAN PILOT PROGRAM

Current Law

Section 3761 of title 38, United States Code, established a pilot program whereby the Secretary may make direct housing loans to Native American veterans to permit such veterans to purchase, construct, or improve dwellings on trust land. The pilot program expires on December 31, 2001.

Current law requires a tribe to enter into a Memorandum of Understanding (MOU) with VA before VA can make home loans to members of that tribe.

House Bill

Section 404(a) of H.R. 2540 would extend to December 31, 2005, VA's direct loan program for Native American veterans living on trust lands. Section 404(b) would amend section 3762(a)(1) of title 38, United States Code, to permit VA to make a direct housing loan to a member of a Native American tribe that has entered into an MOU with another federal agency if that MOU generally conforms to the requirements of VA's program.

Senate Bill

Section 302 of the Senate bill extends the Native American veterans housing loan program to December 31, 2005. It also extends the requirement of an annual report under section 3762(j) through 2006.

Compromise Agreement

Section 402 of the compromise agreement follows the House language with the addition of the reporting requirement until 2006.

MODIFICATION OF LOAN ASSUMPTION NOTICE REQUIREMENT

Current Law

Section 3714(d) of title 38, United States Code, requires that all VA loans and security instruments contain on the first page in letters two and one half times the size of the regular type face used in the document, a statement that the loan is not assumable without approval of VA or its authorized agent.

House Bill

Section 405 of H.R. 2540 would modify the requirement in section 3714(d) of title 38, United States Code, by requiring that such notice appear conspicuously on at least one instrument (such as a VA rider) under guidelines established by VA in regulations.

Senate Bill

The Senate bill contains no comparable provision.

Compromise Agreement

Section 403 of the compromise agreement follows the House language.

INCREASE IN ASSISTANCE AMOUNT FOR SPECIALLY ADAPTED HOUSING

Current Law

The Secretary is authorized in chapter 21 of title 38, United States Code, to assist eligible veterans in acquiring suitable housing and adaptations with special fixtures made necessary by the nature of the veteran's service-connected disability, and with the necessary land. The assistance authorized for a severely disabled veteran shall not exceed $43,000. The amount authorized for less severely disabled veterans shall not exceed $8,250.

House Bill

Section 305 of H.R. 801 would increase the grant for specially adapted housing for severely disabled veterans to $48,000 and for less severely disabled veterans to $9,250.

Senate Bill

The Senate bill contains no comparable provision.

Compromise Agreement

Section 404 of the compromise agreement follows the House language.

EXTENSION OF OTHER HOUSING AUTHORITIES

Current Law

Subsection 3702(a)(2)(E) of title 38, United States Code, authorizes VA to provide housing loan guaranties to members of the Selected Reserve through

September 30, 2007; subsection 3720(h)(2) authorizes VA to issue guaranties of timely principal and interest payments on trust-issued securities backed by vendee loans through December 31, 2008; subsection 3729(b)(2) authorizes VA to charge a loan fee for VA home loan guaranties through October 1, 2008; and subsection 3732(c)(11) of title 38, United States Code, authorizes VA to apply specified procedures for liquidation sales to defaulted home loans guaranteed by VA through October 1, 2008.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 303(a) of the Senate bill extends VA's authority to provide housing loan guaranties to members of the Selected Reserve through September 30, 2011; section 303(b) extends VA's loan asset sale authority through December 31, 2011; section 303(c) extends the VA's authority to charge a loan fee for VA home loan guaranties through October 1, 2011; and section 303(d) extends VA's authority to apply procedures for liquidation sales to defaulted home loans guaranteed by VA through October 1, 2011.

Compromise Agreement

Section 405(a) of the compromise agreement extends the housing loan guaranties to members of the Selected Reserve through September 30, 2009; sections 405(b) through (d) of the compromise agreement follows the Senate language.

TITLE V—OTHER MATTERS

INCREASE IN BURIAL BENEFITS

Current Law

Under section 2307 of title 38, United States Code, the Secretary, upon request of the survivors of a veteran, shall pay the burial and funeral expenses incurred in connection with the death of a veteran. In the case of a veteran who dies as the result of a service-connected disability, the amount would not exceed the greater of (1) $1,500, or (2) the amount authorized to be paid under section 8134(a) of title 5, United States Code, in the case of a federal employee whose death occurs as the result of an injury sustained in the performance of duty. In the case of nonservice-connected deaths, section 2302 of title 38, United States Code provides for a payment in the amount of $300 for veterans in receipt of compensation or pension. Section 2303(b) of title 38, United States Code, also authorizes the Secretary to pay a $150 plot allowance for eligible veterans buried in a state or private cemetery.

House Bill

Section 301(a) of H.R. 801 would increase the burial and funeral allowance payable for service-connected deaths from $1,500 to $2,000, and for nonservice connected deaths from $300 to $500. Section 301(b) would increase the burial plot allowance from $150 to $300. Section 301(c) would require that such amounts payable under sections 2302 (funeral expenses), 2303 (plot allowance), and 2307 (death from service-connected disability) would be indexed to cost-of-living increases in benefits paid under the Social Security Act, title 42, United States Code.

Senate Bill

Section 401 of the Senate bill would increase the burial benefits for service-connected deaths from $1,500 to $2,000.

Compromise Agreement

Section 501 of the compromise bill would increase burial benefits for service-connected deaths from $1,500 to $2,000 effective September 11, 2001, and increase the plot allowance from $150 to $300 effective December 1, 2001.

GOVERNMENT MARKERS FOR MARKED GRAVES AT PRIVATE CEMETERIES

Current Law

Section 2306 of title 38 limits the provision of headstones and grave markers by VA to the unmarked graves of veterans, or to commemorate the grave of an eligible person whose remains are unavailable. A veteran's family is permitted to obtain a private marker later. However, if a veteran's family obtains a private marker first, the VA may not furnish a headstone or grave marker.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 402 of S. 1088 would allow the Secretary of VA to furnish bronze markers for already privately marked graves. This section would permit the marker to be located in an appropriate place to be determined by the cemetery concerned, within the grounds of the cemetery. Eligibility for grave markers would apply to deaths occurring after the date of enactment of this provision and deaths occurring before its enactment, but after November 1, 1990, so long as the request for the marker is made within 4 years after the enactment date.

Compromise Agreement

Section 502 of the compromise agreement creates a five-year program requiring the Secretary to furnish a bronze marker to those families that request a government marker for the marked grave of a veteran at a private cemetery. The Secretary is required to furnish the marker directly to the cemetery and the family is required to place the marker on the veteran's gravesite. Not later then February 1, 2006, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the use of this five-year authority to include: the rate and cost of the use of the benefit by fiscal year; an assessment if the extent to which markers are being delivered to cemeteries and placed on gravesites; and the Secretary's recommendation for extension or repeal of the December 31, 2006, expiration date. The Committees note that the Secretary should implement this provision in a flexible manner in light of requests for grave markers pre-dating this provision.

INCREASE IN AMOUNT OF ASSISTANCE FOR AUTOMOBILE AND ADAPTIVE EQUIPMENT FOR CERTAIN DISABLED VETERANS

Current Law

Under section 3902(a) of title 38, United States Code, the Secretary may pay up to $8,000 (including all state, local, and other taxes) to an eligible disabled servicemember or veteran to purchase an automobile.

House Bill

Section 304 of H.R. 801 would increase the amount of assistance for automobile grants from $8,000 to $9,000.

Senate Bill

The Senate bill contains no comparable provision.

Compromise Agreement

Section 503 of the compromise agreement follows the House language.

EXTENSION OF LIMITATION ON PENSION FOR CERTAIN RECIPIENTS OF MEDICAID-COVERED NURSING HOME CARE

Current Law

Under section 5503(f) of title 38, United States Code, VA pension paid to certain veterans receiving Medicaid-covered nursing home care is reduced to $90 per month. VA's authority to reduce the pension amount expires on September 30, 2008.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 210 of the Senate bill would extend through September 30, 2011, the $90 per month cap on VA pensions paid to certain veterans receiving Medicaid-covered nursing home care.

Compromise Agreement

Section 504 of the compromise agreement follows the Senate language.

PROHIBITION OF VETERANS RECEIVING BENEFITS WHILE FUGITIVE FELONS

Current Law

Public Law 104–193 bars fugitive felons from receiving Supplemental Security Insurance from the Social Security Administration and food stamps from the Department of Agriculture. Currently, there is no law barring veterans who are fugitive felons from receiving VA benefits.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 207 of the Senate bill would prohibit veterans and eligible dependents from receiving veterans benefits while a ''fugitive,'' which is defined under this section as fleeing to avoid prosecution, or custody or confinement after conviction, for an offense, or an attempt to commit an offense, which is a felony under the laws of the place from which the veteran flees.

Compromise Agreement

Section 505 of the compromise agreement substantially follows the Senate language.

LIMITATION ON PAYMENT OF COMPENSATION FOR VETERANS REMAINING INCARCERATED SINCE OCTOBER 7, 1980

Current Law

Under section 5313(d) of title 38, United States Code, compensation paid to any veteran incarcerated after October 7, 1980, is reduced to a level equal to the compensation rate for a 10 percent disability with the balance allowed to be apportioned to the veteran's dependants, if any.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 208 of the Senate bill would apply the restrictions listed in section 5313(d) of title 38, United States Code, to veterans incarcerated before October 7, 1980. This provision would not affect any payments made prior to the enactment of this legislation.

Compromise Agreement

Section 506 of the compromise agreement follows the Senate language. It is the Committees' hope that VA will receive all necessary cooperation from the state and federal prison systems in implementing this provision, such as the timely compiling of data of incarcerated veterans affected by this change in law.

ELIMINATION OF REQUIREMENT FOR PROVIDING A COPY OF NOTICE OF APPEAL TO THE SECRETARY OF VETERANS AFFAIRS

Current Law

Section 7266(b) of title 38, United States Code, requires an individual appealing a decision of the Board of Veterans' Appeals to furnish the Secretary of Veterans Affairs with a copy of his or her notice of appeal to the U.S. Court of Appeals for Veterans Claims.

House Bill

Section 406 of H.R. 2540 repeals section 7266(b) of title 38, United States Code.

Senate Bill

The Senate bill contains no comparable provision.

Compromise Agreement

Section 507 of the compromise agreement follows the House language.

INCREASE IN FISCAL YEAR LIMITATION ON THE NUMBER OF VETERANS IN PROGRAMS OF INDEPENDENT LIVING SERVICES AND ASSISTANCE

Current Law

Under section 3120 of title 38, United States Code, VA's Vocational Rehabilitation and Employment Service maintains an independent living program designed to assist service-disabled veterans, who are too disabled to retrain for employment, in achieving and maintaining defined independent living outcomes. Subsection 3120(e) of this title limits participation in this program to no more than 500 veteran participants per fiscal year. Despite this limitation, VA has been providing services to approximately 2,400 veterans per year.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 501 of the Senate bill would eliminate the 500–veteran cap for participants of the independent living program, and would retain first priority to veterans for whom there is a reasonable feasibility of achieving a vocational goal but for their service-connected condition.

Compromise Agreement

Section 508 of the compromise agreement would increase the maximum number of veterans allowed to participate in the VA independent living program to 2,500, and would retain first priority to veterans for whom there is a reasonable feasibility of achieving a vocational goal but for their service-connected condition.

While the Committees acknowledge the value of this program, the Committees strongly disapprove of VA's apparent decision to ignore the limitations in current law. When a limitation contains in current law proves detrimental to veterans, the Committees expect that the Secretary will not proceed to ignore the law, but rather to present the Congress with appropriate corrective legislation. In the event that the number currently authorized proves to be insufficient to meet the needs of our Nation's disabled veterans, the Committees direct the Secretary to propose appropriate legislation to Congress.

TITLE VI—U.S. COURT OF APPEALS FOR VETERANS CLAIMS

FACILITATION OF STAGGERED TERMS OF JUDGES THROUGH TEMPORARY EXPANSION OF THE COURT

Current Law

Section 7253 of title 38, United States Code, requires that the U.S. Court of Appeals for Veterans Claims (CAVC) shall be composed of no more than seven judges and one shall be chief judge. After the Court's establishment in 1988, the initial seven judges were appointed within 16 months of one another. A new judge was appointed in 1997 to fill a vacancy created by the death of one of the originally appointed judges. The chief judge retired in 2000, and his seat has not yet been filled. By 2005, the terms of five of the remaining judges will have ended. This will likely leave four simultaneously vacant seats by 2005.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 601 of the Senate bill would temporarily expand the membership of the CAVC by two seats until August 2005 in order to bridge the retirement of the original judges.

Compromise Agreement

Section 601 of the compromise agreement follows the Senate language.

REPEAL OF REQUIREMENT FOR WRITTEN NOTICE REGARDING ACCEPTANCE OF RE-APPOINTMENT AS CONDITION TO RETIREMENT FROM THE COURT

Current Law

Section 7296(b)(2) of title 38, United States Code, requires a judge who has not been reappointed following the expiration of his or her appointed term, before that judge is 65 years old, as a precondition to retirement, to advise the President, in writing, that the judge is willing to accept reappointment.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 602 of the Senate bill would repeal the requirement that a judge provide written notice indicating willingness to accept reappointment as a precondition to retirement from the CAVC.

Compromise Agreement

Section 602 of the compromise agreement follows the Senate language.

TERMINATION OF NOTICE OF DISAGREEMENT AS JURISDICTIONAL REQUIREMENT FOR THE COURT

Current Law

Under section 402 of the Veterans' Judicial Review Act (Public Law 100–687; 38 U.S.C. §7251 note) (VJRA), a Notice of Disagreement (NOD) must have been filed on or after November 18, 1988, in order to establish jurisdiction necessary for the CAVC to review a claimant's case. Section 403 of the VJRA (102 Stat. 4122; 38 U.S.C. §5904 note) limits the payment of attorney fees to cases in which a post-November 17, 1988, NOD has been filed.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 603(a) of the Senate bill would eliminate the post-November 17, 1988, NOD as a prerequisite to jurisdiction at the CAVC. It would not affect the requirement of a NOD to trigger appeal within VA of a decision nor any other prerequisite to review at the Court. Section 603(b) of the Senate bill would similarly eliminate the limitation on payment of attorney fees to those cases in which a post-November 17, 1988, NOD has been filed.

Compromise Agreement

Section 603 of the compromise agreement follows the Senate language.

REGISTRATION FEES

Current Law

Section 7285 of title 38, United States Code, provides that the CAVC may impose periodic registration fees on persons admitted to practice before the Court. These fees may be used for purposes of hiring independent counsel to pursue disciplinary matters and defraying administrative costs for the implementation of the standards of proficiency prescribed for practice before the Court.

House Bill

Section 301(a) of H.R. 2540 would authorize the Court to collect registration fees for persons participating in a judicial conference or other Court-sponsored activities where appropriate.

Section 301(b) of H.R. 2540 would amend section 7285(b) of title 38, United States Code, to add that registration fees paid to the Court may also be used generally in connection with practitioner disciplinary proceedings and in support of certain bench-and-bar and veterans' law educational activities.

Senate Bill

Section 604 of the Senate bill contains a comparable provision.

Compromise Agreement

Section 604 of the compromise agreement follows the House language.

ADMINISTRATIVE AUTHORITIES

Current Law

The CAVC, established by Congress under Article I of the United States Constitution to exercise judicial power, has unusual status as an independent tribunal that does not have the same general administrative authority as courts established under Article III of the Constitution. Because of its status, the Court does not have available to it certain general authorities that would normally be available were it part of the executive branch or another administrative structure.

House Bill

Section 302 of H.R. 2540 would add a new section 7287 to title 38, United States Code, to make available to the Court generally the same management, administrative, and expenditure authorities that are available to Article III courts of the United States.

Senate Bill

Section 605 of the Senate bill contains a comparable provision.

Compromise Agreement

Section 605 of the compromise agreement follows the House language.

LEGISLATIVE PROVISIONS NOT ADOPTED

AUTHORITY FOR ACCELERATED PAYMENTS OF BASIC EDUCATIONAL ASSISTANCE UNDER MONTGOMERY GI BILL

Current Law

Section 3014 of title 38 provides that the basic educational benefit available under the Montgomery GI Bill be disbursed in up to 36 monthly installments. Benefits are provided for each month in which the MGIB participant is certified to be participating in a course of study. If requested by a veteran, section 3680(d)(2) of title 38 allows for an advance payment of educational assistance in an amount equivalent to the allowance for the month, or fraction thereof, in which pursuit of an education program will commence, plus the allowance for the succeeding month.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 102 of the Senate bill would allow Montgomery GI Bill participants to receive their otherwise monthly payment as an accelerated lump-sum payment for the month in which a course of study begins, plus up to 4 months worth of educational assistance allowance. In the case of a term, quarter, or semester, the accelerated lump-sum payment would equal the amount of the aggregate monthly educational assistance allowance for the entire term, quarter, or semester.

PRESUMPTIVE PERIOD FOR UNDIAGNOSED ILLNESSES

Current Law

Section 1117(b) of title 38 United States Code authorizes the Secretary to extend the period of presumption of service connection for Persian Gulf War veterans disabled by undiagnosed illnesses by regulation. On October 12, 2001, the Secretary published a regulation extending the presumptive period through December 31, 2006.

House Bill

Section 204 of H.R. 2540 extends the presumptive period for undiagnosed illnesses to December 31, 2003.

Senate Bill

Section 202(a) of the Senate bill extended the presumptive period for undiagnosed illnesses to December 31, 2011, or such later date as the Secretary may prescribe by regulation.

REVISION OF RULES WITH RESPECT TO NET WORTH LIMITATION FOR ELIGIBILITY FOR PENSIONS FOR VETERANS WHO ARE PERMANENTLY AND TOTALLY DISABLED FROM A NONSERVICE-CONNECTED DISABILITY

Current Law

The VA Pension Program at chapter 15 of title 38, United States Code, provides financial assistance based upon need to veterans who have had at least 90 days of military service, including at least one day of wartime service, and who are totally and permanently disabled for employment purposes as a result of disability not related to their military service. In determining eligibility for pension benefits, VA is required to consider not only the family income, but also the family's ''net worth.'' The value of farm and ranch land is included in determining net worth unless VA determines that land can be sold at ''no substantial sacrifice,'' section 3.275 of chapter 38, Code of Federal Regulations.

House Bill

Section 306 of H.R. 801 would revise the rule with respect to net worth limitation for VA's means-tested pension program by excluding the value of property used for farming, ranching, or similar agricultural purposes.

Senate Bill

The Senate bill contains no comparable provision.

MODIFICATION OF THE TIME LIMITATION FOR RECEIPT OF CLAIM INFORMATION

Current Law

Under section 5103(b) of title 38 there exists a one-year time limit, following notification by the Secretary, on the receipt of information and evidence necessary to substantiate a claim for benefits based on an already complete or substantially complete application. Public Law 106–475 established this time limitation and eliminated an identical limitation on the receipt of information and evidence necessary to complete an application for benefits.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 205 of the Senate bill would restore the one-year time limit on the receipt of information or evidence necessary to complete an application following notification by the Secretary. It would also eliminate the existing one-year time limit on information or evidence necessary to substantiate a claim based on a completed or substantially complete application.

MODIFICATION OF THE EFFECTIVE DATE OF CHANGE IN RECURRING INCOME FOR PENSION PURPOSES

Current Law

Section 5112(b)(4) of title 38, United States Code, requires VA pensions be reduced or discontinued effective the first day of the month following the month in which the pensioner's net income is reported to have increased.

House Bill

The House bills contain no comparable provision.

Senate Bill

Section 206 of the Senate bill would modify the effective date of reduction or discontinuation of compensation or pension by reason of a change in recurring income to the first day of the year following the year in which the pensioner's net income is reported to have changed.

PAYMENT OF INSURANCE PROCEEDS TO AN ALTERNATE BENEFICIARY WHEN FIRST BENEFICIARY CANNOT BE IDENTIFIED

Current Law

Under chapter 19 of title 38, United States Code, there is no time limitation for a first-named beneficiary of a National Service Life Insurance (NSLI) or a United States Government Life Insurance (USGLI) policy to file a claim for proceeds. As a result, when the insured dies and the beneficiary does not file a claim, VA is required to hold the unclaimed funds indefinitely in order to honor any possible future claims by that beneficiary. VA is not permitted to pay the proceeds to an alternate beneficiary unless VA can determine that the first beneficiary predeceased the policyholder.

House Bill

Section 401 of H.R. 2540 would grant the Secretary of Veterans Affairs the authority to authorize payment of NSLI or USGLI proceeds to an alternate beneficiary when the proceeds have not been claimed by the first-named beneficiary within three years following the death of the policyholder. If no beneficiary has filed a claim within five years of the veteran's death, benefits could be paid to such person as the Secretary determines is equitably entitled to the proceeds of the policy.

Senate Bill

The Senate bill contains no comparable provision.

EXTENSION OF COPAYMENT REQUIREMENT FOR OUTPATIENT PRESCRIPTION MEDICATIONS

Current Law

Section 1722A(c) of title 38, United States Code, furnishes the Secretary the authority, through September 30, 2002, to require a copayment of $2 for each 30-day supply of medication VA furnishes a veteran on an outpatient basis for the treatment of a nonservice connected disability or condition.

House Bill

Section 402 of H.R. 2540 would extend until September 30, 2006, the authority of the Secretary to require a $2 copayment for each 30-day supply of medication.

Senate Bill

The Senate bill contains no comparable provision.

DEPARTMENT OF VETERANS AFFAIRS HEALTH SERVICES IMPROVEMENT FUND MADE SUBJECT TO APPROPRIATIONS

House Bill

Section 403 of H.R. 2540 would amend section 1729B of title 38, United States Code, by making the availability of funds in the VA's Health Services Improvement Fund subject to the provisions of appropriations acts effective October 1, 2002.

Senate Bill

The Senate bill contains no comparable provision.

PILOT PROGRAM FOR EXPANSION OF TOLL-FREE TELEPHONE ACCESS TO VETERANS SERVICE REPRESENTATIVES

Current Law

VA provides various toll-free automated telephone response systems for veterans to furnish them information on VA benefits and services.

House Bill

Section 407 of H.R. 2540 would establish a two-year nationwide pilot program to test the benefit and cost effectiveness of expanding current access to VA veterans service representatives through a toll-free telephone number. Under the pilot program, the Secretary would be required to expand the available hours of such access to veterans service representatives to not less than twelve hours on each regular business day across U.S. time zones and not less than six hours on Saturday. The pilot would also require that such service representatives have available to them information about veterans benefits provided by all other federal departments and agencies, and state governments.

Senate Bill

The Senate bill contains no comparable provision.

CODIFICATION OF RECURRING PROVISIONS IN ANNUAL DEPARTMENT OF VETERANS AFFAIRS APPROPRIATIONS ACTS

Current Law

Each year the Congress appropriates funds to the Department of Veterans Affairs as part of the Departments of Veterans Affairs and Housing and Urban Development, Independent Agencies Appropriations Act. Although the amount of the appropriations varies from year to year, the purposes for which appropriations are made are generally fixed, and change little, if any, from year to year.

House Bill

Section 409 of H.R. 2540 would codify recurring provisions in annual Department of Veterans Affairs Appropriations Acts.

Senate Bill

The Senate bill contains no comparable provision.

Mr. Speaker, I reserve the balance of my time.

Mr. EVANS. Mr. Speaker, I yield myself such time as I may consume.

(Mr. EVANS asked and was given permission to revise and extend his remarks and to include extraneous matter.)

Mr. EVANS. Mr. Speaker, here is another issue in which our leadership of the Committee on Veterans' Affairs is paying off, to the great benefit of our veterans. The gentleman from New Jersey (Mr. SMITH), on every piece of legislation today that we are offering, has exerted his leadership and demanded a lot out of us. We worked a lot of hard hours to get this legislation to this point today, so we salute him for his efforts.

I also want to acknowledge and thank the leaders of the Subcommittee on Benefits, the gentleman from Idaho (Mr. SIMPSON), and the gentleman from Texas (Mr. REYES), members of the subcommittee, and the committee's staff, for their invaluable contributions to this legislation.

In particular, I also want to acknowledge and thank Mary Ellen McCarthy, Todd Houchins, and Beth Kilker from my staff for their work on this issue.

Every member of the Committee on Veterans' Affairs has recognized the need for a meaningful increase in the Montgomery G.I. bill. I was proud to co-author this legislation, the Montgomery G.I. Bill Improvements Act of 2001, with my good friend, the gentleman from Michigan (Mr. DINGELL). H.R. 310 will pay the full costs of tuition, fees, books, and supplies, as well as a living stipend.

Increased veterans educational benefits have also been proposed under H.R. 1280, authored by the gentleman from Mississippi (Mr. SHOWS). Additionally, I was an original cosponsor of H.R. 1291, the 21st Century Montgomery G.I. Bill Enhancement Act, introduced by the gentleman from New Jersey (Mr. SMITH).

I am pleased that the bills before us today embody the essence of H.R. 1291, as originally supported by the House. Our veterans should receive the best possible education benefits for their honorable service to our country, and this is a positive step forward in that regard.

As a long-term supporter of benefits for those who suffered from the effects of exposure to herbicides such as Agent Orange, I am pleased that H.R. 1291 changes an erroneous decision of the U.S. Court of Appeals for Veteran Claims. Congress has clearly reaffirmed in H.R. 1291 the presumption of exposure to herbicides such as Agent Orange for veterans who fought in that conflict.

I strongly support the provision removing the 30-year limitation on the presumptive period for Vietnam veterans diagnosed with cancers of the respiratory tract. This provision is similar to H.R. 1587, introduced in the House by the gentlewoman from Georgia (Ms. MCKINNEY). I want to thank her for her leadership on this important issue. I am also pleased this legislation includes a statutory presumption that makes clear to veterans that eligibility for service-connection of diabetes associated with exposure to herbicides is a protected statutory right.

I also strongly support section 202 of the bill, based on H.R. 1406, which I introduced, which overturns the narrow and erroneous opinion of the Department of Veterans Affairs general counsel.

Thousands of veterans who were healthy before their service in that country, in that region, and who now experience a variety of unexplained symptoms, will qualify for benefits under this provision. Section 202 of H.R. 1291 emphasizes that Congress initially intended it by focusing on the symptoms which have a disabling effect that affects some of our Gulf War veterans.

Section 203 of H.R. 1291 gives the Secretary of Veterans Affairs the authority to protect the service-connection of veterans receiving compensation benefits. Last year, the gentlewoman from California (Mrs. CAPPS), and I became acquainted with her work, that the VA was having difficulty in recruiting veterans to participate in VA research studies concerning the prevalence of ALS, or Lou Gehrig's disease, in Gulf War veterans who returned with problems. This section is intended to provide the VA with the authority to enable veterans to participate in medical research studies without fear that their benefits would be placed in jeopardy.

I am also pleased that the bill contains provisions expanding eligibility for low-income wartime vets who seek a nonservice-connected pension. Nonetheless, I am concerned that these major policy and legal changes were recently implemented by the VA under verbal instructions to regional office directors. It is critical that all branches of the government recognize and foster the rule of law.

The bill also recognizes the VA's efforts to provide veterans dependents with information concerning benefits and health care services under programs administered by the Secretary of the Army whenever they first apply for benefits. This provision is derived from legislation authored by the gentleman from Pennsylvania (Mr. DOYLE), the gentleman from New Jersey (Mr. PASCRELL); and both are committed advocates for our veterans. I salute them for their efforts.

Again, I want to thank the gentleman from New Jersey (Chairman SMITH) for his hard work in bringing this bill forward, and I urge every Member of this body to support H.R. 1291, as amended.

Mr. Speaker, I reserve the balance of my time.

Mr. SMITH of New Jersey. Mr. Speaker, I yield such time as he may consume to the gentleman from Idaho (Mr. SIMPSON), distinguished chairman of our subcommittee and the former Speaker of the Idaho House of Representatives. We are pleased to have a man of his caliber heading up the Subcommittee on Benefits.

Mr. SIMPSON. Mr. Speaker, at the outset I would like to thank the gentleman from New Jersey (Chairman SMITH) and the gentleman from Illinois (Mr. EVANS) for their leadership in crafting with the Senate the compromise agreement on H.R. 1291, and bringing it to the floor today, and also for the gentleman's leadership on the previous two veterans bills passed earlier today, the cost-of-living adjustment for veterans and that legislation to address the tragedy of homeless veterans.

Mr. Speaker, I am pleased to rise today in strong support of H.R. 1291, the Veterans Education and Benefits Expansion Act of 2001. This bill indeed is a comprehensive and sweeping measure. The bill makes a number of needed improvements to programs serving veterans and their families, some of which I would like to briefly highlight.

First and foremost, I am very pleased we have been able to provide further substantial increases in the Montgomery G.I. bill, which is perhaps the most important piece of social legislation in our country's history. I appreciate our counterparts in the Senate working with us on this provision.

Last year, we were able to secure a monthly increase from $536 to $650 per month. We did this knowing that we still had a ways to go to reach our goal of $1,025 per month needed by a veteran-student to attend a 4-year public institution as a commuter student.

As the gentleman from New Jersey (Chairman SMITH) indicated, one of the hallmarks of this compromise agreement is an increase effective January 1, 2002, from $650 to $800 per month for veterans pursuing a college education on a full-time basis. This monthly amount increases to $900 during the fiscal year 2003 and $985 in fiscal year 2004. Their survivors and dependents' educational assistance program will also see an increase from $588 to $670 per month.

Mr. Speaker, this bill includes 11 separate educational provisions, including payment of 60 percent of the cost of tuition for high-cost short-term academically intensive courses leading to employment in the high-technology industry.

The bill also expands the Montgomery G.I. bill benefits for certain Vietnam-era veterans, increases the maximum allowable senior ROTC educational assistance, expands work-to-study opportunities for veterans, and makes certificate programs offered by an accredited institution of higher learning by way of independent study approvable for veterans' training.

□ 1700

Additionally over 10,000 reservists have been called up in support of Operation Enduring Freedom, and some of them have had to disenroll from their college level courses. Section 103 of the bill would allow these selfless men and women the chance to regain both time and money for their education.

About 2 percent of the 714,000 service members who served in the Persian Gulf suffer from difficult-to-diagnose illnesses. Section 202 expands the definition of an undiagnosed illness as well as lists signs and symptoms that may be a manifestation of an undiagnosed illness in certain Persian Gulf veterans. I want to thank the gentleman from Illinois (Mr. MANZULLO) for his work on this piece of legislation.

Section 203 would grant the Secretary the authority to protect the service-connected grant of a Persian Gulf veteran who participates in a Department-sponsored medical research project. It is our intent that this provision will broaden participation in vital scientific and medical studies.

As the gentleman from New Jersey (Mr. SMITH) said, this bill keeps the promise to severely disabled veterans by increasing benefits for specially

adapted housing and automobile adapted equipment allowances and also increases certain burial benefits.

Lastly, the compromise agreement also expands VA's outreach to veterans and their families by providing the Secretary the authority to maintain veterans assistance offices overseas, by expanding the timing of preseparation counseling for our servicemembers, and by improving education and training outreach information for separating servicemembers and veterans.

I would like to thank the gentleman from New Jersey (Mr. SMITH), our chairman; the gentleman from Florida (Mr. BILIRAKIS), the vice chairman; the gentleman from Illinois (Mr. EVANS); and my counterpart, the gentleman from Texas (Mr. REYES) for their continued commitment to our military and veterans communities. It truly has been a pleasure working with them.

Mr. Speaker, the House could not approve such a comprehensive bill at a better time. Our servicemen and women are overseas and literally fighting for the freedoms and liberties we may have taken for granted prior to September 11. By passing this bill today, we are sending a clear message to America's sons and daughters that upon completion of their military service, we will be there for them when they transition to civilian life.

Mr. Speaker, I urge my colleagues to do our duty to support our veterans by supporting the Education and Benefits Expansion Act of 2001.

Mr. EVANS. Mr. Speaker, may I inquire how much time both sides have at this point?

The SPEAKER pro tempore (Mr. OTTER). The gentleman from Illinois (Mr. EVANS) has 15 minutes remaining, and the gentleman from New Jersey (Mr. SMITH) has 8 minutes.

Mr. EVANS. Mr. Speaker, I yield 4 minutes to the gentleman from Texas (Mr. Reyes).

Mr. REYES. Mr. Speaker, I thank the gentleman from Illinois (Mr. EVANS) for yielding me the time.

Mr. Speaker, I rise in strong support of H.R. 1291, the Veterans Education and Benefits Expansion Act of 2001.

I commend and thank the gentleman from New Jersey (Mr. SMITH), the distinguished chairman of the committee, and the gentleman from Illinois (Mr. EVANS), our ranking member, for their hard work in bringing this measure before us today. I want to especially acknowledge and thank the cooperation of the gentleman from Idaho (Mr. SIMPSON), my good friend and the Subcommittee on Benefits chairman, for his work on the benefits legislation which has been included in this bill.

As an original cosponsor and strong supporter of many of the provisions included in this bill, I am pleased that we are moving forward to provide improved education, compensation, readjustment, housing and other benefits to our Nation's veterans and to their families.

As a beneficiary of the VA's educational benefits, I support the provisions to increase the educational benefits that have been provided under the Montgomery GI Bill and Survivors and Dependents Educational Assistance Act. Now is certainly the time to be considering ways of improving the benefits that our country offers to our brave men and women who place their lives on the line in the defense of its Nation, its citizens and its ideals. It seems only fair to me that our veterans should have every opportunity to return home and enjoy improved educational advantages.

I view the Montgomery GI bill as one of the most important programs administered by the Department of Veterans Affairs. Since 1944, our government has provided education benefits to veterans in order to advance military recruitment and to assist in the veteran's readjustment to civilian life. These programs have been very effective. Although these increases are still not adequate to fully cover the cost of higher education in today's education market, they are a good step in the right direction.

I also want to highlight the provisions that will address the need of our Gulf War veterans who are suffering from a variety of signs and symptoms of poorly-defined medical conditions. The compromise bill will allow Gulf War veterans with chronic fatigue symptoms and other chronic multisymptom systems to be compensated as of March 1, 2001.

According to the most recent report of the Institute of Medicine, military personnel who served in the Gulf War have had a significantly higher risk of suffering one or more of a set of symptoms that include fatigue, memory loss, difficulty concentrating, pains in muscles, and joints and rashes. Congress had intended that Gulf War veterans be compensated for these symptom-based chronic illnesses. This bill assures now that they will be.

As a Vietnam veteran, I know that Agent Orange was used extensively in Vietnam. I am pleased that the bill provides for presumptions of exposure to Agent Orange for veterans who served in Vietnam. I also support the provision to presume service connection for veterans suffering from respiratory without regard to the length of time in which those cancers developed, and for diabetes.

Mr. Speaker, I rise in strong support of H.R. 1291. It is a good bill and I urge all Members to support it.

Mr. SMITH of New Jersey. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. MANZULLO), my good friend and colleague, who was very, very helpful in the Persian Gulf War veterans provision.

Mr. MANZULLO. Mr. Speaker, 10 years ago a patriot from Freeport, Illinois, named Dan Steele went off to war in Iraq to fight for the American people and protect the freedoms this country has known for over 200 years. During the buildup in the Gulf, Dan's leg was fractured by an Iraqi soldier's apparent suicide attack. Over the next 8 years, Dan suffered from various conditions shared by many other soldiers who fought in the Gulf War.

In May of 1999, Dan succumbed to his illness and passed away. The county coroner listed Gulf War syndrome as a secondary cause of death on his death certificate. Shortly after Dan's funeral, we contacted his widow, Donna. She vowed to Dan that she would do whatever she could to help other Gulf War veterans suffering from mysterious ailments.

Her story moved me to introduce legislation to compensate our suffering Gulf War veterans, H.R. 612, the Persian Gulf War Illness Compensation Act. H.R. 612 which I introduced along with the gentleman from California (Mr. GALLEGLY) and the gentleman from Mississippi (Mr. SHOWS) has the support of 228 Members of the House and all the major veterans organizations. A companion bill was introduced in the Senate by Senator KAY BAILEY HUTCHISON of Texas.

I am pleased to announce that significant portions of H.R. 612 are included in this benefits package before us today.

I want to thank the gentleman from New Jersey (Mr. SMITH) and members of the Veterans Affairs Committee for their willingness to work with us to strengthen the part of this bill that provides enhanced benefits for our ailing Gulf War veterans. These provisions will allow more sick veterans to qualify for compensation by expanding the number of eligible illness and codifying 13 possible symptoms. Earlier this year, with full Congressional support, the VA extended by 5 years the time period during which these symptoms may arise.

I urge my colleagues to vote in favor of H.R. 1291. It goes a long way towards fulfilling the promises we have made to our veterans.

Mr. EVANS. Mr. Speaker, I yield 3 minutes to the gentleman from Texas (Mr. Rodriguez).

Mr. RODRIGUEZ. Mr. Speaker, I am pleased that the House and the Senate acted quickly on H.R. 1291, the Veterans Education and Benefits Expansion Act of 2001.

Veterans deserve the very best we can offer, and I think that H.R. 1291 is an important step in meeting that obligation. Educational benefits are the military's best recruiting tool, and the Montgomery G.I. Bill must be modernized to meet today's demands.

H.R. 1291 moves toward this goal of expanding access to higher education by increasing the currently monthly benefits from $650 to $800 in the year 2002 and ultimately reaching $985 by 2004. Clearly, the legislation provides a stronger education package to the men and women who choose to serve our country in uniform.

H.R. 1291 improves the Montgomery G.I. bill, and I hope that we can ultimately improve the educational benefits to cover the full cost of tuition,

fees, books and supplies, as well as provide a substantive allowances for those who reenlisted for 4 years.

Additionally, among other things, H.R. 1291 streamlines the ratings system for certain services-connected illnesses. For Vietnam veterans who were exposed to Agent Orange and now are suffering from diabetes, the Veterans Education and Benefits Expansion Act acknowledges the entitlement to service-connected disability benefits. And for the Persian Gulf veterans suffering from illnesses which modern medical technology cannot readily diagnose, the likewise extends the presumption of service connected.

Veterans who suffer from disabilities should not be abandoned. And the disabilities should not be ignored simply because the doctors cannot yet diagnose the causes.

While we have a long way to go, the Veterans Education and Benefit Expansion Act is a step in the right direction for veterans who earned these benefits with their service.

The September 11 attack is an especially stark reminder of how fragile our freedoms are, in response to our men and women who have answered the call to action carrying the banner of freedom in Afghanistan and in search of those responsible for the horrific acts of September 11. And when they return home, these brave sons and daughters need to be assured that their country will be there for them in their time of need.

I wanted to take this opportunity to also say that much more is needed to be done when it comes to our veterans. The cost of education has continued to increase, the cost of books and supplies have continued to increase. I am pleased at this point in time, as we have just passed 5 o'clock, the Christmas tree lighting has occurred and this particular piece of legislation is a beautiful Christmas present to a lot of our veterans.

I want to take this opportunity to urge my colleagues to support and vote for H.R. 1291.

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself 2 minutes.

I want to take this moment, we do have a couple of speakers who are not here who hopefully will get here before we conclude the bill. Again, I would like to just note that Under Secretary of Veterans Affairs for Benefits, Joe Thompson, is retiring on January 3 of next year. I include in the RECORD a tribute to Joe Thompson's 26 outstanding years of service to veterans from myself.

Mr. Speaker, the text of that tribute is as follows:

TRIBUTE TO UNDER SECRETARY JOSEPH THOMPSON

Mr. Speaker, in my capacity as Chairman of the Committee on Veterans' Affairs, I want to share with my colleagues that Joe Thompson is retiring from the Department of Veterans Affairs on January 3, 2002, and thank Joe for 26 years of dedicated service to veterans.

I applaud Joe for the legacy that he leaves. An Air Force Vietnam veteran, Joe rose from a VA entry-level position of GS–7 to Under Secretary for Benefits at the Veterans Benefits Administration (VBA), where he and his staff administered a $24 billion program of benefits and services. Joe used, and was a beneficiary of, VA's services, including in- and out-patient health care, disability compensation, education, home loans, life insurance and veterans preference programs when he returned home following his Vietnam service.

I know of few individuals more conversant than Joe on the genesis and evolution of our veterans benefits system, a system began in 1776 when the Continental Congress passed a Resolution promising pensions to Colonial soldiers and officers who were disabled during the course of service. Joe believes passionately in veterans benefits because indeed they are earned and, for some veterans and their families, earned at a high price. He understands that on the business end of every claim for benefits is a real person who served our country while wearing the military uniform.

Joe liked his work, and he has been good at it. He has had the ability to look at the VBA from the outside in, and see the VBA's work as the everyday customer did. Joe was one of the first to convene town meetings with veterans. I think he did the meetings because he wanted these individuals to be treated the way he wanted to be treated, with respect. Not surprisingly, in 1992 Joe and his coworkers at VA's New York City Regional Office received Vice President Gore's first ''Hammer Award'' under the auspices of National Performance Review. Later, as Under Secretary, Joe and his management team, headed by Deputy Under Secretaries Nora Egan and Rick Nappi, reduced the percentage of busy signals on 13 million VBA phone inquiries from 50 percent to 2 percent. They increased vocational rehabilitation placements by 24 percent. They consolidated home loan eligibility to nine regional offices, which lead to increased efficiencies.

And VBA increased the number of veterans helped through military separation outreach centers from 1,000 to 22,000 per year, including disability compensation exams and awards before leaving the military. Much of this Joe did while nationwide staffing levels were decreasing.

Mr. Speaker, I suspect that Joe Thompson will not climb onto that Harley Davidson motorcycle he's so fond of and ride off into the proverbial sunset. It would not be his nature nor the wish of many veterans. Greatest luck to a civil servant who like so many in the VBA gave America great gift—lifelong commitment, honor, energy, and ideas, Joe, thank you!

Finally, I would like to thank a large number of people who worked on this legislation and our staffs did actually yeoman's work day in and day out on behalf of veterans in general, but on this particular legislation. I want to thank them for their work on the bill, H.R. 1291, as well as H.R. 2540 which we passed earlier. That would include Patrick Ryan, our chief counsel and chief of staff, Darryl Kehrer, Paige McManus, Devon Seibert, Summer Larson, Jeannie McNally, Kingston Smith; and on the minority staff, I would like to thank Michael Durishin, Beth Kilker, Debbie Smith, Mary Ellen McCarthy, and Todd Houchins for their fine work.

This has truly been a bipartisan effort. I want to thank them sincerely. This legislation will make powerful difference in the lives of our veterans.

GENERAL LEAVE

Mr. SMITH of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous materials on H.R. 1291, as amended.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

Mr. SMITH of New Jersey. Mr. Speaker, I reserve the balance of my time.

Mr. EVANS. Mr. Speaker, I yield 3 minutes to the gentleman from Mississippi (Mr. SHOWS).

Mr. SHOWS. Mr. Speaker, today I would like to show strong support for H.R. 1291, the Veterans Education and Benefits Act of 2001.

This important legislation will take meaningful action to improve benefits that our Nation's veterans have earned and deserved. As many of my colleagues know, I have long been concerned about the appalling 75 percent rate of which Gulf War veterans suffering from undiagnosed illnesses have been denied compensation from the VA. These men and women uprooted from their families and communities served our country with honor and dignity.

Yet, when it was time for the VA to serve them, thousands were denied.

Earlier this year, I introduced H.R. 612, the Persian Gulf War Illness Compensation Act of 2001, along with two other outstanding advocates for veterans, the gentleman from Illinois (Mr. MANZULLO) and the gentleman from California (Mr. GALLEGLY).

The legislation garnered strong bipartisan support of over 225 Members of the House. I am pleased that the gentleman from New Jersey (Mr. SMITH), the gentleman from Illinois (Mr. EVANS), the ranking member, and my fellow veterans committee members have supported including key provisions of H.R. 612 in the bill. The Veterans Education and Benefits Act of 2001 will now clarify VA standards for compensation by recognizing fibromyalgia, chronic fatigue syndrome, and other ailments as key symptoms of undiagnosed or poorly defined illnesses associated with Gulf War service.

Independent of this, we should all applaud Secretary Principi for extending the presumptive period for Gulf War veterans to file for compensation until December 31, 2006. This is a true victory for veterans. I am also pleased that we are modernizing and improving the educational benefits awarded under the Montgomery G.I. bill. As a country that depends on the volunteer membership of our service men and women to defend our Nation's ideals, we must provide competitive benefits for our veterans.

□ 1715

The military services have experienced and continue to experience difficulties in recruiting the number and

quality of our new recruits. We can strengthen the retention of our trained soldiers if we deliver appropriate benefits and support.

Our Nation's veterans are our heroes. They have shaped and sustained our Nation with courage, with sacrifice and faith. They have earned our respect and deserve our gratitude. Let us join together and do something meaningful in passing this legislation because it is the right thing to do.

Mr. SMITH of New Jersey. Mr. Speaker, I reserve the balance of my time.

Mr. EVANS. Mr. Speaker, may I inquire again how much time is remaining on our side?

The SPEAKER pro tempore (Mr. DUNCAN). The gentleman from Illinois has 6 minutes remaining.

Mr. EVANS. Mr. Speaker, I yield 2 minutes to the gentleman from New Mexico (Mr. UDALL).

Mr. UDALL of New Mexico. Mr. Speaker, I rise today in strong support of H.R. 1291, the Veterans Education and Benefits Expansion Act of 2001. This legislation makes a number of important changes to improve insurance compensation and housing programs for our Nation's veterans.

I want to thank the chairman of the committee, the gentleman from New Jersey (Mr. SMITH); the ranking member, the gentleman from Illinois (Mr. EVANS); the gentleman from Texas (Mr. REYES), and my colleagues on the Committee on Veterans' Affairs for supporting the inclusion of provisions from H.R. 1929, the Native American Veterans Home Loan Act of 2001 into H.R. 1291.

Ranking member EVANS and 14 other Members and I introduced H.R. 1929 on March 21 of this year to extend the Native American Veterans Home Loan Pilot Program for another 4 years, and expedite the process of obtaining VA home loans for Native American veterans living on tribal and trust lands. This program helps many Native American veterans, who might otherwise be unable to obtain suitable housing. Including the provisions of H.R. 1929 into H.R. 1291 will allow other Native American veterans to take advantage of this important program.

The Native American Veteran Home Loan Pilot Program, however, is just one of many VA benefits improved through H.R. 1291. I ask my colleagues to join me in support of these important benefit enhancements for the men and women who have sacrificed so much in defense of liberty and democracy.

Mr. EVANS. Mr. Speaker, I yield 2 minutes to the gentlewoman from California (Mrs. CAPPS).

Mrs. CAPPS. Mr. Speaker, I rise in strong support of this bill. I thank Chairman SMITH, Ranking Member Evans, and their hardworking staff for their leadership on this important legislation.

I wish to highlight a critical provision contained in H.R. 1291 that I have worked on for some time. This provision would end a Catch 22 faced by vets and VA researchers. In the past, vets could lose benefits for an ''undiagnosed illness'' if participation in a VA study determines that a vet's illness is not service connected. This issue was brought to my attention, as I am the author of the ALS Treatment and Assistance Act, which was enacted into law in the past Congress.

VA researchers told me that some vets might not participate in the study to look at connections between their Gulf War service and Lou Gehrig's disease. I learned that some vets feared losing their much-needed benefits by participating in the study. H.R. 1291 fixes this problem by letting the VA protect compensation in such cases.

This provision is based on a bill the gentleman from Illinois (Mr. EVANS) and I introduced earlier this year. With the passage of this bill, vets can participate in important VA studies without fear of the loss of needed health benefits, and future VA research studies can attract the broad participation they need to be successful.

This bill could not be more timely. Yesterday, the VA announced that the findings of this study show Persian Gulf veterans are nearly twice as likely as other veterans to develop Lou Gehrig's disease. This is a very troubling finding. Clearly, other study is needed. I am pleased the VA has indicated they will continue to work hard to investigate this disturbing connection. I am also pleased the VA has assured my office that Persian Gulf Veterans affected by this illness will immediately begin receiving compensation for what is now shown to be a service-related illness.

Mr. Speaker, today marks the 3-month anniversary of the unspeakable attacks against our Nation, and once again our brave servicemen and women are in harm's way thousands of miles away from home. As they fight to protect our freedom and democracy, the least we can do is to pledge to safeguard their health when they return as veterans.

I urge my colleagues to join me in supporting this legislation and doing what is right for our veterans and our military personnel.

Mr. EVANS. Mr. Speaker, I yield the balance of my time to the gentleman from American Samoa (Mr. FALEOMAVAEGA), a great advocate for the people of American Samoa.

Mr. SMITH of New Jersey. Mr. Speaker, I yield 2 minutes to the gentleman from American Samoa (Mr. FALEOMAVAEGA).

(Mr. FALEOMAVAEGA asked and was given permission to revise and extend his remarks.)

Mr. FALEOMAVAEGA. Mr. Speaker, I rise in strong support of H.R. 1291, known as the Veterans Benefits Improvements Act of 2001. I particularly want to thank the gentleman from New Jersey (Mr. SMITH), the chairman of our Committee on Veterans' Affairs, and our senior ranking Democrat, the gentleman from Illinois (Mr. EVANS), not only for their leadership but their outstanding service in bringing this bill to the floor. I also want to thank the chairman of our Subcommittee on Benefits, the gentleman from Idaho (Mr. SIMPSON), and our ranking Democrat on the subcommittee, the gentleman from Texas (Mr. REYES), for their leadership.

The House has already passed most of these provisions in four different bills, and I am glad we were able to work out an arrangement with the other body to adopt this broad range of laws and bills to help our veterans in this time of need.

Mr. Speaker, our Nation is again involved in military conflict and activities all over the world, especially in Afghanistan. We are reminded of the daily sacrifices our active duty, our National Guard, and ready reserve members must make. Our service members are taken away from their families for long periods of time, they are paid less than their counterparts basically in civilian jobs, and, of course, they are ordered to take actions which place their lives at risk in defense of our Nation.

Mr. Speaker, the benefits we provide to our veterans fit into the broad categories of health care, disability benefits, pensions, education and training, home loan guarantees, life insurance, burial benefits, and benefits for survivors. I am pleased to note that with passage of this bill, we are improving or increasing many of these benefits to our veterans.

As a Vietnam veteran, Mr. Speaker, I am deeply appreciative that in section 302 of this bill it authorizes an additional 4 years to the Native American Veterans Housing Home Loan Program. This program provides direct VA guaranteed loans to Native Americans, Native Alaskans, Native Hawaiians, American Samoans, and other Pacific Islanders. Prior to the enactment of this pilot program, many Native Americans were not able to benefit from the national VA home loan guarantee program because commercial banks were unwilling to make loans for homes on Indian reservations, Hawaiian homestead lands, and Samoan communal lands.

Since 1992, as a coauthor and supporter of this legislation, Congress recognized this inequity and created a pilot program to address the problem by providing direct VA home loans to these beneficiaries. For some 9 years now, the program has been a tremendous success. Hundreds of loans have been made and the default rate is very low.

Given the success of the pilot program, Congress still needs to address or take the necessary steps to expand hopefully the pilot program to include veteran spouses of Native Americans. I hope the Department of Veterans Affairs will work with us; and I really, really am most appreciative not only

of Chairman SMITH but our ranking member's willingness to help me to address this issue, hopefully next year.

Again, I urge my colleagues to support this legislation, and I thank the gentleman from New Jersey for his willingness to give me part of his time as well.

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself the balance of my time.

Before concluding, Mr. Speaker, I just want to thank all on the minority side, as well as my good friends and colleagues here on the Republican side.

This is a comprehensive bill. The GI bill, certainly going back to World War II, our early GI bill, has created what really is the modern middle class. More than 20 million people have gotten their college education via the GI bill. That is just one part of this bill. It is comprehensive and deserves the full support of this body.

Mr. GILMAN. Mr. Speaker, I rise today in strong support of H.R. 1291, the 21st Century Montgomery G.I. Bill Enhancement Act. I urge my colleagues to join in lending their support to this appropriate legislation.

The purpose of this bill is to bring the various education benefits afforded to veterans to a level more in line with today's increasingly expensive higher education opportunities. This legislation increases the current monthly Montgomery G.I. bill rate of $650 for a minimum three-year enlistment to $1,100 over three years. Specifically, the rate will increase to $800 in October of this year, $950 in October 2002, and the full $1,100 by October 2003. This measure also raised the monthly rate for two year enlistments and reserve enlistments as well, from $528 to $894.

Mr. Speaker, the G.I. bill is arguably the most profound and far-reaching piece of legislation enacted by congress in the 20th century. The program, first implemented after world war II, single-handedly afforded a college education to the millions of middle and working class men who had served during the war. In doing so, it helped to transform America in the postwar years, leading to the ''baby boom'' and the rise of middle class suburbia.

This measure is the latest of several bills passed in the last fifty years to bring the benefits of the G.I. bill to levels that reflect the contemporary cost of a higher education. Consequently, current and future generations will be able to enjoy the tangible benefit of a college education as a result of their service in the military of their country.

Once again, I urge my colleagues to support this worthwhile and timely legislation. With college tuition prices rising three times faster than the consumer price index, I can think of no better way to enhance the education benefits we provide for those who serve in the armed forces of their country.

Mr. GALLEGLY. Mr. Speaker, I rise in support of the 21st Century Montgomery GI Bill Enhancement Act, a measure that will improve veterans' educational benefits, as well as improve the benefits of our veterans who became ill as a result of their service in the Gulf War.

I am pleased to say that this legislation contains many important provisions from another important bill, the Persian Gulf War Illness Compensation Act, that Congressmen DON MANZULLO (R–IL), RONNIE SHOWS (D–MS), and I introduced.

Since the end of the Gulf War, the Veterans Administration has denied nearly 80 percent of all sick Gulf War veterans' claims for compensation. In the view of many, including the National Gulf War Resource Center, the VA has employed too strict a standard for diagnosing Gulf War Illness.

Just yesterday—more than 10 years after we defeated Iraq—the VA reluctantly recognized Lou Gehrig's disease as Gulf War service related. The GI Bill Enhancement Act will extend coverage to other sufferers by including a comprehensive list of symptoms that constitute Gulf War Illness. The measure also expands the definition of undiagnosed illness to include fibromyalgia and chronic fatigue syndrome as compensable diseases.

I want to personally thank Chairman SMITH and members of the House Veterans' Affairs Committee for working with Congressmen MANZULLO, SHOWS and me in getting this critical language included in this bill. I also want to thank them for allowing the recent VA regulation allowing for a critical five-year extension for Gulf War veterans to report and be compensated for Gulf War Illness to stand. This extension was a key provision of the Manzullo-Gallegly-Shows bill.

As one of the original cosponsors of the 1991 resolution to authorize then-President Bush to use force in the Persian Gulf, I believe we must go the extra mile to take care of the men and women who went to war against Iraqi dictator Saddam Hussein and are now suffering from these unexplained and devastating ailments.

Many of those suffering from Gulf War Illness were Reservists and National Guardsmen uprooted from their families and jobs. They answered the call and helped our country, and now we have a duty to help them. I urge my colleagues to vote for this important measure.

Mr. PASCRELL. Mr. Speaker, I rise in strong support of H.R. 1291, The 21st Century Montgomery G.I. Bill Enhancement Act.

This important legislation increases funding for the highly successful Montgomery G.I. Bill education program.

Every year thousands of veterans have the opportunity to earn a college degree because of this program.

The brave men and women of our military defend our freedoms around the globe, 365 days a year, 24 hours a day, 7 days a week.

While Americans sit around their Thanksgiving dinner table, light candles during Hanuka and open presents on Christmas morning, our armed forces stand fast.

And when they return, we must fulfill the promises we have made to them.

Mr. Speaker, we are not keeping our promise to America's veterans.

As I have traveled throughout my district I have met countless veterans who do not know of the full range of VA services available to them.

And every year I host a veterans registration drive in my district because there are too many veterans that simply do not get the services they need from the Veterans Administration.

And when they do finally reach out to the VA they find facilities understaffed, overworked and woefully inadequate.

I want to thank Chairman SMITH for including language from my Veterans Right to Know Act in this legislation because it will require the VA to inform vets of the entire range of benefits they are entitled to.

This is a critical first step in ensuring that every veteran has access to the services they have earned including the Montgomery G.I. Bill program.

Mr. Speaker, our men and women are fighting for us in Afghanistan, we need to fight for them when they come home.

Mr. FILNER. Mr. Speaker, I urge my colleagues to support H.R. 1291, the Veterans Education and Benefits Expansion Act of 2001. The bill includes much needed increases in benefits for our Nation's veterans, and I would like to comment on a couple of them.

First, I am very pleased that the provisions in my bill, H.R. 442, were substantively included in the larger bill. H.R. 1291 would increase from $50,750 to $60,000 the maximum amount of the home loan guaranty available to veterans and servicemembers under the Department of Veterans Affairs' home loan program. This increase is necessary to keep pace with the rising cost of housing, particularly in areas where the cost of housing is higher than in other parts of the country. This action is part of our duty to provide adequate funds for the vital programs that serve our Nation's veterans.

The amount of this guaranty has not increased since 1994. During the past seven years, the cost of housing has increased nationwide, and in some areas it has skyrocketed! Benefits for veterans must keep up with such increases if we are to keep our commitment to our veterans.

My bill, H.R. 442, would have provided a VA home loan guaranty increase to $63,175 which would allow a maximum amount for a home loan of $252,000. Although the amount of increase in H.R. 1291 is slightly less than in my bill, due to paygo requirements, I welcome this interim step which will allow the maximum amount for a home loan to rise to $250,000.

Further increases are needed before this valuable program can regain its intended utility, and I fully intend to keep fighting for these increases in the future.

Likewise, I am supportive of the provision to restore educational assistance to participants in VA programs who are receiving benefits for classes that they are unable to complete because they have been called to duty to support the nation in times of global conflict.

And, while I am convinced we can and must do more, this bill will provide a sorely needed increase in the amount of educational benefits under the Montgomery GI Bill (MGIB).

Veterans must remain one of our top priorities! I urge my colleagues to join me in support of H.R. 1291.

Mr. MATHESON. Mr. Speaker, it is with great pleasure that I rise today in support of the Veterans Education and Benefits Expansion Act. This legislation expands veterans' benefits, to help veterans to have adequate healthcare and increased educational opportunities. While this legislation seeks to repay those sacrificed so much for the freedom and liberty of our country, we will never be able to truly compensate those men and women in uniform who have fought in German, the Pacific, Korea, Vietnam, the Persian Gulf, or Afghanistan.

This legislation authorizes the Montgomery GI Bill full-time study allotment to $985 by October 2002. Additionally, the legislation improves home loan guarantees for veterans to $60,000. It increases the burial and funeral expense benefits for service-connected veterans to $2,000. It improves automobile and adaptive equipment grants for severely disabled veterans to $9,000.

Most importantly, this legislation remembers those who have often been forgotten. The legislation repeals the 30-year presumptive period for respiratory cancers and diabetes due to Agent Orange. It requires the National Academy of Science to conduct research to determine the effects of dioxin or herbicide exposure on Vietnam veterans. Finally, it changes the Gulf War programs to include fibromyalgia, chronic fatigue syndrome, chronic multisymptom illness and any other illness that cannot be clearly identified to the definition of undiagnosed illnesses, thus allowing veterans to receive compensation.

I am grateful for the work done on this legislation by my House colleagues concerning veterans' issues. I hope that the House will join me in supporting this legislation.

Mr. SMITH of New Jersey. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and agree to the resolution, House Resolution 310.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the resolution was agreed to.

A motion to reconsider was laid on the table.

HONORING JOHNNY MICHEAL SPANN, FIRST AMERICAN KILLED IN COMBAT IN WAR AGAINST TERRORISM IN AFGHANISTAN, AND PLEDGING CONTINUED SUPPORT FOR MEMBERS OF ARMED FORCES

Mr. GOSS. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 281) honoring the ultimate sacrifice made by Johnny Micheal Spann, the first American killed in combat during the war against terrorism in Afghanistan, and pledging continued support for members of the Armed Forces.

The Clerk read as follows:

H. CON. RES. 281

Whereas as part of the war against terrorism, United States military personnel and agents from the Central Intelligence Agency were involved in combat with Taliban forces during a prison uprising in Mazar-e Sharif, Afghanistan, on Sunday, November 25, 2001;

Whereas Johnny Micheal Spann, age 32, an officer in the Central Intelligence Agency, was inside the prison fortress interviewing Taliban prisoners when the uprising began;

Whereas Spann was killed in this rebellion and is the first American known to be killed in combat in Afghanistan during this war;

Whereas Spann is the 79th employee of the Central Intelligence Agency killed in the line of duty;

Whereas the Director of the Central Intelligence Agency, George J. Tenet, hailed Spann as an American hero and will soon memorialize him on a wall of honor;

Whereas Spann, a former Captain in the Marine Corps, is survived by his wife, Shannon, and 3 young children; and

Whereas the thoughts and prayers of the Congress and the Nation remain with the families of Spann and all the soldiers fighting to ensure the Nation's freedom and safety: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That the Congress—

(1) honors Johnny Micheal Spann, a paramilitary officer in the Central Intelligence Agency, who was the first American killed in combat during the war against terrorism in Afghanistan, and recognizes him for his bravery and sacrifice;

(2) extends its deepest sympathies to the family of this brave hero; and

(3) pledges its continued support for the men and women who risk their lives every day to ensure the safety of all United States citizens.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. GOSS) and the gentlewoman from California (Ms. PELOSI) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. GOSS).

GENERAL LEAVE

Mr. GOSS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H. Con. Res. 281.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

Mr. GOSS. Mr. Speaker, I yield myself such time as I may consume.

I rise obviously in very strong and sad support of this resolution; sorry that we have to have it. It is authorized by my friend and colleague, the gentleman from Alabama (Mr. ADERHOLT).

Johnny Micheal Spann, ''Mike'' as he was known, served in the Central Intelligence Agency for approximately 2 years, just long enough to complete his training as a paramilitary and an operations officer in the clandestine service, which is arguably the most challenging and dangerous job in the intelligence community.

Mike was up to the challenge. In fact, he humbly accepted the opportunity to serve his country as an intelligence officer. Prior to joining the CIA, Mike served in the United States Marine Corps; he loved the Corps. I think all Marines love the Corps and often spoke of the Corps as if it was a family. And it is a family. We all know that. He left the Corps and he joined the CIA because, in his own words, ''Somebody's got to do the things that nobody else really wants to do.''

His dedication to this country and his commitment to defending its values and liberties highlight the quality of the men and women who have decided to serve our great country. Mike did exactly what he set out to do. He served his country in a way many would not or could not. A relatively newlywed, with a newborn son and two young daughters, Mike selflessly responded to the call to serve at the forefront of our Nation's war against terrorism.

Half a world away, in a dusty, inhospitable and alien environment, Mike confronted our Nation's fiercest enemy eye to eye. He did this not because it was his job, but because he was compelled to ensure that all people, regardless of their nationality or religion, could live without the fear of being victims of terrorism. That is what this is about.

Mike died fighting, trying to obtain information on terrorist plans and intentions so we could save others. Face to face against those bent on killing innocent men, women, and children, Mike stood strong, he stood tireless and fearless. That is the description of an American hero and Mike was one.

Up to the moment of his death, Mike never stopped being a Marine. ''Semper Fidelis.'' He was always faithful. He was faithful to the countless, nameless millions of Americans, especially those incapable of defending themselves. Mike exemplified a breed of officer not normally acknowledged in the public sector. He readily accepted the risks of service, including the possibility of death, in order to secure the safety of his fellow Americans.

His death acts as a reminder of the high cost we must sometimes pay in order to secure our pursuit of liberty and happiness. We hold the greatest debt to Mike and to his family. The memory of his deeds must be held forever dear in our hearts. We pray for Mike's family and ask God to give them strength and see them through these difficult days.

We also pray for Mike's fellow colleagues in intelligence and in the military, who are still standing, even now, as the Nation's vanguard in the war against terrorism.

There are many Mike Spanns out there doing dangerous hard work for our country. God bless them all and keep them safe. But there is only one Mike Spann for his family and his loved ones.

□ 1730

Mr. Speaker, we share the burden of their loss today, and we want them to know we honor him before the world from this place.

Mr. Speaker, I ask unanimous consent to yield the balance of my time to the gentleman from Alabama (Mr. ADERHOLT), who is the sponsor of the legislation, to control the time.

The SPEAKER pro tempore (Mr. DUNCAN). Is there objection to the request of the gentleman from Alabama?

There was no objection.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of the legislation to honor Johnny Micheal Spann, who was laid to rest yesterday with other fallen men and women of great courage in Arlington National Cemetery. That an officer of the CIA

was the first combat fatality of the struggle against terrorism in Afghanistan is a stark reminder of how dangerous and difficult the mission of collecting intelligence can be. The gentleman from Florida (Mr. GOSS) spoke eloquently to that point. He also described Mike's role at the CIA, and the circumstances and the danger in which he was placed; and which, unfortunately, caused his demise.

Like 78 CIA officers before him, Mr. Spann gave his life to protect the freedom which we hold dear and which defines us as a Nation. As we mourn his death, it is well to remember the gifts he gave our country through a career of service, first in the Marine Corps, and sadly, finally, in the CIA. He went to Afghanistan because he knew that is where his country needed him most. Our ability to respond effectively to the events of September 11 is due in large measure to the willingness of people like Mike to put personal considerations aside and accept the risks inherent in their important work.

Mr. Speaker, we are joined by Mike's family in the gallery today, and want them to know, those of us who are speaking on this resolution speak for the entire Congress when we offer them our deepest sympathy and condolences. No words we can say will ever be adequate to relieve the agony that they are in. However, I would like to place in the RECORD some of the words of Mrs. Spann that she said in eulogy yesterday which eloquently describe Mike's contribution to our country. She said, ''Mike was faithful in giving his life to God and to his colleagues, his friends, his country and his family.'' Mrs. Spann said her husband ''was a hero not because of the way he died, but rather because of the way he lived. He served his country not only by risking his life, but by being good. It seemed like when Mike took an oath to protect the Constitution of the United States from all enemies, foreign and domestic, that he took that oath to our family as well. He just thought that it was really his duty as a father to protect his children from terrorism, just as equally as he thought it was his duty to provide a roof over their heads.''

As we pay tribute to Mike Spann's sacrifice, Mr. Speaker, our sympathies and prayers certainly go to his family, his wife, Shannon, who is also a CIA officer; his daughter, Alison, who is here with us today; Emily, his daughter, who is 4, is not; and his infant son, Jake, who is with us. Their loss is incalculable. His father and mother are with us today, and our condolences go to them. As a mother of a son 32 years old, I cannot imagine the scale of their loss; but nonetheless, offer my prayers in sympathy.

To his children especially go our hope that they learn more clearly of their father's life in the years to come, that they will find it a source of pride and comfort, and that he will always be in our prayers and in our memory.

Mr. Speaker, as we sing the praises of Micheal Spann and mourn his death and try to comfort his family, I would like to pay tribute to those Americans who lost lives in the so-called friendly fire incident that occurred in Afghanistan. They have been memorialized as well, the three Green Berets. They were Master Sergeant Jefferson Davis of Watauga, Tennessee; Staff Sergeant Brian Cody Prosser of Frazier Park, California; and Sergeant First Class Daniel Petithory of Cheshire, Massachusetts. We lost two others in helicopter accidents in Pakistan. Every one of these losses is felt by all of us in our country.

Today we mourn and pay tribute to Johnny Micheal Spann, known as Mike, who would want us to recognize the others whose lives were sacrificed, to end terrorism in our country, to protect Jake and Alison and Emily, and all of the children of our country.

Mr. Speaker, I reserve the balance of my time.

Mr. ADERHOLT. Mr. Speaker, I yield myself such time as I may consume.

(Mr. ADERHOLT asked and was given permission to revise and extend his remarks.)

Mr. ADERHOLT. Mr. Speaker, I rise today to bring voice to my constituents, my State, and people around the Nation who mourn the loss of Johnny Micheal Spann, better known as Mike Spann. Mike Spann lost his life as has already been said, in service to this country during a prison uprising in Afghanistan on November 25, 2001. He is an American hero and I stand to honor him today.

There are few facts about the exact circumstances of his death that we currently know, due to the nature of the war. Mike Spann was serving as a paramilitary officer with the CIA and was at the prison in Mazar-e Sharif interviewing Taliban prisoners. It is believed that these prisoners smuggled guns and grenades into the prison and used these munitions to stage an uprising against the Northern Alliance and the American soldiers.

Mike and a fellow CIA officer drew their weapons and attempted to fight their way out of the prison fortress. While his fellow CIA officer was able to escape, Mike, unfortunately, became the first American killed in action in Afghanistan.

Before his death, he and his fellow CIA officer were able to alert outside forces who were sent in to squelch the uprising. The bloody battle continued for 3 days. Five other Americans were injured during the struggle. It was not until the prison could be secured that Mike's body was found.

Even without the full details of the prison riot during which he was killed, we can be certain that Mike Spann died doing what he loved, serving and fighting for his country. Since September 11, we have witnessed an outpouring of patriotism across this Nation. Mike was someone who overflowed with patriotism even during a time when it was not popular. His father recently quoted Mike as saying, ''Someone has to do the right thing that no one else wants to do.''

From a young age, he wanted to pursue a career in the Marines and with either the CIA or FBI. After graduating from Winfield High School in Marion County, Alabama, he attended Auburn University where he earned a degree in criminal justice. He immediately pursued his next goal, serving in the Marine Corps from 1992–1999, and he earned the rank of captain. From there, he was recruited to work for the CIA in special operations.

Mike is survived by his wife Shannon and three children, Alison 9, Emily 4, and 6-month old Jake. Our prayers go out to them and the rest of the Spann family. Mike is also survived by his parents, Johnny and Gail Spann, and two sisters, Tonya Ingram and Tammy Dunavant. We are glad that they can join us in the Chamber today.

Mr. Speaker, I was proud to attend the burial of Mike Spann yesterday in Arlington National Cemetery. The cemetery is appropriate for a fallen hero. Full military honors were given, highlighted by the caisson, a 21-gun salute and a Marine honor guard.

It should be noted that a memorial service was also held last Thursday in Mike's hometown in the district I represent of Winfield, Alabama. Mike's daughter, Alison, wrote a letter to him just a short while back, and the words of this letter should echo in our ears and our hearts as we consider this resolution today. In her words, ''Dear Daddy, I miss you dearly. Thank you, Daddy, for making the world a better place.''

May we use this resolution today as an opportunity to thank Mike Spann and to honor Mike Spann and the rest of the men and women fighting the war against terrorism, and for making this world a better place.

Today as we commemorate the 3-month anniversary of September 11, the attack on this Nation, our hearts go out to all.

Mr. Speaker, I yield 4 minutes to the gentleman from Alabama (Mr. BACHUS), who is a strong supporter of this resolution.

Mr. BACHUS. Mr. Speaker, the gentleman from Florida (Mr. GOSS) said it best when the gentleman said we are sorry that we are here. We are sorry that Johnny Micheal Spann had to die for his country. But we are very proud of him. We are proud of his family and the way that they have responded to this tragedy.

We honor the memory and the sacrifice that he made for his family: The first American killed in combat by our enemy in Afghanistan. Mr. Speaker, yesterday Mike Spann was given a well-deserved hero's burial at a place where many of our heroes are buried, Arlington National Cemetery. The Nation was focused on his death and on the ceremony.

Mr. Speaker, in that, the fact that the Nation has followed this event and

has paid respect to this fallen warrior, I think is good. It has not always been that way.

Mr. Speaker, I remember back in 1994 when two Army rangers were posthumously given an award at the White House after they fell in Somalia. I remember that weekend, there was a car chase in Southern California. Members may remember that. It led to a famous murder trial. Mr. Speaker, there was no coverage of that ceremony at the White House, no coverage of the burial. There was an article on page D5 of the paper in Washington, D.C., a short article.

Mr. Speaker, the Nation has changed in many ways since September 11; and one change for the better, Mr. Speaker, is that the Mike Spanns, and the hundreds of thousands of young men and women like him, are finally given a priority, a priority they should have had.

Captain Spann reenlisted in the Marines. He served the CIA, and he did that, although his country did not make it a priority, but thank God he made it a priority to serve and defend his country. Shortly before his death he sent an e-mail to his family which read, ''What everyone needs to understand is these fellows hate you. They hate you because you are an American. Support your government and your military, especially when the bodies start coming home.'' Little did he or his family or we know that the first body brought home would be his.

Mr. Speaker, my oldest son graduated from Parris Island. He is a Marine. I can understand the pride that this family has in Mike; but I cannot imagine what they are going through now. Their worst fears have been realized. To lose a son, it is the natural order turned upside down. We expect to die before our children, but the Spanns have shown great character, great courage and great patriotism, and we can tell where Mike got a lot of his courage and bravery and patriotism. As the gentleman from Florida (Mr. GOSS) and others have said, this is shattering experience for a young wife, two little girls and a baby boy. To the family I say, they can never take one thing away, and that is, that he was the best. I conclude by saying what the gentlewoman from California (Ms. PELOSI) quoted Mrs. Spann as saying, Mike was a hero not because of the way he died, but rather because of the way he lived.

□ 1745

Mr. Speaker, he was a good son, a good husband, a good father to his young children, a good U.S. Marine, a good CIA agent, and a God-fearing, patriotic American.

Semper fi, Mike Spann.

Ms. PELOSI. Mr. Speaker, I am very moved by the words of the gentleman from Alabama (Mr. ADERHOLT) and the gentleman from Alabama (Mr. BACHUS) and extend condolences to them and the people of Alabama for the great sacrifice that they have all made as well as the Spann family.

Mr. Speaker, I am pleased to yield 1½ minutes to the distinguished gentleman from Georgia (Mr. BISHOP), who is a member of the Permanent Select Committee on Intelligence.

Mr. BISHOP. I thank the gentlewoman for yielding me this time, and I rise, Mr. Speaker, in support of this concurrent resolution in honor of Johnny Micheal Spann, a fellow native Alabaman, the first known U.S. combat casualty in the war in Afghanistan. This is indeed a solemn time for all Americans as we realize the tremendous sacrifices made in our behalf by the men and women of the United States Armed Forces, our intelligence agencies, and by their families. We are all in awe of their bravery, their courage, their dedication to our national security and their willingness to endure great hardship and great risks in our collective behalf. We give great thanks for their service, for Mike's service to our country.

Mike Spann loved his country. He served his country. He was a friend to each and every American citizen. Because, as the Good Book says, ''Greater love hath no man but that he lay down his life for his friends.''

We honor his memory today and extend our deepest sympathy to his family. We are eternally grateful to him and to the brave men and women who risk their lives as part of our intelligence community to ensure the safety of all Americans and all freedom-loving people throughout the world.

God bless Mike Spann. God bless his family. May God continue to bless America.

Mr. ADERHOLT. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. WOLF), who represents the district in which Mike Spann and his family were living.

Mr. WOLF. Mr. Speaker, I join my colleagues today in support of H. Con. Res. 281, honoring Johnny Micheal Spann, the first American killed in combat during the war against terrorism in Afghanistan. I had the opportunity to attend the funeral yesterday, which was very moving.

Mike Spann was laid to rest yesterday with full honors at Arlington National Cemetery. He resided with his wife and family in Manassas Park, Virginia, in the 10th Congressional District which I represent. I wish these kinds of resolutions never needed to be introduced. I wish our world was a peaceful place where there was never any time of war, when we never had to call on the brave men and women of our Armed Forces and security agencies to fight for our freedoms. But I am thankful that when our freedoms must be defended, we have people like Mike Spann who are willing to lay their lives on the line for us. Our Nation will forever be grateful to Mike Spann for his bravery and sacrifice and to all the men and women fighting to defend our Nation and willing to pay the ultimate sacrifice for their country and for freedom.

Mike Spann was a young man, 32 years old. I have four children in their thirties and one in their late twenties. He was a former captain in the Marine Corps. He was working as an officer in the Central Intelligence Agency. He was inside a prison fortress in Mazar-e Sharif, Afghanistan, interviewing Taliban prisoners when a prison uprising began on Sunday, November 25. He was brutally beaten and shot to death, the first American known to be killed in combat in Afghanistan during the war.

Mike Spann is the 79th employee of the Central Intelligence Agency killed in the line of duty and will be memorialized with a star on a wall of honor at CIA headquarters in Langley, Virginia. Let us hope that his will be the last star that is ever necessary to be placed on that wall.

Words are so inadequate at this time in expressing our heartfelt sympathies to the family of this brave hero, his mom and dad and his sisters, his wife Shannon and his three young children. But they should know that the thoughts and prayers of a grateful Congress and Nation remain with them.

Our thoughts and prayers are also with the thousands of men and women in service to their country who risk their lives every day fighting to assure our freedom and safety.

Ms. PELOSI. Mr. Speaker, I am pleased to yield 2 minutes to the distinguished gentleman from Texas (Mr. REYES), a member of the Permanent Select Committee on Intelligence.

Mr. REYES. Mr. Speaker, I thank the gentlewoman for yielding time under these very difficult circumstances, but I rise in strong support of H. Con. Res. 281.

Mr. Speaker, I did not know Mike Spann. I never had the privilege or honor of meeting him. But I have had the opportunity and the privilege and honor of meeting many in the Central Intelligence Agency, field agents like Mike, all doing their work in a very difficult and dangerous environment. I would venture to say tonight that if Mike were able to join us, he would say something along the lines of, ''Just doing my job, sir.'' That has been my experience in meeting men and women of the Central Intelligence Agency.

The fact that his neighbors and friends never knew that he was working for the CIA is a testament to the fact that Mike, like thousands of other CIA employees all around the world, are defending this Nation, its citizens and its freedoms with no expectation of thanks, with no expectation of recognition.

We are here this evening under very difficult and sad circumstances, but we are here as grateful Americans honoring an American hero, the 79th that will be honored on that wall of honor. To Shannon and to his mom and dad and all the family and especially the children, we are all extremely proud of the true American hero that Mike was. And we are all mindful that the things

that we have, the freedoms that we enjoy, are there for us because of people like Mike.

God has blessed us with Mike. We hope that God blesses his family, and we hope that you know how grateful we as Members of Congress are for having had Mike Spann as a member of the Central Intelligence Agency. A grateful Nation joins all of you in grieving.

Mr. ADERHOLT. Mr. Speaker, I yield 3 minutes to the gentleman from Connecticut (Mr. SIMMONS), another strong supporter of this resolution who sought me out early on that he wanted to be a supporter of this resolution and to speak on it.

Mr. SIMMONS. Mr. Speaker, I rise in strong support of this resolution to honor Johnny Micheal Spann, a Central Intelligence Agency officer who was the first American killed in the war against terrorism in Afghanistan. He was killed on November 25, 2001, during an uprising of Taliban and al Qaeda prisoners in northern Afghanistan. Yesterday he was buried with full military honors in the hallowed ground of Arlington National Cemetery.

Micheal Spann's life began in a small Alabama town and ended tragically on the other side of the world in an ancient fort near the city of Mazar-e Sharif. His death is a loss for his family, for the Central Intelligence Agency, and for our country. But his memory will live on as an example to all Americans of the values of patriotism, courage, and sacrifice.

Although I never knew Mike Spann, I knew many like him. He was a paramilitary officer with the Central Intelligence Agency. I also served as a paramilitary officer with the CIA from 1969 to 1974. He served in a war zone. I too served in a war zone with the CIA for 2 years in South Vietnam. I believe that he and I shared the view that operations officers for the CIA, and especially paramilitary officers, should serve on the front lines of freedom. We know that the work there is difficult and dangerous, even deadly. The stakes are high. But that is where a paramilitary officer needs to be if he or she is going to get the job done. Mike knew what the risks were. He was willing to take those risks. A grateful Nation now thanks him for his dedication and his sacrifice.

Mr. Speaker, I represent the second district of Connecticut. Over 200 years ago, a young man named Nathan Hale was born and raised in my district in the town of Coventry. He graduated from Yale College, taught school, and joined the Revolutionary Army as a captain. He volunteered for a dangerous espionage mission at the request of George Washington, was caught by the British, sentenced and hanged as a spy. Before his death, he is reported to say, ''I only regret that I have but one life to lose for my country.''

Nathan Hale is now the official State hero of Connecticut. He is also the first intelligence hero in American history. Johnny Micheal Spann is the most recent intelligence hero in American history. They both lost their lives in defense of freedom, democracy and the values of our great Nation. May God bless them and keep them, now and forever.

Ms. PELOSI. Mr. Speaker, I am pleased to yield 1 minute to the distinguished gentleman from Maine (Mr. BALDACCI).

Mr. BALDACCI. Mr. Speaker, I would like to thank the gentlewoman for yielding me this time and to recognize the family and to thank the family for allowing us an opportunity to honor Micheal and at the same time to honor all of you because you folks have endured the sacrifice and allowed for our country to have the foundation of freedom and liberties that we all enjoy, and that it does cost lives and that it does impact on families.

Thank you for allowing us to have this opportunity to do it. I would like to thank the Members from Alabama who put the resolution forward. I know all of my colleagues will be very supportive of this.

Mr. ADERHOLT. Mr. Speaker, I yield myself such time as I may consume.

I urge the passage of this resolution to send a strong bipartisan message of solidarity with the Spann family as well as the men and women in the intelligence community and the armed services who are putting themselves at personal risk to defend this Nation and our people.

Mr. Speaker, I yield back the balance of my time.

Ms. PELOSI. Mr. Speaker, I yield myself such time as I may consume.

I want to join in thanking the Spann family for being with us tonight. You honor us with your presence. Mike Spann was an example of the best that our country has to offer. Again, I want to extend the condolences of all of our colleagues and certainly my constituents to his mother and father who are with us, his sisters, his wife, Shannon, their baby, Jake, and Alison and Emily. Mike Spann will always be in our memory and in our prayers. God bless him and God bless America.

Mr. CRAMER. Mr. Speaker, I rise to join my colleagues in honoring Johnny Michael Spann, the first American killed in combat during the war against terrorism in Afghanistan.

Mike Spann was born and raised in a small town in North Alabama called Winfield. Like most kids growing up in small town America, Mike grew up with a great love for his country. And it was this great love of country that led Mike first to the Marine Corps, where he rose to the rank of captain, and later to the CIA, where he fulfilled a lifelong dream. Duty, honor, integrity, and patriotism.

Mr. Speaker, to Mike Spann these were not simply words to be carelessly thrown about, but rather they were words that had real meaning and were words around which he ordered his life. Indeed it was the weight of these words that carried Mike to Afghanistan. For, Mr. Speaker, when duty called Mike Spann answered—without hesitation and with a quiet and steady dignity that came from an unshakeable belief in the righteousness of his mission.

In a sand blown fort, in a war torn land far from the comforts of his home, Mike Spann stood on the front line defending our American values and our way of life. Unlike most, Mike Spann understood that the freedoms we all cherish do not come without a hefty price. Sadly, he paid the ultimate price and gave his life in defense of these cherished freedoms. But, as his wife Shannon has said, ''Mike is a hero not because of the way that he died, but rather because of the way that he lived.'' So, while we mourn his loss, we all can take comfort and pride in the knowledge that he gave his life defending the values that shaped and animated his life.

Today, with this resolution we honor him for his bravery and sacrifice. And to his family, a grateful nation offers its deepest sympathies. This nation and the world are better places because of the sacrifice made by Johnny Michael Spann.

Ms. PELOSI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DUNCAN). The question is on the motion offered by the gentleman from Florida (Mr. GOSS) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 281.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. ADERHOLT. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

□ 1800

MIKE MANSFIELD FEDERAL BUILDING AND UNITED STATES COURTHOUSE

Mr. LATOURETTE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3282) to designate the Federal building and United States courthouse located at 400 North Main Street in Butte, Montana, as the ''Mike Mansfield Federal Building and United States Courthouse.''

The Clerk read as follows:

H.R. 3282

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. DESIGNATION.

The Federal building and United States courthouse located at 400 North Main Street in Butte, Montana, shall be known and designated as the ''Mike Mansfield Federal Building and United States Courthouse''.

SEC. 2. REFERENCES.

Any reference in a law, may, regulation, document, paper, or other record of the United States to the Federal building and United States courthouse referred to in section 1 shall be demand to be a reference to the ''Mike Mansfield Federal Building and United States Courthouse''.

The SPEAKER pro tempore (Mr. DUNCAN). Pursuant to the rule, the gentleman from Ohio (Mr. LATOURETTE)

and the gentleman from Tennessee (Mr. CLEMENT) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. Mr. Speaker, I yield such time as he may consume to the gentleman from Montana (Mr. REHBERG), the author of the bill, to explain the bill before us.

(Mr. REHBERG asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. REHBERG. Mr. Speaker, I rise in support of H.R. 3282, that designates the Federal Building and United States Courthouse at 400 North Main Street in Butte, Montana, as the Mike Mansfield Federal Building and United States Courthouse.

Mike Mansfield's tenure as majority leader of the United States Senate from 1961 until his retirement in 1976 is well-known. Likewise, his record as U.S. Ambassador to Japan from 1977 to 1988 was legendary. In both cases, he held each position longer than any of his predecessors.

Mike Mansfield's public service spanned five decades, beginning from his election to the U.S. House of Representatives in 1942 to his retirement as U.S. ambassador in Japan in 1988. This remarkable career saw him work with nine U.S. presidents, Roosevelt, Truman, Eisenhower, Kennedy, Johnson, Nixon, Ford, Carter and Reagan.

However, the formative stages of Mike Mansfield's early years are equally as remarkable. After the death of his mother, at age three he was sent from New York City to Great Falls, Montana, and raised by an aunt and uncle that owned a grocery store. One month shy of age 15, he joined the Navy, shortly before we entered World War I, and he served in the Atlantic. He served in the Army after the war. Finally, he enlisted in the Marine Corps for 2 years, serving in the Philippines, Japan and China. This contributed to his lifelong interest in the Far East.

He returned to Montana in 1922 at age 19 and worked as a mucker, shoveling rocks and dirt in the underground copper mines in Butte. While in Butte he met schoolteacher Maureen Hayes, who became his future wife. She encouraged him to complete his high school education by taking correspondence courses.

The City of Butte, Montana, was the chapter of Mike Mansfield's life that paved the way for his later career as a professor at the University of Montana, and a great statesman. As a result, it is only fitting that the Federal Building and U.S. Courthouse there be named after him.

Mr. Speaker,I urge my colleagues to support H.R. 3282.

Mr. Speaker, I include for the RECORD an article by Associated Press writer Bob Anez.

MONTANA OFFICIALS RECALL MANSFIELD AS QUIET, DIGNIFIED LEADER

(By Bob Anez)

Mike Mansfield, who dominated Montana and national politics during his 34-year legislative career, was remembered Friday as a statesman of honesty, homespun integrity and few but gentle words.

''I don't remember anything mean that Mike ever said,'' said former Democratic Gov. Ted Schwinden.

''But that doesn't mean he couldn't speak out on difficult issues like the Vietnam war,'' he said. ''Mike was not afraid of the fray, but was able to step above it.''

Mansfield, who died Friday morning at the age of 98, was Senate majority leader for 15 years during a period of political and social turmoil that enveloped a civil revolution, an assassinated president, a war he opposed and the first presidential resignation. He retired in 1976 and then served as ambassador to Japan for 11 years.

Francis Bardanouve, a Democratic state representative for 37 years, recalled Mansfield's quite demeanor during that time. ''He was a calm leader; he gave confidence to the people that government was in good hands.''

Gov. Judy Martz, who ordered U.S. and Montana flags at all public buildings flown at half staff until sunset Saturday, called Mansfield a rare find for humanity.

''There are very few people who have or will walk this earth like Senator Mike Mansfield,'' the Republican said. ''He served as an example throughout Montana, the nation and the world through his work ethic and dedication to service.

''I am sure that he has now rejoined his beloved wife, Maureen,'' Martz added, referring to Mansfield's wife, who died Sept. 20 last year.

Donna Metcalf, whose husband Lee served in the Senate with Mansfield for 16 years, recalled Mansfield as a gentle giant.

''He was a very kindly and considerate person who never forgot where he came from,'' she said.

She first met Mansfield when he was a popular instructor at the University of Montana and grew to be good friends with the Mansfields during the time the two men served together. ''They made good partners for Montana,'' she said.

Pat Williams, who was a Montana congressman for 18 years until retiring in 1996, said Mansfield's integrity set him apart.

''Mansfield, as our senator, he brought honor not pork to Montana,'' the Democrat said. ''He did things his way and believed that if Montanans didn't like it—as they didn't on his position and votes on gun control—that they'd bring him home at the next election. But, of course, we never did.''

Kelly Addy, a Billings attorney, former legislator and staffer for Mansfield in 1974, described the senator as extremely humble and mindful of his modest beginnings in the Butte mines.

''He knew who he was,'' Addy said. ''He knew he came from nothing. He knew everything had been given to him. He had no quarrel with anybody.''

He said he learned a valuable lesson from Mansfield. ''You can't be anything more than who you are, but if you're willing to be that, it can be quite something. He was able to accept himself and, therefore, he was able to accept others.''

Former Gov. Stan Stephens called Mansfield ''probably the most distinguished Montanan in the history of public service.''

Mansfield was revered by members of both political parties because of his nonpartisan character, the Republican said. ''He was a very kind and considerate man. He never looked at people or issues as political threats.

''He has made Montana proud,'' Stephens said.

George McGovern, a U.S. Senator from South Dakota during all but one of Mansfield's years in the Senate, praised his former colleague as an ''example to all of us in the world of politics.''

''Always a humble and dedicated public servant for the people of Montana, he became a superb majority leader of the U.S. Senate and a brilliant diplomat in the Far East,'' said McGovern, who was in Missoula where his wife is hospitalized.

Schwinden said a defining memory he has of Mansfield was his campaign visits to Wolf Point, Schwinden's home town. Dozens of people in the small community would turn out on short notice to see the popular Senator.

''If there was a stage, he loved to sit on the stage with his legs crossed,'' Schwinden said. ''He never lectured. He just visited with his constituency.''

The attitude is what defined Mansfield and made him a man of few words, recalled former Secretary of State Mike Cooney.

''He listened. It wasn't that what he had to say was the most important,'' Cooney said. ''He understood that if you could sit and listen to people, you could learn a lot more than if you sat there yacking.

Gov. Tom Judge, who was governor from 1973 to 1981, remembered Mansfield as a man who did ''an enormous amount of work for Montana, all the while doing it in a quiet, effective and—most importantly—very dignified manner.''

Judge said he first became acquainted with Mansfield while still in college in the mid 1950s.

''When I was a junior in college I nominated him for president in a mock election at Notre Dame and we almost won,'' Judge said. ''It was a tight race between him and Lyndon Johnson. . . . We didn't win but I guarantee you everyone at Notre Dame knew who Mike Mansfield was when we were done.''

Bob Ream, Montana Democratic Party chairman, said Mansfield remained Senate leader for longer than anyone else because he earned and commanded a great deal of respect.

''I think he stood for the best in politics,'' Ream said. ''He was an extremely ethical person and well-respected by people on both sides of the aisle.''

''The last time I saw him was about a year and a half ago, and he still had that twinkle in his eye,'' Ream said. ''And whenever you left his office, Mike always had the same farewell. 'Tap her light,' he would say. . . . It was an old miner's line.''

Mr. CLEMENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3282 is a bill to designate the Federal Building and United States Courthouse in Butte, Montana, in honor of Senator Mike Mansfield.

Senator Mansfield, as all of us know, died in October of 2001 at the age of 98. He served as the Senate majority leader longer than anyone else in the history of that institution. His legacy spans decades and is one of public service with unimpeachable integrity, admiring colleagues, fiercely loyal friends and devoted family.

Senator Mansfield was a native New Yorker, born in New York City on March 16, 1903. As a young child, he and his family moved to Great Falls, Montana. When he was only 14 years old, he enlisted in the United States Navy and served in World War I. From 1919 to 1920, Senator Mansfield served in the U.S. Army, and later joined the U.S. Marines as a private first class.

After the war, he returned to Montana and finished his education. He

graduated from Montana State University at Missoula, where he received his undergraduate degree, and in 1934, received a masters degree.

From 1933 until 1943, Senator Mansfield was a professor of history and political science at Montana State. In 1943, he was elected to the U.S. House of Representatives, where he served 10 years. During his service in the House of Representatives, Senator Mansfield voted for a higher minimum wage, economic aid to Turkey and Greece, the Marshall Plan, and opposed funding for the House Un-American Activities Committee. In 1953, he was elected to the U.S. Senate, and began a career filled with accomplishments.

He served the United States in many capacities: Special Committee on Campaign Expenditures; Democratic Whip; Majority Leader; Chairman of the Committee of Rules and Administration; Special Committee of Secret and Confidential Documents; and Ambassador to Japan. In 1956, Lyndon Johnson named him Assistant Majority Leader. When Johnson was elected Vice President in 1961, Mansfield became the Majority Leader and served until 1977.

Mr. Speaker, Mike Mansfield had an unbelievable career. I could go on and on about his accomplishments and achievements. His word and his integrity, without question, and his reputation as a straight shooter, was well-deserved. Unflappable, honorable, brilliant, humble and a strong person, he will always be remembered.

It is fitting and proper that we honor Mike Mansfield's lifetime of public service to his country with this designation. I support this bill, and I urge my colleagues to support it.

Mr. OBERSTAR. Mr. Speaker, I rise in strong support of H.R. 3282, a bill to designate the federal building and United States Courthouse in Butte, Montana, in honor of Senator Mike Mansfield, who died in October of this year at the remarkable age of 98.

Senator Mansfield was born in New York City on March 16, 1903. His family moved to Cascade County, Montana, in 1906 where he attended local public schools until he dropped out at age 14. At that time, he lied about his age and enlisted in the United States Navy to serve his country during World War I. Mike must have liked the military life, because when he left the Navy, he first joined the Army for two years, and then the marines for two years, finishing his military service in 1922.

When he returned to Montana, Senator Mansfield went to work in a copper mine near Butte. While still working the mines, he enrolled in the Montana School of Mines, where he met this future wife, Maureen Hays, a schoolteacher. She persuaded him to complete his high school education by taking correspondence courses.

In 1930, he enrolled at the University of Montana, where he received his undergraduate degree, and a master's degree in 1934. From 1933 until 1943, Mike Mansfield was a professor of history and political science at Montana State. In 1943, he was elected to the United States House of representatives, where he served for ten years.

Later, he was elected to the U.S. Senate where he launched an illustrious career, serving as Committee Chairman, Democratic Whip, and Majority Leader.

Some of our Nation's most turbulent times occurred during his tenure as Senate Majority Leader: assassination of one President and the resignation of another; the assassinations of a civil rights activist and a presidential hopeful; student and political unrest; Vietnam and Watergate.

He was at the helm when the Civil rights Act and the Voting Rights Act became laws. He also led the Senate to pass sweeping legislation on health, education, and anti-poverty programs.

Senator Mansfield was going to retire from public life when he decided to leave the Senate in 1976. However, President Jimmy Carter urged Senator Mansfield to remain in public service as our Ambassador to Japan, which he agreed to do—and served with distinction.

Mike Mansfield was so successful and so well respected at home and in Japan, that President Reagan prevailed upon him to remain in the post throughout the Reagan presidency. Mike Mansfield managed to impress the Japanese as well; so much so, in fact, that when he returned to the U.S. after eleven years as Ambassador, the Japanese Ambassador to this country said Mansfield "could have run for prime minister and won."

He was also Montana's "favorite son" for a very good reason. He was revered in his home State, and highly respected by his colleagues in the Congress. He was known as a terrific teacher, a great leader, and a wonderful human beng. He was devoted to Maureen, his wife of 68 years, and to their daughter, Anne.

His humble and straightforward characteristics made him equally at home in either royal courts or the local coffee shops in rural Montana. His word and his integrity were without question and his reputation as a "straight shooter" was well deserved. He combined keen intellect with good judgment to produce astonishing wisdom. His toughest assignment came during the Vietnam years. Although he personally opposed the war, he felt obliged as majority leader, to carry the President's message to the Senate.

In many ways the federal building and courthouse in Butte, Montana, accurately reflect who Mike Mansfield was—it is a wonderful, solidly built, grandly situated building, open to the public and dedicated to public service. It is strong without being intimidating; it provides justice and comfort to all who enter.

Mr. Speaker, Mike Mansfield was a modest man, but a giant in American politics. To have a federal building and U.S. courthouse bear his name is an honor he earned, and I strongly urge my colleagues to support this bill.

Mr. CLEMENT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LATOURETTE. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and pass the bill, H.R. 3282.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. LATOURETTE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

WOLF TRAP NATIONAL PARK FOR THE PERFORMING ARTS

Mr. GILCHREST. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2440) to rename Wolf Trap Farm Park as "Wolf Trap National Park for the Performing Arts," and for other purposes, as amended.

The Clerk read as follows:

H.R. 2440

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. RENAMING OF WOLF TRAP FARM PARK.

(a) AMENDMENT.—The Wolf Trap Farm Park Act (Public Law 89–671; 16 U.S.C. 284 et seq.) is amended—

(1) by striking "Wolf Trap Farm Park" each place it appears and inserting "Wolf Trap National Park for the Performing Arts";

(2) in section 2, by inserting before the final period ", except that laws, rules, or regulations that are applicable solely to units of the National Park System that are designated as a 'National Park' shall not apply to Wolf Trap National Park for the Performing Arts"; and

(3) by adding at the end the following new section:

"SEC. 14. REFERENCES.

"(a) BY FEDERAL EMPLOYEES.—The Secretary of the Interior, any other Federal employee, and any employee of the Foundation, with respect to any reference to the park in any map, publication, sign, notice, or other official document or communication of the Federal Government or Foundation shall refer to the park as 'Wolf Trap National Park for the Performing Arts'.

"(b) OTHER SIGNS AND NOTICES.—Any directional or official sign or notice pertaining to the park shall refer to the park as 'Wolf Trap National Park for the Performing Arts'.

"(c) FEDERAL LAWS AND DOCUMENTS.—Any reference in any law (other than this Act), regulation, document, record, map, or other paper of the United States to 'Wolf Trap Farm Park' shall be considered to be a reference to 'Wolf Trap National Park for the Performing Arts'.".

(b) APPLICABILITY.—Section 14(c) of the Wolf Trap Farm Park Act (as added by subsection (a) of this section) shall not apply to this Act.

SEC. 2. TECHNICAL CORRECTIONS.

Section 4(c) of the Wolf Trap Farm Park Act (Public Law 89–671; 16 U.S.C. 284c(c)) is amended—

(1) by realigning the second sentence so as to appear flush with the left margin; and

(2) by striking "Funds" and inserting "funds".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland (Mr. GILCHREST) and the gentleman from Colorado (Mr. UDALL) each will control 20 minutes.

The Chair recognizes the gentleman from Maryland (Mr. GILCHREST).

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 2440 would change the name of Wolf Trap Farm Park to Wolf Trap National Park for the Performing Arts.

Wolf Trap, located in Vienna, Virginia, enjoys a reputation as one of the premier venues for the Performing Arts in the country. The park plays host to every conceivable type of Performing Arts, from Native American folk festivals, to interpretive dance recitals, rock concerts and classical symphonies.

While the Park Service maintains responsibility for the grounds and buildings, the non-profit Wolf Trap Foundation creates and selects programming, develops all educational programs, handles ticket sales, marketing, publicity and public relations, while also raising funds to support these programs. This bill would help alleviate confusion regarding its name and assist the nonprofit Wolf Trap Foundation in raising funds and resources for the park. The bill would not alter the legal status of the park nor its level of Federal funding.

Mr. Speaker, this is a non-controversial bill, and I urge my colleagues to support its passage.

Mr. Speaker, I reserve the balance of my time.

Mr. UDALL of Colorado. Mr. Speaker, I yield myself such time as I may consume.

(Mr. UDALL of Colorado asked and was given permission to revise and extend his remarks.)

Mr. UDALL of Colorado. Mr. Speaker, H.R. 2440, introduced by the gentleman from Virginia (Mr. DAVIS), renames Wolf Trap Farm Park, located in Northern Virginia, as the Wolf Trap National Park for the Performing Arts.

Wolf Trap Farm Park was established in 1966 as a unit of the National Park Service. The park provides music and arts education programs and is best known for its annual summer concert series. Supporters of the park are seeking the name change to better reflect the park's operation as a performing arts center.

Although no hearings were held on H.R. 2440 by the Committee on Resources, a similar bill passed the House at the very end of the last Congress, but no action on the bill occurred in the Senate. The language of H.R. 2440, including the clarifying amendment adopted by the Committee on Resources, has been worked out with the administration and the minority, and we are unaware of any problems with the bill.

Accordingly, Mr. Speaker, we support H.R. 2440, as amended, and recommend its adoption by the House.

Mr. Speaker, I reserve the balance of my time.

Mr. GILCHREST. Mr. Speaker, I yield 2 minutes to the gentleman from Virginia (Mr. DAVIS).

(Mr. TOM DAVIS of Virginia asked and was given permission to revise and extend his remarks.)

Mr. TOM DAVIS of Virginia. Mr. Speaker, I rise today to support a bill that has been more than 3 years in the making. It was almost a year ago to the day that I was on this floor giving a very similar speech to a very similar bill. But, whatever the process may be, I am pleased today the House is now considering the bill that will allow the Wolf Trap Farm Park to become Wolf Trap National Park for the Performing Arts.

Despite the relative straight-forwardness of this bill, it has taken years of careful negotiation and innumerable drafts to reach a consensus between the Park Service, the Department of Interior, the Wolf Trap Foundation, and the Committee on Resources. I am extremely pleased to say that as the first session of the 107th draws to a close, that consensus has been reached.

As many of my colleagues undoubtedly know, Wolf Trap is one of the premier venues for the performing arts anywhere in the world. Nestled in a beautifully wooded site just outside of Vienna, Virginia, Wolf Trap plays host to every conceivable type of performing arts. It is the home to all the cultural diversity found in our great Nation.

While I am disappointed it has taken this long to elevate Wolf Trap to the level of Federal recognition it deserves, I am very pleased that one of the final acts of this session will accomplish that goal.

I would also like to thank my fellow Virginians, the gentleman from Virginia (Mr. WOLF) and the gentleman from Virginia (Mr. MORAN) for their tireless efforts in this endeavor. I am very grateful to the Members and staff of the Committee on Resources. Without their support, I am confident we would be revisiting this again in the next session. So, my thanks to all. I urge its adoption.

Mr. UDALL of Colorado. Mr. Speaker, I yield such time as he may consume to the gentleman from Virginia (Mr. MORAN).

Mr. MORAN of Virginia. Mr. Speaker, I thank my friend from Colorado for yielding me time.

Mr. Speaker, doing the right thing should not be so difficult. We have been trying to do this for years, just to change the name from Wolf Trap Park to National Park so that it can better describe the actual legal status and the park's mission. The mission is to assist Wolf Trap Foundation in private fundraising efforts.

Wolf Trap Park is a beautiful location, nestled in the woods in Vienna, Virginia. It is about 136 acres. Any of my colleagues and their colleagues and staffs who have not been there should go visit Wolf Trap. It is a wonderful asset, not just for the Washington metropolitan area, but for the Nation, and that is the point of this legislation.

It plays host to any number of performances, as the gentleman from Maryland (Mr. GILCHREST) and the gentleman from Virginia (Mr. DAVIS) and the gentleman from Colorado (Mr. UDALL) said. They described the wide gambit of classical symphonies, rock concerts, Native American folk festivals and so on, that use the stage at Wolf Trap. The Wolf Trap Foundation is a 501(c)(3) not-for-profit organization. It handles all the ticket sales, the publicity, the education programs, and does a wonderful job. The National Park Service is responsible for maintaining the grounds and the buildings. They also provide technical assistance for the performing arts centers.

Now, in addition to the performances we see on the stage, there are any number of educational programs that are offered, not just locally, but also nationwide. Its premier education program, the Wolf Trap Institute for Early Learning Through the Arts, places professional performing artists in preschool classrooms all across the country.

□ 1815

So the mission of Wolf Trap has been consistent with that of the National Park Service. It is the promotion of and access to appreciation of all of our natural resources and, in this case, our human resources as well and the performing arts. But because of this unique status within the national park system, we need to change the name from Wolf Trap Farm Park to Wolf Trap National Park. It is not going to affect the legal status or the Federal funding levels; it is not going to do anything but to alleviate confusion about this national park's mission, and it will assist the foundation in private fund-raising efforts.

So it is the right thing to do. From now on, we ought to call it Wolf Trap National Park; and I trust that all of my colleagues understand its national importance, significance, and accessibility for all of their constituents.

Mr. Speaker, I thank my colleagues from Virginia for bringing the bill to the floor.

Mr. UDALL of Colorado. Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume. We have no further speakers on this issue.

I would just ask my two colleagues from Virginia that when Wolf Trap Park holds traditional, historic country western music, if they would invite me to attend, I would be more than happy to do so.

Mr. MORAN of Virginia. Mr. Speaker, if the gentleman will yield, I trust the gentleman from Virginia (Mr. DAVIS) will afford the gentleman from Maryland (Mr. GILCHREST) a standing invitation.

Mr. DAVIS of Virginia. Mr. Speaker, if the gentleman from Maryland will yield, call me, and I would be happy to take the gentleman as my guest.

Mr. GILCHREST. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DUNCAN). The question is on the motion offered by the gentleman from Maryland (Mr. GILCHREST) that the House suspend the rules and pass the bill, H.R. 2440, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

FISHERIES CONSERVATION ACT OF 2001

Mr. GILCHREST. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1989) to reauthorize various fishery conservation management programs, as amended.

The Clerk read as follows:

H.R. 1989

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 ''Fisheries Conservation Act of 2001''.

TITLE I—INTERJURISDICTIONAL FISHERIES ACT OF 1986

SEC. 101. REAUTHORIZATION OF INTERJURISDICTIONAL FISHERIES ACT OF 1986.

Section 308 of the Interjurisdictional Fisheries Act of 1986 (16 U.S.C. 4107) is amended—

(1) by amending subsection (a) to read as follows:

''(a) GENERAL APPROPRIATIONS.—There are authorized to be appropriated to the Department of Commerce for apportionment to carry out the purposes of this title—

''(1) $4,900,000 for fiscal year 2002;

''(2) $5,400,000 for each of fiscal years 2003 and 2004; and

''(3) $5,900,000 for each of fiscal years 2005 and 2006.''; and

(2) in subsection (c) by striking ''$700,000 for fiscal year 1997, and $750,000 for each of the fiscal years 1998, 1999, and 2000'' and inserting ''$800,000 for fiscal year 2002, $850,000 for each of fiscal years 2003 and 2004, and $900,000 for each of fiscal years 2005 and 2006''.

SEC. 102. PURPOSES OF THE INTERJURISDICTIONAL FISHERIES ACT OF 1986

Section 302 of the Interjurisdictional Fisheries Act of 1986 (16 U.S.C. 4101) is amended by striking ''and'' after the semicolon at the end of paragraph (1), striking the period at the end of paragraph (2) and inserting ''; and'', and adding at the end the following:

''(3) to promote and encourage research in preparation for the implementation of the use of ecosystems and interspecies approaches to the conservation and management of interjurisdictional fishery resources throughout their range.''.

TITLE II—ANADROMOUS FISH CONSERVATION ACT

SEC. 201. REAUTHORIZATION OF ANADROMOUS FISH CONSERVATION ACT.

Section 4 of the Anadromous Fish Conservation Act (16 U.S.C. 757d) is amended to read as follows:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 4. (a)(1) There are authorized to be appropriated to carry out the purposes of this Act not to exceed the following sums:

''(A) $4,500,000 for fiscal year 2002;

''(B) $4,750,000 for each of fiscal years 2003 and 2004; and

''(C) $5,000,000 for each of fiscal years 2005 and 2006.

''(2) Sums appropriated under this subsection are authorized to remain available until expended.

''(b) Not more than $625,000 of the funds appropriated under this section in any one fiscal year shall be obligated in any one State.''.

SEC. 202. RESEARCH ON AND USE OF ECOSYSTEMS AND INTERSPECIES APPROACHES TO THE CONSERVATION AND MANAGEMENT.

The first section of the Anadromous Fish Conservation Act (16 U.S.C. 757a) is amended in subsection (b) by inserting ''(1)'' after ''(b)'', and by adding at the end the following:

''(2) In carrying out responsibilities under this section, the Secretary shall conduct, promote, and encourage research in preparation for the implementation of the use of ecosystems and interspecies approaches to the conservation and management of anadromous and Great Lakes fishery resources.''.

TITLE III—ATLANTIC COASTAL FISHERIES

SEC. 301. REAUTHORIZATION OF ATLANTIC STRIPED BASS CONSERVATION ACT.

Section 7(a) of the Atlantic Striped Bass Conservation Act (16 U.S.C. 1851 note) is amended by striking ''and 2003'' and inserting ''2003, 2004, 2005, and 2006''.

SEC. 302. REAUTHORIZATION OF ATLANTIC COASTAL FISHERIES COOPERATIVE MANAGEMENT ACT.

Section 811(a) of the Atlantic Coastal Fisheries Cooperative Management Act (16 U.S.C. 5108) is amended by striking ''2005'' and inserting ''2006''.

SEC. 303. AMENDMENTS TO ATLANTIC COASTAL FISHERIES COOPERATIVE MANAGEMENT ACT.

(a) FINDINGS.—Section 802(a) of the Atlantic Coastal Fisheries Cooperative Management Act (16 U.S.C. 5101(a)) is amended by adding at the end the following:

''(7) The understanding of the interactions of species in the maritime environment and the development of ecosystems-based approaches to fishery conservation and management lead to better stewardship and sustainability of coastal fishery resources.

''(8) Federal and State scientists should gather information on the interaction of species in the marine environment and provide this scientific information to Federal and State managers.''.

(b) PURPOSE.—Section 802(b) of such Act (16 U.S.C. 5101(b)) is amended to read as follows:

''(b) PURPOSE.—The purpose of this title is to support and encourage the development, implementation, and enforcement of effective interstate conservation and management of Atlantic coastal fishery resources through the use of sound science and multispecies, adaptive, and ecosystem-based management measures.''.

(c) STATE-FEDERAL COOPERATION IN MULTISPECIES AND ECOSYSTEMS INTERACTION RESEARCH.—Section 804(a) of such Act (16 U.S.C. 5103(a)) is amended by inserting ''multispecies and ecosystems interaction research;'' after ''biological and socioeconomic research;''.

(d) ASSISTANCE FOR RESEARCH REGARDING INTERRELATIONSHIPS AMONG ATLANTIC COASTAL FISHERY RESOURCES AND THEIR ECOSYSTEMS.—Section 808 of such Act (16 U.S.C. 5107) is amended by striking ''and'' after the semicolon at the end of paragraph (1), redesignating paragraph (2) as paragraph (3), and inserting after paragraph (1) the following:

''(2) research to understand the interrelationships among Atlantic coastal fishery resources and their ecosystems; and''.

TITLE IV—ATLANTIC TUNAS CONVENTION ACT OF 1975

SEC. 401. REAUTHORIZATION OF THE ATLANTIC TUNAS CONVENTION ACT OF 1975.

Section 10 of the Atlantic Tunas Convention Act of 1975 (16 U.S.C. 971h) is amended to read as follows:

''AUTHORIZATION OF APPROPRIATIONS

''SEC. 10. (a) IN GENERAL.—There are authorized to be appropriated to carry out this Act, including use for payment of the United States share of the joint expenses of the Commission as provided in Article X of the Convention, the following sums:

''(1) For each of fiscal years 2002, 2003, and 2004, $5,480,000.

''(2) For each of fiscal years 2005 and 2006, $5,495,000.

''(b) ALLOCATION.—Of amounts available under this section for each fiscal year—

''(1) $150,000 are authorized for the advisory committee established under section 4 and the species working groups established under section 4A; and

''(2) $4,240,000 are authorized for research activities under this Act and the Act of September 4, 1980 (16 U.S.C. 971i).''.

TITLE V—NORTHWEST ATLANTIC FISHERIES CONVENTION ACT OF 1995

SEC. 501. REAUTHORIZATION OF THE NORTHWEST ATLANTIC FISHERIES CONVENTION ACT OF 1995.

Section 211 of the Northwest Atlantic Fisheries Convention Act of 1995 (16 U.S.C. 5610) is amended by striking ''2001'' and inserting ''2006''.

TITLE VI—EXTENSION OF DEADLINE FOR SUBMISSION OF OCEAN POLICY REPORT

SEC. 601. EXTENSION OF DEADLINE.

(a) EXTENSION OF DEADLINE.—The Oceans Act of 2000 (Public Law 106–256) is amended—

(1) in section 3(f)(1) (114 Stat. 647) by striking ''18 months'' and inserting ''27 months'';

(2) in section 3(i) (114 Stat. 648) by striking ''30 days'' and inserting ''90 days''; and

(3) in section 4(a) (114 Stat. 648; 33 U.S.C. 857–19 note) by striking ''120 days'' and inserting ''90 days''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 3(j) of such Act (114 Stat. 648) is amended by striking ''$6,000,000'' and inserting ''$8,500,000''.

(c) TECHNICAL CORRECTIONS.—Section 3(e) of such Act (114 Stat. 646) is amended—

(1) in paragraph (1) by striking the colon in the third sentence and inserting a period;

(2) by inserting immediately after such period the following:

''(2) NOTICE; MINUTES; PUBLIC AVAILABILITY OF DOCUMENTS.—''; and

(3) by redesignating the subsequent paragraphs in order as paragraphs (3) and (4), respectively.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Maryland (Mr. GILCHREST) and the gentleman from Colorado (Mr. UDALL) each will control 20 minutes.

The Chair recognizes the gentleman from Maryland (Mr. GILCHREST).

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume.

This legislation reauthorizes a number of important fishery statutes that range from grants for States for conservation, research, and enforcement activities to the implementation of international treaties. The bill reauthorizes these statutes through September 30, 2006.

Two of the State grant statutes are the Interjurisdictional Fisheries Act of 1986 and the Anadromous Fisheries Conservation Act of 1965. These laws have been active for a number of years and have provided funding for many worthwhile activities, including research to help improve the way fisheries are managed, enforcement activities, the rebuilding of necessary habitat, and other measures to improve the survival of fish that travel across State boundaries and over great distances.

The Atlantic Striped Bass Conservation Act of 1984 and the Atlantic Coastal Fisheries Cooperative Management Act are laws that provide directives to the States and the Atlantic States Fisheries Commission to develop fishery management plans for the species of fish under their jurisdiction along the East Coast.

These laws promote cooperation between the States and Federal Government to ensure that fisheries are getting appropriate and complementary management throughout their range, whether it be in State or Federal waters. The current robust health of striped bass populations is a direct result of efforts undertaken under these two acts.

The Atlantic Tunas Convention Act of 1975 and the Northwest Atlantic Fisheries Convention Act of 1995 are laws that implement international agreements. These acts allow the U.S. to be a member of the International Fishery Commission where management recommendations are developed by member nations for fisheries under the Commission's jurisdiction. The United States then implements those recommendations through regulations for U.S. fishing vessels.

Mr. Speaker, H.R. 1989 also makes some technical changes to the Oceans Act of 2000, Public Law 106–256. The bill extends the deadline for the Presidential commission to submit its report to Congress from 18 months to 27 months. This change will allow the commission to still be operational while the administration reviews and submits its comments. The commission will then have a chance to respond to the administration's comments and submit those to Congress. In addition, the commission has opted for a much broader field hearing schedule in order to obtain the views of additional Americans; and due to such a schedule, as a result, we have increased their authorization by $2.5 million.

Mr. Speaker, all of these acts are very important. They have been very successful in accomplishing their conservation goals; and in the coming years, greater emphasis will be placed on research and management measures which promote the development of an ecosystem-based management of fisheries. I urge Members to vote ''aye'' on H.R. 1989.

Mr. Speaker, I reserve the balance of my time.

Mr. UDALL of Colorado. Mr. Speaker, I yield myself such time as I may consume.

(Mr. UDALL of Colorado asked and was given permission to revise and extend his remarks.)

Mr. UDALL of Colorado. Mr. Speaker, I rise in support of the bill.

As the gentleman from Maryland has already explained, H.R. 1989 extends a number of fisheries laws that authorize the conservation management of many of our domestic and international fishery resources. In addition, it encourages an ecosystem approach to the management of these resources which, given the current status of many marine fisheries, is an excellent idea that is long overdue.

As the gentleman from Maryland is aware, the general management of marine fisheries in the United States is in serious need of improvement. First, we lack the proper data to manage these stocks. Of the 900-plus stocks that we currently harvest, we do not have enough data to evaluate the status of more than 700 of them. At the same time, while better data is obviously needed, having good data does not ensure good management. Of the 200 or so stocks for which we do have adequate information, half are considered to be overfished or approaching an overfished condition.

The status of fisheries worldwide is apparently not much better, either. According to leading scientists in a study published in the November 29 issue of Nature Magazine, the global fisheries catches from the world's oceans have been declining for over a decade. This new evidence, which contradicts reports published by the United Nations Food and Agricultural Organization, indicates that the true state of the oceans may be far worse than previously thought.

Now, some may think that people in Colorado, a State far from the ocean, would not care about the status of our marine fisheries, but that is not the case. The oceans represent more than 70 percent of the Earth's surface, and I believe it is incumbent upon all of us to work together to better protect and conserve their biodiversity. I know the bill of the gentleman from Maryland (Mr. GILCHREST), with its focus on better data collection and ecosystem management, is a good first step. I look forward to working with him next year to expand this concept to the Magnuson Act, our Nation's primary law governing the management of marine fisheries.

Further, the law and its implementation must be strengthened if we are to have any hope of saving our fisheries resources, both here in the United States and around the world.

Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

Mr. GILCHREST. Mr. Speaker, I yield myself such time as I may consume to express my gratitude and appreciation for the members of the Committee on Resources on both sides of the aisle for piecing this package together, and I also want to compliment the staff on both sides of the aisle for their effort and cooperation in pulling this package together.

Mr. Speaker, I have no further speakers; and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Maryland (Mr. GILCHREST) that the House suspend the rules and pass the bill, H.R. 1989, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: ''A bill to reauthorize various fishing conservation management programs, and for other purposes.''.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. GILCHREST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2440 and H.R. 1989.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

LAND CONVEYANCE TO CHATHAM COUNTY, GEORGIA

Mr. LATOURETTE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2595) to direct the Secretary of the Army to convey a parcel of land to Chatham County, Georgia, as amended.

The Clerk read as follows:

H.R. 2595

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. LAND CONVEYANCE TO CHATHAM COUNTY, GEORGIA.

(a) IN GENERAL.—The Secretary of the Army shall convey, by quitclaim deed and without consideration, to the Commissioners of Chatham County, Georgia, all right, title, and interest of the United States in and to the approximately 12-acre parcel of land located on Hutchinson Island, Georgia, adjacent to the Savannah Harbor Tide Gate structure.

(b) SURVEY TO OBTAIN LEGAL DESCRIPTION.—The exact acreage and the legal description of the parcel to be conveyed under subsection (a) shall be determined by a survey that is satisfactory to the Secretary.

(c) USE OF LAND.—

(1) IN GENERAL.—The parcel conveyed under this section shall remain in public ownership and shall be managed in perpetuity for public recreational purposes or, in the alternative, the parcel may be exchanged for another parcel of equal appraised value that shall remain in public ownership and shall be managed in perpetuity for public recreational purposes.

(2) REVERSION.—If the Secretary determines that the parcel conveyed under this section is being used for purposes other than public recreational purposes, title to the parcel shall revert to the United States or, in the case of an exchange of parcels under paragraph (1), if the Secretary determines that the parcel received in the exchange is being used for purposes other than public recreational purposes title to that parcel shall revert to the United States.

(d) GENERAL PROVISIONS.—

(1) APPLICABILITY OF PROPERTY SCREENING PROVISIONS.—Section 2696 of title 10, United States Code, shall not apply to the conveyance under this section.

(2) ADDITIONAL TERMS AND CONDITIONS.—The Secretary may require that the conveyance under this section be subject to such

additional terms and conditions as the Secretary considers appropriate and necessary to protect the interests of the United States.

(3) COSTS OF CONVEYANCE.—The County shall be responsible for all reasonable and necessary costs, including real estate transaction and environmental compliance costs, associated with the conveyance.

(4) LIABILITY.—The County shall hold the United States harmless from any liability with respect to activities carried out, on or after the date of the conveyance, on the real property conveyed. The United States shall remain responsible for any liability with respect to activities carried out, before such date, on the real property conveyed.

(5) EASEMENTS.—The County shall provide to the Secretary all required rights of entry or easements necessary for utilities and for access to the Savannah Harbor Tide Gate structure and the dock located adjacent to the structure.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. LATOURETTE) and the gentleman from Tennessee (Mr. CLEMENT) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. Mr. Speaker, I yield myself such time as I may consume.

Many years ago, Mr. Speaker, Chatham County, Georgia, donated approximately 12 acres of land on Hutchinson Island to the Federal Government so that the Corps of Engineers could build the Savannah River Tide Gate Structure. That project was closed in 1991 and the operational gates were removed. As a result, according to the Corps of Engineers, the Federal Government no longer needs this property.

Chatham County now would like to have this excess land returned to them so it could be used as part of an economic development project and a public recreational park. Without this legislation, the government has to follow a lengthy process for disposing of the property. This bill allows the property to go back to the county that gave up the land in the first place and will expedite an important local project that will benefit the public.

Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. KINGSTON), the author of the bill and, presumably, from Chatham County, Georgia, to explain it to us further.

Mr. KINGSTON. Mr. Speaker, I thank the gentleman for yielding me this time, and I thank the gentleman from Tennessee (Mr. CLEMENT) for his indulgence.

This simply lets the Corps of Engineers get rid of some excess property they do not want anymore. It allows the county to take that property and trade it to a private developer, 12 acres; but in exchange, they are going to get 40 acres back. I know the gentleman from Colorado will be interested to know that they are going to have a natural park in those 40 acres that is going to be ecologically sensitive, a passive park, which I know the gentleman from Boulder is familiar with.

So this is a very good piece of legislation with bipartisan support by the local folks and the Corps of Engineers.

Mr. CLEMENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I know a comment was made a while ago about country music or country western music, and as the representative from Nashville, Tennessee, or Country Music USA, I appreciate the comments. I want my colleagues to know that the gentleman from Tennessee (Mr. DUNCAN) and myself and some others had the opportunity to sing on the Grand Ole Opry not long ago, which was an experience of a lifetime.

Mr. Speaker, I rise to support the bill H.R. 2595, a bill to convey a 12-acre parcel of land to Chatham County, Georgia, for public recreational purposes. This transfer will be accomplished without cost to the United States and for the benefit of the local citizens. The amended bill addresses a few issues from the original bill and should be supported by the House.

The land that would be transferred under this bill is not needed by the Corps of Engineers to carry out the purposes of the federally authorized project. The bill includes requirements to provide the Secretary of the Army rights of entry or easements so that the Corps can operate the project without hindrance.

Chatham County is responsible for all of the administrative costs of the land conveyance. In addition, the United States is protected from any environmental liability that may arise after the conveyance.

Mr. Speaker, I understand that the land that is being conveyed to the county will be exchanged for another parcel of land. The bill before us stipulates that the exchanged parcel will be kept in public ownership and used for public recreational purposes. The exchange will also be conducted on an equal-value basis. I urge an ''aye'' vote on this bill.

□ 1830

Mr. CLEMENT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LATOURETTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would notify the gentleman from Tennessee (Mr. CLEMENT) that I am sorry that I missed their performance on the Grand Old Opry; maybe on the return trip.

Mr. OBERSTAR. Mr. Speaker, I am pleased to rise in support of H.R. 2595, a bill to authorize the Secretary of the Army to transfer land to Chatham County, GA, to enhance recreation opportunities in that locale.

The land transfer authorized under this bill is similar to transfers that our committee often approves as part of the Water Resources Development Acts. However, the sponsor of this bill, Mr. KINGSTON, has indicate that swift action is necessary in advance of next year's Water Resources Development Act so that this project may proceed in a timely manner.

The amended bill considered by the House today conforms the bill to the typical terms and conditions associated with land transfers. The revised language ensures that the transfer occurs at no cost to the Federal taxpayer and at no loss to the U.S. Treasury. In addition, the land will be maintained in public ownership for public benefit. If this particular parcel of land is transferred by the county, the transfer must be for lands or equal value, further protecting the interest of the taxpayer. Finally, if the lands are put to use other than as authorized by this bill, ownership of the lands will revert to the United States. As is always done, the land transfer preserves for the United States any easement or rights-of-way necessary to operate and maintain the existing Federal project.

Mr. Speaker, I urge my colleagues to vote ''aye'' on H.R. 2595.

Mr. LATOURETTE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. DUNCAN). The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and pass the bill, H.R. 2595, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

COMMENDING CHARITABLE ORGANIZATIONS AND AMERICAN PUBLIC RELIEF EFFORTS IN THE AFTERMATH OF SEPTEMBER 11 TERRORIST ATTACKS

Mr. LATOURETTE. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 259) expressing the sense of Congress regarding the relief efforts undertaken by charitable organizations and the people of the United States in the aftermath of the terrorist attacks against the United States that occurred on September 11, 2001.

The Clerk read as follows:

H. CON. RES. 259

Whereas the people of the United States have a long and honorable tradition of assisting individuals, families, and communities in need;

Whereas charitable organizations play a vital role in delivering services to individuals and families that are in need of relief;

Whereas charitable organizations are providing relief to the victims of the terrorist attacks against the United States that occurred on September 11, 2001, and their families;

Whereas the people of the United States have been extremely generous in contributing to charitable organizations that provide relief to the victims of the terrorist attacks and their families; and

Whereas more than $1,000,000,000 has been collected for charitable work related to the terrorist attacks: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That Congress—

(1) praises the people of the United States for their patriotism and generosity in donating their money, time, and blood to support the victims of the terrorist attacks against the United States that occurred on September 11, 2001, and their families;

(2) commends charitable organizations for their hard work in providing needed assistance to the individuals and families who have been affected by the terrorist attacks;

(3) urges charitable organizations to use the money collected from the people of the United States for the purposes for which the money was donated, and to limit the extent to which such money is used for administrative costs; and

(4) condemns individuals and groups that fraudulently use contributions for objectives unrelated to the purpose for which the contributions were made.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. LATOURETTE) and the gentleman from Tennessee (Mr. CLEMENT) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, House Concurrent Resolution 259 expresses the sense of Congress regarding the relief efforts undertaken by charitable organizations and the people of the United States in the aftermath of the terrorist attacks of September 11.

Mr. Speaker, the tremendous outpouring of assistance in the wake of the September 11 attacks has become something of an epic legend. Over $1 billion has been collected to support the relief efforts across the country.

These organizations serve a vital role in these relief efforts. They were the ones providing hot meals and medical care to the rescuers; they were the ones providing grief counselors to victims and their families; they were the ones ensuring that the displaced had a place to sleep and food to eat; and they are the ones that continue to serve at Ground Zero in New York and at the Pentagon, and wherever victims and their families are located.

The resolution does not mention the work by Federal, State, and local governments; but I want to commend each of them for their effort after the terrorist attacks and that which continues today. FEMA, the Small Business Administration, and the State of New York disaster assistance programs have contributed over $696 million.

Mr. Speaker, this is a good piece of legislation. It is fitting that the Congress, through its sense of Congress resolution, praise the good efforts of generous Americans and condemns those that abused this trust.

I commend the important work done by the Federal, State, and local governments and charities and individual volunteers, and urge my colleagues to support the resolution.

Mr. Speaker, I reserve the balance of my time.

Mr. CLEMENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of House Concurrent Resolution 259, a resolution expressing the sense of Congress regarding the relief efforts undertaken by charitable organizations and the American people in the aftermath of the terrorist attacks against the United States that occurred on September 11, 2001.

I would like to begin by thanking the gentleman from Florida (Mr. BILIRAKIS) for sponsoring this legislation. Our country has a long and proud tradition of helping families and communities in need, and our charitable organizations have often played a critical role in delivering these services.

Immediately after the September 11 terrorist attacks, thousands of volunteers began to donate their services, their talents, and even their blood. But they did not stop there. The people of the United States have been extremely generous in donating their money to various charitable organizations that provide relief to the victims of terrorist attacks and their families. In fact, more than $1 billion has already been collected for charitable work related to the terrorist attacks.

Mr. Speaker, Congress commends the people of this country for their patriotism and unwavering generosity in donating not only their money but their time and efforts, as well. We also commend the various charitable organizations for their tireless efforts in providing assistance to the victims and their families who have been affected by the terrorist attacks. We expect the money collected for this disaster to be used for this disaster. To do otherwise would be an insult to the memory of the victims of the tragedy, and it would be a betrayal of the public trust.

I wholeheartedly support this resolution to recognize our Nation's citizens who selflessly and generously gave their time, effort, and money after the September 11 attack. By supporting these charitable efforts, we salute and pay tribute to the victims of this tragedy.

Mr. Speaker, I urge my colleagues to support this legislation, and I reserve the balance of my time.

Mr. LATOURETTE. Mr. Speaker, it is my pleasure to yield such time as he may consume to the gentleman from Florida (Mr. BILIRAKIS), the author of the legislation.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, since the devastating events of September 11, Americans young and old have opened their hearts and their pocketbooks to help the victims of this terrible tragedy. To date, over $1 billion has been raised for relief efforts, proving once again that Americans are the most compassionate and generous people in the world.

However, shortly after the contributions began to pour in, we started to hear reports suggesting that charitable organizations are not acting in good faith to use the contributions of generous Americans to deliver timely assistance to the victims of September 11 and their families. How do we explain, we should ask ourselves, to elementary schoolchildren that their hard-raised contributions may not actually be used to help the families in need?

Today I am wearing a pin made by the students of Cyprus Woods Elementary School in Tarpon Springs, Florida. These students sold patriotic pins for $1 each and raised a total of $3,500. This amount was matched by a local corporation for a total of $7,000, all of which went to the American Red Cross.

Another elementary school in the same area, Brooker Creek, raised $2,300 for relief efforts. It would send a terrible message to these children and the community if charitable organizations did not use their contributions to directly aid the victims and their families.

Mr. Speaker, I am pleased, and I think all of us are, that the American Red Cross has decided to modify the operation of its Liberty Fund by using all proceeds from the fund to increase support for people affected by the September 11 terrorist attacks.

This decision, however, came after public pressure was put on the Red Cross by Members of Congress and the news media. I believe that it is important to send a message to charitable organizations that contributions should be used for the purposes for which they were given. That is why I introduced the resolution before us today.

House Concurrent Resolution 259 praises the people of the United States for their patriotism and their generosity in donating their money, time, and blood to send support to the victims of September 11. It also commends charitable organizations for their hard work in providing assistance, but urges them to use the funds collected for the purposes for which the money was given.

Mr. Speaker, I am grateful to the majority leader and the gentleman from Alaska (Chairman Young) for allowing this resolution to be considered under suspension of the rules. Many Americans lost their lives by the hands of terrorists on September 11, and their memory and sacrifice for their country should be honored by providing for the needs of their families in a timely and effective fashion.

I urge my colleagues to support House Concurrent Resolution 259.

Ms. JACKSON-LEE of Texas. Mr. Speaker, the incredible relief efforts that have taken place after September 11, 2001 are unprecedented. Charitable donations collected for the victims of the attacks and their families, have exceeded $1 billion in money alone. This spirit of good will and benevolence is what separates Americans and civilized people around the world from those who kill and seek to destroy out of hatred and for personal gain.

While the vast majority of these charitable efforts have been well meaning and appropriately administered, there have been reports, including by the Department of Justice, that some of these groups have allocated portions of the donations toward administrative and other non-disaster specific ends. While a great deal of these allocations may legitimately advance the delivery of services to individuals

and families that are in need of relief, Congress has a responsibility to oversee this process in order to ensure that compliance with reasonable standards is ongoing.

This resolution acknowledges that the people and charitable organizations of the United States have a long and honorable tradition of assisting individuals, families, and communities in need. The vital role played by these people and organizations in delivering services to individuals and families that are in need of relief cannot be discounted.

This resolution also expresses the Sense of Congress praising the people of the United States for their patriotism and their donations of time, money and blood in the wake of the September 11 attacks. The resolution also commends the charitable organizations that provided assistance to the victims of the attacks and their families. It further urges the charities that collected relief money to use it for the purposes for which it was donated, and urges them to limit the extent that donations are used for administrative expenses. Furthermore, it condemns individuals and groups that fraudulently use contributions for objectives unrelated to the purposes for which the contributions were made.

In the aftermath of September 11, we must take the time to recognize the efforts of those who give to others who have lost so much. In doing so, we must take care to identify those who misappropriate and mismanage the fruits of those charitable efforts. This resolution helps to fulfil those two parallel obligations.

I urge my colleagues to support it.

Mr. CLEMENT. Mr. Speaker, I yield back the balance of my time.

Mr. LATOURETTE. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and agree to the concurrent resolution, House Concurrent Resolution 259.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

A motion to reconsider was laid on the table.

RAILROAD RETIREMENT AND SURVIVORS' IMPROVEMENT ACT OF 2001

Mr. QUINN. Mr. Speaker, I move to suspend the rules and concur in the Senate amendments to the bill (H.R. 10) to provide for pension reform, and for other purposes.

The Clerk read as follows:

Senate amendments:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Railroad Retirement and Survivors' Improvement Act of 2001''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—AMENDMENTS TO RAILROAD RETIREMENT ACT OF 1974

Sec. 101. Expansion of widow's and widower's benefits.
Sec. 102. Retirement age restoration.
Sec. 103. Vesting requirement.
Sec. 104. Repeal of railroad retirement maximum.
Sec. 105. Investment of railroad retirement assets.
Sec. 106. Elimination of supplemental annuity account.
Sec. 107. Transfer authority revisions.
Sec. 108. Annual ratio projections and certifications by the Railroad Retirement Board.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986

Sec. 201. Amendments to the Internal Revenue Code of 1986.
Sec. 202. Exemption from tax for National Railroad Retirement Investment Trust.
Sec. 203. Repeal of supplemental annuity tax.
Sec. 204. Employer, employee representative, and employee tier 2 tax rate adjustments.

TITLE I—AMENDMENTS TO RAILROAD RETIREMENT ACT OF 1974

SEC. 101. EXPANSION OF WIDOW'S AND WIDOWER'S BENEFITS.

(a) IN GENERAL.—Section 4(g) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(g)) is amended by adding at the end the following new subdivision:

''(10)(i) If for any month the unreduced annuity provided under this section for a widow or widower is less than the widow's or widower's initial minimum amount computed pursuant to paragraph (ii) of this subdivision, the unreduced annuity shall be increased to that initial minimum amount. For the purposes of this subdivision, the unreduced annuity is the annuity without regard to any deduction on account of work, without regard to any reduction for entitlement to an annuity under section 2(a)(1) of this Act, without regard to any reduction for entitlement to a benefit under title II of the Social Security Act, and without regard to any reduction for entitlement to a public service pension pursuant to section 202(e)(7), 202(f)(2), or 202(g)(4) of the Social Security Act.

''(ii) For the purposes of this subdivision, the widow or widower's initial minimum amount is the amount of the unreduced annuity computed at the time an annuity is awarded to that widow or widower, except that—

''(A) in subsection (g)(1)(i) '100 per centum' shall be substituted for '50 per centum'; and

''(B) in subsection (g)(2)(ii) '130 per centum' shall be substituted for '80 per centum' both places it appears.

''(iii) If a widow or widower who was previously entitled to a widow's or widower's annuity under section 2(d)(1)(ii) of this Act becomes entitled to a widow's or widower's annuity under section 2(d)(1)(i) of this Act, a new initial minimum amount shall be computed at the time of award of the widow's or widower's annuity under section 2(d)(1)(i) of this Act.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by this section shall take effect on the first day of the first month that begins more than 30 days after enactment, and shall apply to annuity amounts accruing for months after the effective date in the case of annuities awarded—

(A) on or after that date; and

(B) before that date, but only if the annuity amount under section 4(g) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(g)) was computed under such section, as amended by the Omnibus Budget Reconciliation Act of 1981 (Public Law 97–35; 95 Stat. 357).

(2) SPECIAL RULE FOR ANNUITIES AWARDED BEFORE THE EFFECTIVE DATE.—In applying the amendment made by this section to annuities awarded before the effective date, the calculation of the initial minimum amount under new section 4(g)(10)(ii) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(g)(10)(ii)), as added by subsection (a), shall be made as of the date of the award of the widow's or widower's annuity.

SEC. 102. RETIREMENT AGE RESTORATION.

(a) EMPLOYEE ANNUITIES.—Section 3(a)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)(2)) is amended by inserting after ''(2)'' the following new sentence: ''For purposes of this subsection, individuals entitled to an annuity under section 2(a)(1)(ii) of this Act shall, except for the purposes of recomputations in accordance with section 215(f) of the Social Security Act, be deemed to have attained retirement age (as defined by section 216(l) of the Social Security Act).''.

(b) SPOUSE AND SURVIVOR ANNUITIES.—Section 4(a)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(a)(2)) is amended by striking ''if an'' and all that follows through ''section 2(c)(1) of this Act'' and inserting ''a spouse entitled to an annuity under section 2(c)(1)(ii)(B) of this Act''.

(c) CONFORMING REPEALS.—Sections 3(a)(3), 4(a)(3), and 4(a)(4) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)(3), 231c(a)(3), and 231c(a)(4)) are repealed.

(d) EFFECTIVE DATES.—

(1) GENERALLY.—Except as provided in paragraph (2), the amendments made by this section shall apply to annuities that begin to accrue on or after January 1, 2002.

(2) EXCEPTION.—The amount of the annuity provided for a spouse under section 4(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(a)) shall be computed under section 4(a)(3) of such Act, as in effect on December 31, 2001, if the annuity amount provided under section 3(a) of such Act (45 U.S.C. 231b(a)) for the individual on whose employment record the spouse annuity is based was computed under section 3(a)(3) of such Act, as in effect on December 31, 2001.

SEC. 103. VESTING REQUIREMENT.

(a) CERTAIN ANNUITIES FOR INDIVIDUALS.—Section 2(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(a)) is amended—

(1) by inserting in subdivision (1) ''(or, for purposes of paragraphs (i), (iii), and (v), five years of service, all of which accrues after December 31, 1995)'' after ''ten years of service''; and

(2) by adding at the end the following new subdivision:

''(4) An individual who is entitled to an annuity under paragraph (v) of subdivision (1), but who does not have at least ten years of service, shall, prior to the month in which the individual attains age 62, be entitled only to an annuity amount computed under section 3(a) of this Act (without regard to section 3(a)(2) of this Act) or section 3(f)(3) of this Act. Upon attainment of age 62, such an individual may also be entitled to an annuity amount computed under section 3(b), but such annuity amount shall be reduced for early retirement in the same manner as if the individual were entitled to an annuity under section 2(a)(1)(iii).''.

(b) COMPUTATION RULE FOR INDIVIDUALS' ANNUITIES.—Section 3(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(a)), as amended by section 102 of this Act, is further amended by adding at the end the following new subdivision:

''(3) If an individual entitled to an annuity under section 2(a)(1)(i) or (iii) of this Act on the basis of less than ten years of service is entitled to a benefit under section 202(a), section 202(b), or section 202(c) of the Social Security Act which began to accrue before the annuity under section 2(a)(1)(i) or (iii) of this Act, the annuity amount provided such individual under this subsection, shall be computed as though the annuity under this Act began to accrue on the later of (A) the date on which the benefit under section 202(a), section 202(b), or section 202(c) of the Social Security Act began, or (B) the date on which the individual first met the conditions for

entitlement to an age reduced annuity under this Act other than the conditions set forth in sections 2(e)(1) and 2(e)(2) of this Act and the requirement that an application be filed.''.

(c) SURVIVORS' ANNUITIES.—Section 2(d)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231a(d)(1)) is amended by inserting ''(or five years of service, all of which accrues after December 31, 1995)'' after ''ten years of service''.

(d) LIMITATION ON ANNUITY AMOUNTS.—Section 2 of the Railroad Retirement Act of 1974 (45 U.S.C. 231a) is amended by adding at the end the following new subsection:

''(i) An individual entitled to an annuity under this section who has completed five years of service, all of which accrues after 1995, but who has not completed ten years of service, and the spouse, divorced spouse, and survivors of such individual, shall not be entitled to an annuity amount provided under section 3(a), section 4(a), or section 4(f) of this Act unless the individual, or the individual's spouse, divorced spouse, or survivors, would be entitled to a benefit under title II of the Social Security Act on the basis of the individual's employment record under both this Act and title II of the Social Security Act.''.

(e) COMPUTATION RULE FOR SPOUSES' ANNUITIES.—Section 4(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231c(a)), as amended by section 102 of this Act, is further amended by adding at the end the following new subdivision:

''(3) If a spouse entitled to an annuity under section 2(c)(1)(ii)(A), section 2(c)(1)(ii)(C), or section 2(c)(2) of this Act or a divorced spouse entitled to an annuity under section 2(c)(4) of this Act on the basis of the employment record of an employee who will have completed less than 10 years of service is entitled to a benefit under section 202(a), section 202(b), or section 202(c) of the Social Security Act which began to accrue before the annuity under section 2(c)(1)(ii)(A), section 2(c)(1)(ii)(C), section 2(c)(2), or section 2(c)(4) of this Act, the annuity amount provided under this subsection shall be computed as though the annuity under this Act began to accrue on the later of (A) the date on which the benefit under section 202(a), section 202(b), or section 202(c) of the Social Security Act began or (B) the first date on which the annuitant met the conditions for entitlement to an age reduced annuity under this Act other than the conditions set forth in sections 2(e)(1) and 2(e)(2) of this Act and the requirement that an application be filed.''.

(f) APPLICATION DEEMING PROVISION.—Section 5(b) of the Railroad Retirement Act of 1974 (45 U.S.C. 231d(b)) is amended by striking the second sentence and inserting the following new sentence: ''An application filed with the Board for an employee annuity, spouse annuity, or divorced spouse annuity on the basis of the employment record of an employee who will have completed less than ten years of service shall be deemed to be an application for any benefit to which such applicant may be entitled under this Act or section 202(a), section 202(b), or section 202(c) of the Social Security Act. An application filed with the Board for an annuity on the basis of the employment record of an employee who will have completed ten years of service shall, unless the applicant specified otherwise, be deemed to be an application for any benefit to which such applicant may be entitled under this Act or title II of the Social Security Act.''.

(g) CREDITING SERVICE UNDER THE SOCIAL SECURITY ACT.—Section 18(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231q(2)) is amended—

(1) by inserting ''(or less than five years of service, all of which accrues after December 31, 1995)'' after ''ten years of service'' every place it appears; and

(2) by inserting ''(or five or more years of service, all of which accrues after December 31, 1995)'' after ''ten or more years of service''.

(h) AUTOMATIC BENEFIT ELIGIBILITY ADJUSTMENTS.—Section 19 of the Railroad Retirement Act of 1974 (45 U.S.C. 231r) is amended—

(1) by inserting ''(or five or more years of service, all of which accrues after December 31, 1995)'' after ''ten years of service'' in subsection (c); and

(2) by inserting ''(or five or more years of service, all of which accrues after December 31, 1995)'' after ''ten years of service'' in subsection (d)(2).

(i) CONFORMING AMENDMENTS.—

(1) Section 6(e)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231e(1)) is amended by inserting ''(or five or more years of service, all of which accrues after December 31, 1995)'' after ''ten years of service''.

(2) Section 7(b)(2)(A) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(b)(2)(A)) is amended by inserting ''(or five or more years of service, all of which accrues after December 31, 1995)'' after ''ten years of service''.

(3) Section 205(i) of the Social Security Act (42 U.S.C. 405(i)) is amended by inserting ''(or five or more years of service, all of which accrues after December 31, 1995)'' after ''ten years of service''.

(4) Section 6(b)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231e(b)(2)) is amended by inserting ''(or five or more years of service, all of which accrues after December 31, 1995)'' after ''ten years of service'' the second place it appears.

(j) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2002.

SEC. 104. REPEAL OF RAILROAD RETIREMENT MAXIMUM.

(a) EMPLOYEE ANNUITIES.—

(1) IN GENERAL.—Section 3(f) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(f)) is amended—

(A) by striking subdivision (1); and

(B) by redesignating subdivisions (2) and (3) as subdivisions (1) and (2), respectively.

(2) CONFORMING AMENDMENTS.—

(A) The first sentence of section 3(f)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231b(f)(1)), as redesignated by paragraph (1)(B), is amended by striking '', without regard to the provisions of subdivision (1) of this subsection,''.

(B) Paragraphs (i) and (ii) of section 7(d)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(d)(2)) are each amended by striking ''section 3(f)(3)'' and inserting ''section 3(f)(2)''.

(b) SPOUSE AND SURVIVOR ANNUITIES.—Section 4 of the Railroad Retirement Act of 1974 (45 U.S.C. 231c) is amended by striking subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2002, and shall apply to annuity amounts accruing for months after December 2001.

SEC. 105. INVESTMENT OF RAILROAD RETIREMENT ASSETS.

(a) ESTABLISHMENT OF NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST.—Section 15 of the Railroad Retirement Act of 1974 (45 U.S.C. 231n) is amended by inserting after subsection (i) the following new subsection:

''(j) NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST.—

''(1) ESTABLISHMENT.—The National Railroad Retirement Investment Trust (hereinafter in this subsection referred to as the 'Trust') is hereby established as a trust domiciled in the District of Columbia and shall, to the extent not inconsistent with this Act, be subject to the laws of the District of Columbia applicable to such trusts. The Trust shall manage and invest its assets in the manner set forth in this subsection.

''(2) NOT A FEDERAL AGENCY OR INSTRUMENTALITY.—The Trust is not a department, agency, or instrumentality of the Government of the United States and shall not be subject to title 31, United States Code.

''(3) BOARD OF TRUSTEES.—

''(A) GENERALLY.—

''(i) MEMBERSHIP.—The Trust shall have a Board of Trustees, consisting of 7 members. Three shall represent the interests of labor, 3 shall represent the interests of management, and 1 shall be an independent Trustee. The members of the Board of Trustees shall not be considered officers or employees of the Government of the United States.

''(ii) SELECTION.—

''(I) The 3 members representing the interests of labor shall be selected by the joint recommendation of labor organizations, national in scope, organized in accordance with section 2 of the Railway Labor Act, and representing at least ⅔ of all active employees, represented by such national labor organizations, covered under this Act.

''(II) The 3 members representing the interests of management shall be selected by the joint recommendation of carriers as defined in section 1 of the Railway Labor Act employing at least ⅔ of all active employees covered under this Act.

''(III) The independent member shall be selected by a majority of the other 6 members of the Board of Trustees.

A member of the Board of Trustees may be removed in the same manner and by the same constituency that selected that member.

''(iii) DISPUTE RESOLUTION.—In the event that the parties specified in subclause (I), (II), or (III) of the previous clause cannot agree on the selection of Trustees within 60 days of the date of enactment or 60 days from any subsequent date that a position of the Board of Trustees becomes vacant, an impartial umpire to decide such dispute shall, on the petition of a party to the dispute, be appointed by the District Court of the United States for the District of Columbia.

''(B) QUALIFICATIONS.—Members of the Board of Trustees shall be appointed only from among persons who have experience and expertise in the management of financial investments and pension plans. No member of the Railroad Retirement Board shall be eligible to be a member of the Board of Trustees.

''(C) TERMS.—Except as provided in this subparagraph, each member shall be appointed for a 3-year term. The initial members appointed under this paragraph shall be divided into equal groups so nearly as may be, of which one group will be appointed for a 1-year term, one for a 2-year term, and one for a 3-year term. The Trustee initially selected pursuant to clause (ii)(III) shall be appointed to a 3-year term. A vacancy in the Board of Trustees shall not affect the powers of the Board of Trustees and shall be filled in the same manner as the selection of the member whose departure caused the vacancy. Upon the expiration of a term of a member of the Board of Trustees, that member shall continue to serve until a successor is appointed.

''(4) POWERS OF THE BOARD OF TRUSTEES.—The Board of Trustees shall—

''(A) retain independent advisers to assist it in the formulation and adoption of its investment guidelines;

''(B) retain independent investment managers to invest the assets of the Trust in a manner consistent with such investment guidelines;

''(C) invest assets in the Trust, pursuant to the policies adopted in subparagraph (A);

''(D) pay administrative expenses of the Trust from the assets in the Trust; and

''(E) transfer money to the disbursing agent or as otherwise provided in section 7(b)(4), to pay benefits payable under this Act from the assets of the Trust.

''(5) REPORTING REQUIREMENTS AND FIDUCIARY STANDARDS.—The following reporting requirements and fiduciary standards shall apply with respect to the Trust:

''(A) DUTIES OF THE BOARD OF TRUSTEES.—The Trust and each member of the Board of Trustees shall discharge their duties (including the voting of proxies) with respect to the assets

of the Trust solely in the interest of the Railroad Retirement Board and through it, the participants and beneficiaries of the programs funded under this Act—

''(i) for the exclusive purpose of—

''(I) providing benefits to participants and their beneficiaries; and

''(II) defraying reasonable expenses of administering the functions of the Trust;

''(ii) with the care, skill, prudence, and diligence under the circumstances then prevailing that a prudent person acting in a like capacity and familiar with such matters would use in the conduct of an enterprise of a like character and with like aims;

''(iii) by diversifying investments so as to minimize the risk of large losses and to avoid disproportionate influence over a particular industry or firm, unless under the circumstances it is clearly prudent not to do so; and

''(iv) in accordance with Trust governing documents and instruments insofar as such documents and instruments are consistent with this Act.

''(B) PROHIBITIONS WITH RESPECT TO MEMBERS OF THE BOARD OF TRUSTEES.—No member of the Board of Trustees shall—

''(i) deal with the assets of the Trust in the trustee's own interest or for the trustee's own account;

''(ii) in an individual or in any other capacity act in any transaction involving the assets of the Trust on behalf of a party (or represent a party) whose interests are adverse to the interests of the Trust, the Railroad Retirement Board, or the interests of participants or beneficiaries; or

''(iii) receive any consideration for the trustee's own personal account from any party dealing with the assets of the Trust.

''(C) EXCULPATORY PROVISIONS AND INSURANCE.—Any provision in an agreement or instrument that purports to relieve a trustee from responsibility or liability for any responsibility, obligation, or duty under this Act shall be void: Provided, however, That nothing shall preclude—

''(i) the Trust from purchasing insurance for its trustees or for itself to cover liability or losses occurring by reason of the act or omission of a trustee, if such insurance permits recourse by the insurer against the trustee in the case of a breach of a fiduciary obligation by such trustee;

''(ii) a trustee from purchasing insurance to cover liability under this section from and for his own account; or

''(iii) an employer or an employee organization from purchasing insurance to cover potential liability of one or more trustees with respect to their fiduciary responsibilities, obligations, and duties under this section.

''(D) BONDING.—Every trustee and every person who handles funds or other property of the Trust (hereafter in this subsection referred to as 'Trust official') shall be bonded. Such bond shall provide protection to the Trust against loss by reason of acts of fraud or dishonesty on the part of any Trust official, directly or through the connivance of others, and shall be in accordance with the following:

''(i) The amount of such bond shall be fixed at the beginning of each fiscal year of the Trust by the Railroad Retirement Board. Such amount shall not be less than 10 percent of the amount of the funds handled. In no case shall such bond be less than $1,000 nor more than $500,000, except that the Railroad Retirement Board, after consideration of the record, may prescribe an amount in excess of $500,000, subject to the 10 per centum limitation of the preceding sentence.

''(ii) It shall be unlawful for any Trust official to receive, handle, disburse, or otherwise exercise custody or control of any of the funds or other property of the Trust without being bonded as required by this subsection and it shall be unlawful for any Trust official, or any other person having authority to direct the performance of such functions, to permit such functions, or any of them, to be performed by any Trust official, with respect to whom the requirements of this subsection have not been met.

''(iii) It shall be unlawful for any person to procure any bond required by this subsection from any surety or other company or through any agent or broker in whose business operations such person has any control or significant financial interest, direct or indirect.

''(E) AUDIT AND REPORT.—

''(i) The Trust shall annually engage an independent qualified public accountant to audit the financial statements of the Trust.

''(ii) The Trust shall submit an annual management report to the Congress not later than 180 days after the end of the Trust's fiscal year. A management report under this subsection shall include—

''(I) a statement of financial position;

''(II) a statement of operations;

''(III) a statement of cash flows;

''(IV) a statement on internal accounting and administrative control systems;

''(V) the report resulting from an audit of the financial statements of the Trust conducted under clause (i); and

''(VI) any other comments and information necessary to inform the Congress about the operations and financial condition of the Trust.

''(iii) The Trust shall provide the President, the Railroad Retirement Board, and the Director of the Office of Management and Budget a copy of the management report when it is submitted to Congress.

''(F) ENFORCEMENT.—The Railroad Retirement Board may bring a civil action—

''(i) to enjoin any act or practice by the Trust, its Board of Trustees, or its employees or agents that violates any provision of this Act; or

''(ii) to obtain other appropriate relief to redress such violations, or to enforce any provisions of this Act.

''(6) RULES AND ADMINISTRATIVE POWERS.—The Board of Trustees shall have the authority to make rules to govern its operations, employ professional staff, and contract with outside advisers, including the Railroad Retirement Board, to provide legal, accounting, investment advisory, or other services necessary for the proper administration of this subsection. In the case of contracts with investment advisory services, compensation for such services may be on a fixed contract fee basis or on such other terms and conditions as are customary for such services.

''(7) QUORUM.—Five members of the Board of Trustees constitute a quorum to do business. Investment guidelines must be adopted by a unanimous vote of the entire Board of Trustees. All other decisions of the Board of Trustees shall be decided by a majority vote of the quorum present. All decisions of the Board of Trustees shall be entered upon the records of the Board of Trustees.

''(8) FUNDING.—The expenses of the Trust and the Board of Trustees incurred under this subsection shall be paid from the Trust.''.

(b) CONFORMING AND TECHNICAL AMENDMENTS GOVERNING INVESTMENTS.—Section 15(e) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(e)) is amended—

(1) in the first sentence, by striking '', the Dual Benefits Payments Account'' and all that follows through ''may be made only'' in the second sentence and inserting ''and the Dual Benefits Payments Account as are not transferred to the National Railroad Retirement Investment Trust as the Board may determine'';

(2) by striking ''the Second Liberty Bond Act, as amended'' and inserting ''chapter 31 of title 31''; and

(3) by striking ''the foregoing requirements'' and inserting ''the requirements of this subsection''.

(c) MEANS OF FINANCING.—For all purposes of the Congressional Budget Act of 1974, the Balanced Budget and Emergency Deficit Control Act of 1985, and chapter 11 of title 31, United States Code, and notwithstanding section 20 of the Office of Management and Budget Circular No. A-11, the purchase or sale of non-Federal assets (other than gains or losses from such transactions) by the National Railroad Retirement Investment Trust shall be treated as a means of financing.

(d) EFFECTIVE DATE.—The amendments made by this section shall take effect on the first day of the month that begins more than 30 days after enactment.

SEC. 106. ELIMINATION OF SUPPLEMENTAL ANNUITY ACCOUNT.

(a) SOURCE OF PAYMENTS.—Section 7(c)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(c)(1)) is amended by striking ''payments of supplemental annuities under section 2(b) of this Act shall be made from the Railroad Retirement Supplemental Account, and''.

(b) ELIMINATION OF ACCOUNT.—Section 15(c) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(c)) is repealed.

(c) AMENDMENT TO RAILROAD RETIREMENT ACCOUNT.—Section 15(a) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(a)) is amended by striking '', except those portions of the amounts covered into the Treasury under sections 3211(b),'' and all that follows through the end of the subsection and inserting a period.

(d) TRANSFER.—

(1) DETERMINATION.—As soon as possible after December 31, 2001, the Railroad Retirement Board shall—

(A) determine the amount of funds in the Railroad Retirement Supplemental Account under section 15(c) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(c)) as of the date of such determination; and

(B) direct the Secretary of the Treasury to transfer such funds to the National Railroad Retirement Investment Trust under section 15(j) of such Act (as added by section 105).

(2) TRANSFER BY THE SECRETARY OF THE TREASURY.—The Secretary of the Treasury shall make the transfer described in paragraph (1).

(e) EFFECTIVE DATE.—

(1) IN GENERAL.—Subject to paragraph (2), the amendments made by subsections (a), (b), and (c) shall take effect January 1, 2002.

(2) ACCOUNT IN EXISTENCE UNTIL TRANSFER MADE.—The Railroad Retirement Supplemental Account under section 15(c) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(c)) shall continue to exist until the date that the Secretary of the Treasury makes the transfer described in subsection (d)(2).

SEC. 107. TRANSFER AUTHORITY REVISIONS.

(a) RAILROAD RETIREMENT ACCOUNT.—Section 15 of the Railroad Retirement Act of 1974 (45 U.S.C. 231n) is amended by adding after subsection (j) the following new subsection:

''(k) TRANSFERS TO THE TRUST.—The Board shall, upon establishment of the National Railroad Retirement Investment Trust and from time to time thereafter, direct the Secretary of the Treasury to transfer, in such manner as will maximize the investment returns to the Railroad Retirement system, that portion of the Railroad Retirement Account that is not needed to pay current administrative expenses of the Board to the National Railroad Retirement Investment Trust. The Secretary shall make that transfer.''.

(b) TRANSFERS FROM THE NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST.—Section 15 of the Railroad Retirement Act of 1974 (45 U.S.C. 231n), as amended by subsection (a), is further amended by adding after subsection (k) the following new subsection:

''(l) NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST.—The National Railroad Retirement Investment Trust shall from time to time transfer to the disbursing agent described in section 7(b)(4) or as otherwise directed by the Railroad Retirement Board pursuant to section 7(b)(4), such amounts as may be necessary to pay benefits under this Act (other than benefits paid from the Social Security Equivalent Benefit

Account or the Dual Benefit Payments Account).''.

(c) SOCIAL SECURITY EQUIVALENT BENEFIT ACCOUNT.—

(1) TRANSFERS TO TRUST.—Section 15A(d)(2) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n–1(d)(2)) is amended to read as follows:

''(2) Upon establishment of the National Railroad Retirement Investment Trust and from time to time thereafter, the Board shall direct the Secretary of the Treasury to transfer, in such manner as will maximize the investment returns to the Railroad Retirement system, the balance of the Social Security Equivalent Benefit Account not needed to pay current benefits and administrative expenses required to be paid from that Account to the National Railroad Retirement Investment Trust, and the Secretary shall make that transfer. Any balance transferred under this paragraph shall be used by the National Railroad Retirement Investment Trust only to pay benefits under this Act or to purchase obligations of the United States that are backed by the full faith and credit of the United States pursuant to chapter 31 of title 31, United States Code. The proceeds of sales of, and the interest income from, such obligations shall be used by the Trust only to pay benefits under this Act.''.

(2) TRANSFERS TO DISBURSING AGENT.—Section 15A(c)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n–1(c)(1)) is amended by adding at the end the following new sentence: ''The Secretary shall from time to time transfer to the disbursing agent under section 7(b)(4) amounts necessary to pay those benefits.''.

(3) CONFORMING AMENDMENT.—Section 15A(d)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n–1(d)(1)) is amended by striking the second and third sentences.

(d) DUAL BENEFITS PAYMENTS ACCOUNT.—Section 15(d)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231n(d)(1)) is amended by adding at the end the following new sentence: ''The Secretary of the Treasury shall from time to time transfer from the Dual Benefits Payments Account to the disbursing agent under section 7(b)(4) amounts necessary to pay benefits payable from that Account.''.

(e) CERTIFICATION BY THE BOARD AND PAYMENT.—Paragraph (4) of section 7(b) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(b)(4)) is amended to read as follows:

''(4)(A) The Railroad Retirement Board, after consultation with the Board of Trustees of the National Railroad Retirement Investment Trust and the Secretary of the Treasury, shall enter into an arrangement with a nongovernmental financial institution to serve as disbursing agent for benefits payable under this Act who shall disburse consolidated benefits under this Act to each recipient. Pending the taking effect of that arrangement, benefits shall be paid as under the law in effect prior to the enactment of the Railroad Retirement and Survivors' Improvement Act of 2001.

''(B) The Board shall from time to time certify—

''(i) to the Secretary of the Treasury the amounts required to be transferred from the Social Security Equivalent Benefit Account and the Dual Benefits Payments Account to the disbursing agent to make payments of benefits and the Secretary of the Treasury shall transfer those amounts;

''(ii) to the Board of Trustees of the National Railroad Retirement Investment Trust the amounts required to be transferred from the National Railroad Retirement Investment Trust to the disbursing agent to make payments of benefits and the Board of Trustees shall transfer those amounts; and

''(iii) to the disbursing agent the name and address of each individual entitled to receive a payment, the amount of such payment, and the time at which the payment should be made.''.

(f) BENEFIT PAYMENTS.—Section 7(c)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231f(c)(1)) is amended—

(1) by striking ''from the Railroad Retirement Account'' and inserting ''by the disbursing agent under subsection (b)(4) from money transferred to it from the National Railroad Retirement Investment Trust or the Social Security Equivalent Benefit Account, as the case may be''; and

(2) by inserting ''by the disbursing agent under subsection (b)(4) from money transferred to it'' after ''Public Law 93–445 shall be made''.

(g) TRANSITIONAL RULE FOR EXISTING OBLIGATION.—In making transfers under sections 15(k) and 15A(d)(2) of the Railroad Retirement Act of 1974, as amended by subsections (a) and (c), respectively, the Railroad Retirement Board shall consult with the Secretary of the Treasury to design an appropriate method to transfer obligations held as of the date of enactment of this Act or to convert such obligations to cash at the discretion of the Railroad Retirement Board prior to transfer. The National Railroad Retirement Investment Trust may hold to maturity any obligations so received or may redeem them prior to maturity, as the Trust deems appropriate.

SEC. 108. ANNUAL RATIO PROJECTIONS AND CERTIFICATIONS BY THE RAILROAD RETIREMENT BOARD.

(a) PROJECTIONS.—Section 22(a)(1) of the Railroad Retirement Act of 1974 (45 U.S.C. 231u(a)(1)) is amended—

(1) by inserting after the first sentence the following new sentence: ''On or before May 1 of each year beginning in 2003, the Railroad Retirement Board shall compute its projection of the account benefits ratio and the average account benefits ratio (as defined by section 3241(c) of the Internal Revenue Code of 1986) for each of the next succeeding five fiscal years.''; and

(2) by striking ''the projection prepared pursuant to the preceding sentence'' and inserting ''the projections prepared pursuant to the preceding two sentences''.

(b) CERTIFICATIONS.—The Railroad Retirement Act of 1974 (45 U.S.C. 231 et seq.) is amended by adding at the end the following new section:

''COMPUTATION AND CERTIFICATION OF ACCOUNT BENEFIT RATIOS

''SEC. 23. (a) INITIAL COMPUTATION AND CERTIFICATION.—On or before November 1, 2003, the Railroad Retirement Board shall—

''(1) compute the account benefits ratios for each of the most recent 10 preceding fiscal years, and

''(2) certify the account benefits ratios for each such fiscal year to the Secretary of the Treasury.

''(b) COMPUTATIONS AND CERTIFICATIONS AFTER 2003.—On or before November 1 of each year after 2003, the Railroad Retirement Board shall—

''(1) compute the account benefits ratio for the fiscal year ending in such year, and

''(2) certify the account benefits ratio for such fiscal year to the Secretary of the Treasury.

''(c) DEFINITION.—As used in this section, the term 'account benefits ratio' has the meaning given that term in section 3241(c) of the Internal Revenue Code of 1986.''.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986

SEC. 201. AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1986.

Except as otherwise provided, whenever in this title an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Internal Revenue Code of 1986.

SEC. 202. EXEMPTION FROM TAX FOR NATIONAL RAILROAD RETIREMENT INVESTMENT TRUST.

Subsection (c) of section 501 is amended by adding at the end the following new paragraph:

''(28) The National Railroad Retirement Investment Trust established under section 15(j) of the Railroad Retirement Act of 1974.''.

SEC. 203. REPEAL OF SUPPLEMENTAL ANNUITY TAX.

(a) REPEAL OF TAX ON EMPLOYEE REPRESENTATIVES.—Section 3211 is amended by striking subsection (b).

(b) REPEAL OF TAX ON EMPLOYERS.—Section 3221 is amended by striking subsections (c) and (d) and by redesignating subsection (e) as subsection (c).

(c) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after December 31, 2001.

SEC. 204. EMPLOYER, EMPLOYEE REPRESENTATIVE, AND EMPLOYEE TIER 2 TAX RATE ADJUSTMENTS.

(a) RATE OF TAX ON EMPLOYERS.—Subsection (b) of section 3221 is amended to read as follows:

''(b) TIER 2 TAX.—

''(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on every employer an excise tax, with respect to having individuals in his employ, equal to the applicable percentage of the compensation paid during any calendar year by such employer for services rendered to such employer.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means—

''(A) 15.6 percent in the case of compensation paid during 2002,

''(B) 14.2 percent in the case of compensation paid during 2003, and

''(C) in the case of compensation paid during any calendar year after 2003, the percentage determined under section 3241 for such calendar year.''.

(b) RATE OF TAX ON EMPLOYEE REPRESENTATIVES.—Section 3211, as amended by section 203, is amended by striking subsection (a) and inserting the following new subsections:

''(a) TIER 1 TAX.—In addition to other taxes, there is hereby imposed on the income of each employee representative a tax equal to the applicable percentage of the compensation received during any calendar year by such employee representative for services rendered by such employee representative. For purposes of the preceding sentence, the term 'applicable percentage' means the percentage equal to the sum of the rates of tax in effect under subsections (a) and (b) of section 3101 and subsections (a) and (b) of section 3111 for the calendar year.

''(b) TIER 2 TAX.—

''(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on the income of each employee representative a tax equal to the applicable percentage of the compensation received during any calendar year by such employee representatives for services rendered by such employee representative.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means—

''(A) 14.75 percent in the case of compensation received during 2002,

''(B) 14.20 percent in the case of compensation received during 2003, and

''(C) in the case of compensation received during any calendar year after 2003, the percentage determined under section 3241 for such calendar year.

''(c) CROSS REFERENCE.—

"For application of different contribution bases with respect to the taxes imposed by subsections (a) and (b), see section 3231(e)(2).".

(c) RATE OF TAX ON EMPLOYEES.—Subsection (b) of section 3201 is amended to read as follows:

''(b) TIER 2 TAX.—

''(1) IN GENERAL.—In addition to other taxes, there is hereby imposed on the income of each employee a tax equal to the applicable percentage of the compensation received during any calendar year by such employee for services rendered by such employee.

''(2) APPLICABLE PERCENTAGE.—For purposes of paragraph (1), the term 'applicable percentage' means—

''(A) 4.90 percent in the case of compensation received during 2002 or 2003, and

''(B) in the case of compensation received during any calendar year after 2003, the percentage determined under section 3241 for such calendar year.''.

(d) DETERMINATION OF RATE.—Chapter 22 is amended by adding at the end the following new subchapter:

"Subchapter E—Tier 2 Tax Rate Determination

''Sec. 3241. Determination of tier 2 tax rate based on average account benefits ratio.

"SEC. 3241. DETERMINATION OF TIER 2 TAX RATE BASED ON AVERAGE ACCOUNT BENEFITS RATIO.

''(a) IN GENERAL.—For purposes of sections 3201(b), 3211(b), and 3221(b), the applicable percentage for any calendar year is the percentage determined in accordance with the table in subsection (b).

''(b) TAX RATE SCHEDULE.—

"Average account benefits ratio		*Applicable percentage for sections 3211(b) and 3221(b)*	*Applicable percentage for section 3201(b)*
At least	*But less than*		
	2.5	22.1	4.9
2.5	3.0	18.1	4.9
3.0	3.5	15.1	4.9
3.5	4.0	14.1	4.9
4.0	6.1	13.1	4.9
6.1	6.5	12.6	4.4
6.5	7.0	12.1	3.9
7.0	7.5	11.6	3.4
7.5	8.0	11.1	2.9
8.0	8.5	10.1	1.9
8.5	9.0	9.1	0.9
9.0		8.2	0

''(c) DEFINITIONS RELATED TO DETERMINATION OF RATES OF TAX.—

''(1) AVERAGE ACCOUNT BENEFITS RATIO.—For purposes of this section, the term 'average account benefits ratio' means, with respect to any calendar year, the average determined by the Secretary of the account benefits ratios for the 10 most recent fiscal years ending before such calendar year. If the amount determined under the preceding sentence is not a multiple of 0.1, such amount shall be increased to the next highest multiple of 0.1.

''(2) ACCOUNT BENEFITS RATIO.—For purposes of this section, the term 'account benefits ratio' means, with respect to any fiscal year, the amount determined by the Railroad Retirement Board by dividing the fair market value of the assets in the Railroad Retirement Account and of the National Railroad Retirement Investment Trust (and for years before 2002, the Social Security Equivalent Benefits Account) as of the close of such fiscal year by the total benefits and administrative expenses paid from the Railroad Retirement Account and the National Railroad Retirement Investment Trust during such fiscal year.

''(d) NOTICE.—No later than December 1 of each calendar year, the Secretary shall publish a notice in the Federal Register of the rates of tax determined under this section which are applicable for the following calendar year.''.

(e) CONFORMING AMENDMENTS.—

(1) Section 24(d)(3)(A)(iii) is amended by striking ''section 3211(a)(1)'' and inserting ''section 3211(a)''.

(2) Section 72(r)(2)(B)(i) is amended by striking ''3211(a)(2)'' and inserting ''3211(b)''.

(3) Paragraphs (2)(A)(iii)(II) and (4)(A) of section 3231(e) are amended by striking ''3211(a)(1)'' and inserting ''3211(a)''.

(4) Section 3231(e)(2)(B)(ii)(I) is amended by striking ''3211(a)(2)'' and inserting ''3211(b)''.

(5) The table of subchapters for chapter 22 is amended by adding at the end the following new item:

''Subchapter E. Tier 2 tax rate determination.''.

(f) EFFECTIVE DATE.—The amendments made by this section shall apply to calendar years beginning after December 31, 2001.

Amend the title so as to read: ''An Act to modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New York (Mr. QUINN) and the gentleman from Tennessee (Mr. CLEMENT) each will control 20 minutes.

The Chair recognizes the gentleman from New York (Mr. QUINN).

Mr. QUINN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise today in steadfast support of H.R. 10, the Railroad Retirement and Survivors' Improvement Act of 2001.

H.R. 10 is identical to the railroad retirement reform legislation passed by the House earlier this year with over 380 votes. Consideration of the bill today is merely a procedural step required pursuant to its Senate approval to move the legislation to the President's desk for signature.

Built into the legislation is an automatic safety net behind the future investment strategy. The railroad retirement system now has reserves of more than 6 years of benefit payments. Under the bill, future payroll taxes would automatically adjust to reflect the performance of pension investments. If reserves fall below the 4-year benefit levels, automatic employer tax increases would be triggered. If reserves go above the 6 years in the future, further tax reductions for railroads and either tax relief or additional benefits for workers would be provided.

This bill, Mr. Speaker, enjoys one of the highest levels of bipartisan support in recent congressional history. It is sound, commonsense legislation that helps our railroads stay competitive while providing needed retirement benefits for all rail workers and their families, without costing the American taxpayers a single dime.

I want to commend our committee full chairman, the gentleman from Alaska (Mr. YOUNG), the ranking member, the gentleman from Minnesota (Mr. OBERSTAR), and the subcommittee ranking member and my partner, the gentleman from Tennessee (Mr. CLEMENT), for their leadership on this legislation.

This is the workers' own money, Mr. Speaker. They deserve to improve its returns and their benefit payments. I urge all Members to support H.R. 10.

Mr. Speaker, I reserve the balance of my time.

Mr. CLEMENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I say to the gentleman from New York (Mr. QUINN), it is good to have him back. He has just had back surgery, and I am glad he has made a speedy recovery. We need him here very badly.

Mr. Speaker, it is my sincere pleasure to manage H.R. 10, the Railroad Retirement and Survivors' Improvement Act of 2001.

Today, as the ranking member of the Subcommittee on Railroads, in fact, it is even a greater pleasure to be here today than the two previous times this exact same measure has come to the floor and passed with unequivocal, overwhelmingly strong majorities.

The reason for my happiness is simple: with the passage of this bill today, all that will remain is the President's promised signature before the over 250,000 railroad employees and the 700,000 retirees and survivors of railroad workers can finally have what they have deserved for years: a modern and equitable retirement plan.

It has been this goal that has led Democrats and Republicans alike to work together with rail management and rail labor to craft a measure so sound that it had 368 cosponsors as it passed through the House this summer by a vote of 384 to 33.

As the ranking member of the Subcommittee on Railroads, I can personally speak of the hard work and total commitment to this issue by the gentleman from New York (Chairman QUINN) and all members of our subcommittee on both sides of the aisle.

This support, along with the tireless leadership of the ranking member, the gentleman from Minnesota (Mr. OBERSTAR), and the gentleman from Alaska (Chairman YOUNG), built a train that could not be stopped. Whether temporarily stalled by procedure or debate, railroad retirement reform continued to move forward, despite the opposition of the few who wish to derail it.

Thus it brings me great satisfaction today that this bill can finally depart this branch of government and begin its journey carrying enhanced benefits toward the workers and retirees of our Nation's rail system.

The overwhelming majority of the Members know that this is a good bill. They know it has the support of both management and labor. This is a vote that should require little soul searching. Members know that this is right for railroad workers and their survivors. They know it is right for the industry and for America as a whole.

I urge my colleagues to vote yes on the bill. It is time we retired the debate on railroad retirement and let America's railroad workers and survivors enjoy the financial health and security they have worked long and hard for.

Mr. Speaker, I want to say this, too, as we close. I want to thank our staff, Democrat and Republican staff alike. On the Democratic side, I might say, Mr. Speaker, I want to thank Ward McCarrager, Frank Mulvey, David Hymsfeld, Steve Gardner, Rachel Carr.

I want to thank our full committee and the staff of the Subcommittee on Railroads. All of them have done a great job bringing about a great bill.

Mr. Speaker, I reserve the balance of my time.

Mr. QUINN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would simply say at this point that I thank the gentleman

from Tennessee for his kind remarks. This is one of our subcommittee's clear issues we have been working on now since we came here together in a bipartisan way. We know that it is a bipartisan issue.

I thank my good friend, the gentleman from Tennessee (Mr. CLEMENT), for his kind words.

Mr. CLEMENT. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. SMITH).

(Mr. SMITH of Michigan asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, let me just express my concern at scheduling a bill that requires taking $15 billion out of the general fund to be on the suspension calendar.

I am concerned that this is going to end up being a disadvantage to railroad workers, because the railroad has said when they need more taxes, they will increase the tax rate. So here again, I am very concerned that we are taking this bill that is so expensive up on suspension; and I would, at the appropriate time, ask for a roll call vote.

I rise in opposition to H.R. 10. I do not oppose what this bill is trying to accomplish. Railroad workers should have the opportunity to invest their money in the stock market and earn a higher rate of return. I oppose this bill because it will not achieve its intended goal. This bill would cut taxes and raise benefits for railroad retirement beneficiaries in exchange for promises to pay higher taxes in the future. This is an irresponsible and shortsighted approach to reform.

This bill's supporters will dispute this. They will say things like this bill ''modernizes'' the system. They will say, ''it's their money, we should let them invest it.'' They will say, ''we only want to let the railroads do what everyone else does.'' Don't believe it for a minute.

First, this bill does not modernize the railroad retirement system. There's nothing ''modern'' about increasing benefits today while putting off tax increases until tomorrow. That's the oldest trick in the book.

Second, despite what we will hear from the other side, it's not their money. The railroad retirement program has paid out more in benefits than it has collected in payroll taxes every single year since 1957. The surplus that exists today in the railroad retirement trust fund is made up entirely of taxpayer subsidies enacted by Congress over the years.

Third, even if the railroads were responsible for all of the money in the trust fund, that does not mean they can afford to increase benefits and reduce payroll taxes at the same time. According the actuaries at the Railroad Retirement Board, the higher returns earned from investing in the stock market won't pay for the tax cuts and benefit increases they have proposed. As a result, this bill will reduce the trust fund by nearly 65% and trigger an automatic payroll tax increase of nearly 70% on employers.

The supporters will insist the bill places the responsibility to pay future benefits on the railroads if their investments don't work out. But, let me read to you what the railroad industry thinks of its responsibility. Here is a quote from the United Transportation Union Newsletter dated May of 2000:

> The legislation also requires that the railroads would be responsible if the trust fund falls below a certain level. If this happens, a tax would automatically be placed solely on the carriers in order to replenish the fund. In order to add a final assurance to the integrity of the fund, it is still bound by the full faith and credit of the United States government. They would be required to pay the obligations of the fund if, for some reason, the other safety nets in place were insufficient.

Earlier this year, the Lincoln Journal Star [8/15/01] reported:

> Other unions and the Association of American Railroads are promoting the bill as a self-financed shoo-in. In fact, the U.S. government would still back the retirement fund, acknowledged Obie O'Bannon, vice president of legislative affairs for the association. But, he pointed out, the ''automatic tax ratchet'' would require the railroads to kick in more money any time the fund's balance falls below four times annual benefits, so that's protection that would mean all U.S. railroads would face insolvency before the federal liability applies.

Let me repeat the last sentence because some of my colleagues might have missed its implication. The article says, ''all railroads would face insolvency before the federal liability applies.''

That statement might seem overly dramatic until you take a look at the estimates prepared by the Railroad Retirement Board. According to the actuaries, the bill would increase the employer payroll tax by nearly 70 percent over the next twenty-five years. That's an increase the railroads readily admit they cannot afford to pay.

Finally, those who support this bill will insist they only want to let the railroads invest their own funds—so-called Tier II—like everyone else. Unlike other private sector pension plans that must comply with the funding requirements of the Employee Retirement Income Security Act (ERISA), this bill would allow the railroads to reduce their payroll taxes and increase their benefits before they ever earn a single penny on Wall Street.

Moreover, it should be noted that despite claims to the contrary, the bill would not be limited to the use of Tier II funds. The National Association of Retired Veteran Railroad Employees (NARVE) continues to tell its members—

> . . . not a dime of Tier 1 money is used for railroad early retirement, either under current law or under our reform bill. The money for early retirement is paid for entirely by rail workers and employers through Tier 2 taxes. . . .

In reality, the amendment requires all of the funds remaining in the Social Security Equivalent Benefit Account (Tier I) at the end of each year be transferred to the new railroad investment account and used to pay for Tier II benefits. That means, Social Security funds will be used to pay early retirement benefits for railroad workers.

Now, don't get me wrong, I'm not opposed to railroad workers retiring at age 60, or any other age they can afford. But, I am opposed to using social security funds to pay for non-social security benefits. That is exactly what this bill does. I understand the frustration railroad workers must feel having to come to Congress to ask for legislation to improve their retirement benefits. However, the railroad retirement program is not just an industry pension fund. It is also a federal entitlement program that is ultimately backed up by the U.S. taxpayer.

Congress has a duty and a responsibility not only to consider what is best for the railroads, but also what is fair to the taxpayers. As currently written, this bill would essentially allow the railroads to borrow $15 billion—interest free—from their own pension fund to pay for lower taxes and higher benefits and then try to make them pay it back at a rate they cannot afford. Fixing this bill would require a number of changes. Foremost among these changes would be the requirement that the railroads actually earn a higher rate of return on their investments before they reduce their taxes and increases their benefits.

I believe railroad workers deserve the opportunity to invest in the stock market and earn a higher rate of return. I would like to help develop a plan to accomplish this goal. Unfortunately, the bill before us today is fundamentally flawed. I would urge my colleagues who care about the future of Railroad Retirement to vote against this bill. Railroad workers deserve better and we can do better.

□ 1845

Mr. CLEMENT. Mr. Speaker, I yield myself such time as I may consume.

We have fully debated this. I hear the gentleman from Michigan's (Mr. SMITH) point of view. I do not agree with it.

Mr. OBERSTAR. Mr. Speaker, our long struggle to improve the lot of the Nation's 250,000 railroad workers and 700,000 retirees and to provide relief for our Nation's financially ailing railroad industry is finally coming to an end. The Senate is to be congratulated for expeditiously considering the railroad retirement reform legislation and for passing it overwhelmingly, 90–9. The Senate-passed bill, H.R. 10, is identical to H.R. 1140, enacted by the House on July 31, 2001, by an equally strong vote of 384–33.

This bill is the product of an historic agreement reached by railroad labor and management following two years of often-difficult negotiations. The benefit improvements and tax cuts are made possible by changing the current law that limits the investment of Railroad Retirement Trust Fund assets to government securities.

The proposed changes in the law governing how Railroad Retirement Trust Fund assets can be invested will not affect the solvency of the Railroad Retirement system. The Tier I portion of the program, which provides Social Security level benefits, will continue to be invested only in government securities. Only Tier II funds, the part of the system that provides pension plan type benefits above Social Security benefit levels, will be eligible for investment in assets other than government securities. The projected increases in trust fund income from these changes are based on fairly conservative forecasts of the rates of return that could be earned from such a diversified portfolio—about two percentage points above the return on government securities. Most importantly, if the investments fail to perform as well as expected, workers' pensions are further protected as this legislation requires that the railroads absorb any future tax increases that might be necessary to keep the system solvent. Ultimately, the Federal government continues to be responsible for the security of the Railroad Retirement System.

The proposed legislation provides the first major benefit improvements in railroad retirement in more than 25 years. The primary benefit improvement are:

(1) The age at which employees can retire with full benefits is reduced from 62 years to 60 years with 30 years of service as it was before changes made in 1983.

(2) The number of years required for vesting in the Railroad Retirement System is reduced from ten years to five years similar to most other pension plans.

(3) The benefits of widows and widowers are improved so that a surviving spouse's annuity would be guaranteed to be no less than the amount the retiree was receiving in the month before his or her death, and

(4) If the retirement plan becomes overfunded, benefits are automatically improved.

H.R. 4844 also reduces significantly the payroll taxes paid by the railroads. By the third year following passage of this bill, the railroads stand to gain nearly $400 million annually for lower payroll taxes. All of these savings go directly to the railroads' bottom lines and can be used to make investments needed in the railroad infrastructure and to improve the wages and working conditions of railway workers.

It is important to note that nothing in this legislation alters the fundamental nature of the program. Railroad retirement benefits will continue to be guaranteed, in the final analysis, by the United States Government.

Last year, the House passed this bill overwhelmingly, but the Senate failed to act before the 106th Congress ended. This year the House, once again passed this important measure by an overwhelming margin—and this time the Senate has acted. Only the bill number is different from what the House has already passed.

This is a good bill. It is good for workers, it is good for retirees and their survivors, it is good for the railroads, and it is good for the country. I urge all Members to support it today so we can get it to the President before the holiday seasons.

Mr. RAHALL. Mr. Speaker, I am pleased that the House will finally have the opportunity to send the ''Railroad Retirement and Survivors' Improvement Act of 2001'' to the White House to be enacted into law. We will send this bill to President Bush for his signature shortly.

In the Third District of West Virginia, I represent 8,300 citizens who will benefit from this bill. This ranks southern West Virginia seventh in the nation. The bill will double benefits for widows of railroad retirees, reduce the retirement age from 62 to 60 years of age with 30 years of service, and allow a person to be vested in the system after five years of service, rather than 10 years, as currently required.

I constantly hear from anxious constituents asking when the bill will be enacted. Projections suggest benefits, which are modest to begin with, will nearly double after this bill passes. This bill means a lot to railroad retirees. It is an example of the type of legislation in which people can see direct benefits to improve their daily lives and quality of life.

We have endured a long, rough road getting to this day. This bill includes the exact provisions of H.R. 4844, which I helped to write in the 106th Congress, and which passed the House by an overwhelming bi-partisan vote of 391–25 on September 7, 2000.

My constituents were disappointed and frustrated last year when the bill was not enacted into law, especially since it is a product of two years of negotiation between railroad workers and management of the railroad industry.

Now, in the 107th Congress, we have done our job in the House. We passed the House version of Railroad Retirement bill H.R. 1140, on July 31st by another overwhelming bi-partisan vote of 384–33.

Finally, the Senate passed the bill last week, on December 5, 2001, by a vote of 90–9.

When this bill becomes law, it will enable railroad retirees and widows to enjoy a better quality of life, by receiving the increased benefits they greatly deserve, and which they have worked so long to earn. They spent their working lives paying into their retirement, and they deserve decent, adequate benefits to live comfortably in their retirement years.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. COOKSEY). The question is on the motion offered by the gentleman from New York (Mr. QUINN) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 10.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SMITH of Michigan. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair will now put the question on each motion to suspend the rules on which further proceedings were postponed earlier today.

Votes will be taken in the following order:

H. Con. Res. 281, by the yeas and nays;

H.R. 3282, by the yeas and nays; and

H.R. 10, concur in Senate amendments, by the yeas and nays.

The Chair will reduce to 5 minutes the time for any electronic vote after the first such vote in this series.

HONORING JOHNNY MICHEAL SPANN, FIRST AMERICAN KILLED IN COMBAT IN WAR AGAINST TERRORISM IN AFGHANISTAN, AND PLEDGING CONTINUED SUPPORT FOR MEMBERS OF ARMED FORCES

The SPEAKER pro tempore. The pending business is the question of suspending the rules and agreeing to the concurrent resolution, H. Con. Res. 281.

The Clerk read the title of the concurrent resolution.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. GOSS) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 281, on which the yeas and nays are ordered.

The vote was taken by electronic device, and there were—yeas 401, nays 0, not voting 32, as follows:

[Roll No. 483]

YEAS—401

Abercrombie
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barrett
Bartlett
Bass
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Horn
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff

Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (FL)

NOT VOTING—32

Ackerman
Barr
Barton
Berman
Blagojevich
Capuano
Crowley
Cubin
Culberson
Deal
Delahunt
Dooley
Ehrlich
English
Fossella
Gephardt
Gonzalez
Granger
Hooley
Hostettler
Jefferson
Luther
Maloney (CT)
Matsui
Radanovich
Riley
Sessions
Souder
Tiahrt
Tiberi
Wamp
Young (AK)

□ 1913

Mr. EHLERS changed his vote from ''nay'' to ''yea.''

So (two-thirds having voted in favor thereof) the rules were suspended and the concurrent resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. COOKSEY). Pursuant to clause 8 of rule XX, the Chair announces that he will reduce to 5 minutes the minimum time for electronic voting on each additional motion to suspend the rules on which the Chair has postponed further proceedings.

MIKE MANSFIELD FEDERAL BUILDING AND UNITED STATES COURTHOUSE

The SPEAKER pro tempore. The pending business is the question of suspending the rules and passing the bill, H.R. 3282.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and pass the bill, H.R. 3282, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 401, nays 0, not voting 32, as follows:

[Roll No. 484]

YEAS—401

Abercrombie
Aderholt
Akin
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Ballenger
Barcia
Barrett
Bartlett
Bass
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chabot
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Cox
Coyne
Cramer
Crane
Crenshaw
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
DeLauro
DeLay
DeMint
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Flake
Fletcher
Foley
Forbes
Ford
Frank
Frelinghuysen
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hefley
Herger
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Hoekstra
Holden
Holt
Honda
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Johnson, Sam
Jones (NC)
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kolbe
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Largent
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Dan
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moran (KS)
Moran (VA)
Morella
Murtha
Myrick
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Paul
Payne
Pelosi
Pence
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Pitts
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Rohrabacher
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Royce
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schaffer
Schakowsky
Schiff
Schrock
Scott
Sensenbrenner
Serrano
Shadegg
Shaw
Shays
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (MI)
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spratt
Stark
Stearns
Stenholm
Strickland
Stump
Stupak
Sununu
Sweeney
Tancredo
Tanner
Tauscher
Tauzin
Taylor (MS)
Taylor (NC)
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Walsh
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (FL)
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (FL)

NOT VOTING—32

Ackerman
Barr
Barton
Berman
Blagojevich
Capuano
Crowley
Cubin
Culberson
Deal
Delahunt
Dooley
Ehrlich
Fossella
Gephardt
Gonzalez
Granger
Gutknecht
Hostettler
Jefferson
Luther
Maloney (CT)
Matsui
Moore
Radanovich
Riley
Sessions
Souder
Tiahrt
Tiberi
Wamp
Young (AK)

□ 1922

So (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

RAILROAD RETIREMENT AND SURVIVORS' IMPROVEMENT ACT OF 2001

The SPEAKER pro tempore (Mr. COOKSEY). The pending business is the question of suspending the rules and concurring in the Senate amendments to the bill, H.R. 10.

The Clerk read the title of the bill.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. QUINN) that the House suspend the rules and concur in the Senate amendments to the bill, H.R. 10, on which the yeas and nays are ordered.

This will be a 5-minute vote.

The vote was taken by electronic device, and there were—yeas 369, nays 33, not voting 31, as follows:

[Roll No. 485]

YEAS—369

Abercrombie
Aderholt
Allen
Andrews
Armey
Baca
Bachus
Baird
Baker
Baldacci
Baldwin
Barcia
Barrett
Bartlett
Bass
Becerra
Bentsen
Bereuter
Berkley
Berry
Biggert
Bilirakis
Bishop
Blumenauer
Blunt
Boehlert
Boehner
Bonilla
Bonior
Bono
Boozman
Borski
Boswell
Boucher
Boyd
Brady (PA)
Brady (TX)
Brown (FL)
Brown (OH)
Brown (SC)
Bryant
Burr
Burton
Buyer
Callahan
Calvert
Camp
Cannon
Cantor
Capito
Capps
Cardin
Carson (IN)
Carson (OK)
Castle
Chambliss
Clay
Clayton
Clement
Clyburn
Coble
Collins
Combest
Condit
Conyers
Cooksey
Costello
Coyne
Cramer
Crane
Crenshaw
Cummings
Cunningham
Davis (CA)
Davis (FL)
Davis (IL)
Davis, Jo Ann
Davis, Tom
DeFazio
DeGette
DeLauro
Deutsch
Diaz-Balart
Dicks
Dingell
Doggett
Doolittle
Doyle
Dreier
Duncan
Dunn
Edwards
Ehlers
Emerson
Engel
English
Eshoo
Etheridge
Evans
Everett
Farr
Fattah
Ferguson
Filner
Fletcher
Foley
Forbes
Ford
Frank
Frost
Gallegly
Ganske
Gekas
Gibbons
Gilchrest
Gillmor
Gilman
Goode
Goodlatte
Gordon
Goss
Graham
Graves
Green (TX)
Green (WI)
Greenwood
Grucci
Gutierrez
Gutknecht
Hall (OH)
Hall (TX)
Hansen
Harman
Hart
Hastings (FL)
Hastings (WA)
Hayes
Hayworth
Hill
Hilleary
Hilliard
Hinchey
Hinojosa
Hobson
Hoeffel
Holden
Holt
Honda
Hooley
Horn
Houghton
Hoyer
Hulshof
Hunter
Hyde
Inslee
Isakson
Israel
Issa
Istook
Jackson (IL)
Jackson-Lee (TX)
Jenkins
John
Johnson (CT)
Johnson (IL)
Johnson, E. B.
Jones (OH)
Kanjorski
Kaptur
Keller
Kelly
Kennedy (MN)
Kennedy (RI)
Kerns
Kildee
Kilpatrick
Kind (WI)
King (NY)
Kingston
Kirk
Kleczka
Knollenberg
Kucinich
LaFalce
LaHood
Lampson
Langevin
Lantos
Larsen (WA)
Larson (CT)
Latham
LaTourette
Leach
Lee
Levin
Lewis (CA)
Lewis (GA)
Lewis (KY)
Linder
Lipinski
LoBiondo
Lofgren
Lowey
Lucas (KY)
Lucas (OK)
Lynch
Maloney (NY)
Manzullo
Markey
Mascara
Matheson
McCarthy (MO)
McCarthy (NY)
McCollum
McCrery
McDermott
McGovern
McHugh
McInnis
McIntyre
McKeon
McKinney
McNulty
Meehan
Meek (FL)
Meeks (NY)
Menendez
Mica
Millender-McDonald
Miller, Gary
Miller, George
Miller, Jeff
Mink
Mollohan
Moore
Moran (KS)
Moran (VA)
Morella
Murtha
Nadler
Napolitano
Neal
Nethercutt
Ney
Northup
Norwood
Nussle
Oberstar
Obey
Olver
Ortiz
Osborne
Ose
Otter
Owens
Oxley
Pallone
Pascrell
Pastor
Payne
Pelosi
Peterson (MN)
Peterson (PA)
Petri
Phelps
Pickering
Platts
Pombo
Pomeroy
Portman
Price (NC)
Pryce (OH)
Putnam
Quinn
Rahall
Ramstad
Rangel
Regula
Rehberg
Reyes
Reynolds
Rivers
Rodriguez
Roemer
Rogers (KY)
Rogers (MI)
Ros-Lehtinen
Ross
Rothman
Roukema
Roybal-Allard
Rush
Ryan (WI)
Ryun (KS)
Sabo
Sanchez
Sanders
Sandlin
Sawyer
Saxton
Schakowsky
Schiff
Schrock
Scott
Serrano
Shaw
Sherman
Sherwood
Shimkus
Shows
Shuster
Simmons
Simpson
Skeen
Skelton
Slaughter
Smith (NJ)
Smith (TX)
Smith (WA)
Snyder
Solis
Spratt
Stark
Stearns
Strickland
Stump
Stupak
Sweeney
Tanner
Tauscher
Tauzin
Terry
Thomas
Thompson (CA)
Thompson (MS)
Thornberry
Thune
Thurman
Tierney
Toomey
Towns
Traficant
Turner
Udall (CO)
Udall (NM)
Upton
Velazquez
Visclosky
Vitter
Walden
Waters
Watkins (OK)
Watson (CA)
Watt (NC)
Watts (OK)
Waxman
Weiner
Weldon (PA)
Weller
Wexler
Whitfield
Wicker
Wilson
Wolf
Woolsey
Wu
Wynn
Young (FL)

NAYS—33

Akin
Ballenger
Chabot
Cox
DeLay
DeMint
Flake
Frelinghuysen
Hefley
Herger
Hoekstra
Johnson, Sam
Jones (NC)
Kolbe
Largent
Miller, Dan
Myrick
Paul
Pence
Pitts
Rohrabacher
Royce
Schaffer
Sensenbrenner
Shadegg
Shays
Smith (MI)
Stenholm
Sununu
Tancredo
Taylor (MS)
Taylor (NC)
Weldon (FL)

NOT VOTING—31

Ackerman
Barr
Barton
Berman
Blagojevich
Capuano
Crowley
Cubin
Culberson
Deal
Delahunt
Dooley
Ehrlich
Fossella
Gephardt
Gonzalez
Granger
Hostettler
Jefferson
Luther
Maloney (CT)
Matsui
Radanovich
Riley
Sessions
Souder
Tiahrt
Tiberi
Walsh
Wamp
Young (AK)

□ 1932

Mr. DELAY changed his vote from ''yea'' to ''nay.''

So (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendments were concurred in.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H. CON. RES. 253

Mr. PALLONE. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H. Con. Res. 253.

The SPEAKER pro tempore (Mr. COOKSEY). Is there objection to the request of the gentleman from New Jersey?

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2107

Mr. BECERRA. Mr. Speaker, I ask unanimous consent to have my name removed as a cosponsor of H.R. 2107.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX, the Chair announces that he will postpone further proceedings today on the remaining motions to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 6 of rule XX.

Any record votes on postponed questions will be taken tomorrow.

DEPARTMENT OF TRANSPORTATION POLICY RESPONSIBILITY REALIGNMENT ACT

Mr. LATOURETTE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3441) to amend title 49, United States Code, to realign the policy responsibility in the Department of Transportation, and for other purposes.

The Clerk read as follows:

H.R. 3441

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. REALIGNMENT OF POLICY RESPONSIBILITY IN THE DEPARTMENT OF TRANSPORTATION.

(a) Section 102 of title 49, United States Code, is amended—

(1) by redesignating subsection (d) as subsection (g);

(2) by inserting a new subsection (d) as follows:

''(d) The Department has an Under Secretary of Transportation for Policy appointed by the President, by and with the advice and consent of the Senate. The Under Secretary shall provide leadership in the development of policy for the Department, supervise the policy activities of Assistant Secretaries with primary responsibility for aviation, international, and other transportation policy development and carry out other powers and duties prescribed by the Secretary. The Under Secretary acts for the Secretary when the Secretary and the Deputy Secretary are absent or unable to serve, or when the offices of Secretary and Deputy Secretary are vacant.''; and

(3) in subsection (e) by striking ''Secretary and the Deputy Secretary'' each place it appears in the last sentence and inserting ''Secretary, Deputy Secretary, and Under Secretary of Transportation for Policy''.

(b) Section 102 of title 49, United States Code, is further amended by striking subsection (g), as redesignated by subsection (a)(1), on the date that an individual is appointed to the position of Under Secretary of Transportation for Policy under section 102(d), as added by subsection (a)(2).

SEC. 2. ASSISTANT SECRETARY FOR PUBLIC AFFAIRS.

Section 102(e) of title 49, United States Code, is amended by striking ''4 Assistant

Secretaries'' and inserting ''5 Assistant Secretaries''.

SEC. 3. POSITIONS IN EXECUTIVE SERVICE.

(a) Section 5314 of title 5, United States Code, is amended by inserting before

''Administrator of the National Highway Traffic Safety Administration.''

the following:

''Under Secretary of Transportation for Policy.''.

(b) Section 5315 of title 5, United States Code, is amended by striking

''Assistant Secretaries of Transportation (4).''

and inserting the following:

''Assistant Secretaries of Transportation (5).''.

(c) Effective on the date that an individual is appointed to the position of Under Secretary of Transportation for Policy under section 102(d) of title 49, United States Code, as added by section 1(a)(2) of this Act, section 5316 of title 5, United States Code, is amended by striking ''Associate Deputy Secretary, Department of Transportation.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. LATOURETTE) and the gentleman from Tennessee (Mr. CLEMENT) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3441 realigns transportation policy responsibility within the Department of Transportation and was requested by the Department. As the Department of Transportation reorganizes and refocuses its efforts to ensure America's transportation security, it is important that it is able to develop policy across transportation modes.

Under the current organization of the Department, policy development is spread over three offices within the Department of Transportation. This results in a fragmented approach to policy development. The purpose of this bill is to provide a seamless, long-range and strategic approach to development of policy in DOT by establishing a new Under Secretary for Transportation Policy, who will be appointed by the President and confirmed by the Senate.

In order to ensure better communication with the public and the press, the bill will also create an Assistant Secretary for Public Affairs. This will round out the management team for the Secretary to allow for better management of the Department.

This bipartisan bill, Mr. Speaker, is also strongly supported by the Department of Transportation. Transportation policy is too important to be undertaken in a haphazard manner in this day when transportation has become so essential to our economic well-being. Proper lines of authority and communication are vital to the continued operation of the Department.

For that reason, I strongly support this bill. I urge my colleagues to do the same.

Mr. Speaker, I reserve the balance of my time.

Mr. CLEMENT. Mr. Speaker, I yield myself such time as I may consume.

I rise in strong support of H.R. 3441, the Department of Transportation Policy Responsibility Realignment Act.

The most important provision in this bill creates a new position in DOT of Under Secretary of Transportation for Policy. The person selected for this important position will be the third-ranking executive in the Department and will be responsible for coordinating the Department's domestic and international policies for all modes of transportation. This type of coordination is the very reason the Department was formed. We certainly should have an official responsible for integrating and coordinating all transportation policy, and developing intermodal transportation.

I am pleased that the administration has announced that if this legislation is passed its nominee will be Jeffrey Shane. Mr. Shane has a long and distinguished career in transportation and was the Department's Assistant Secretary for Policy and International Affairs in the George H. Bush administration. He is superbly qualified for this position, and we are extremely fortunate that he has been willing to give up a successful law practice to return to the government.

I am also pleased that Secretary Mineta has asked Mr. Shane to rebuild the Department's policy staff, especially the aviation policy staff, which has been drastically reduced in recent years. Secretary Mineta has directed Mr. Shane to develop ''a world class think tank'' at DOT. I enthusiastically support this objective and look forward to working with Mr. Shane on all issues of transportation policy.

I urge my colleagues to support the bill.

Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. OBERSTAR), the ranking Democrat on the Committee on Transportation and Infrastructure, who has distinguished himself in so many ways in keeping the committee moving forward in the 21st century.

Mr. OBERSTAR. I thank the gentleman for those kind words and for yielding me the time.

Mr. Speaker, I am delighted the leadership of the committee has moved quickly to bring this bill to the House floor. I strongly support the initiative to create a new position of Under Secretary for Transportation Policy. It will help this Department to carry out its very significant and far-reaching responsibilities to develop integrated domestic and international transportation policies.

I have had the good fortune of being present at the creation of the Department of Transportation in 1966 when I was administrative assistant to my predecessor in Congress, John Blatnik, who then was chairman of the Executive and Legislative Reorganization Subcommittee of the House Committee on Government Operations. He was asked by then President Lyndon Johnson to manage and bring to the House floor legislation to create a Department of Transportation, out of recognition that what we had was a fragmentation, a great diversity of modes of transportation, each with their own stovepipe means of operation but without a single overarching transportation policy.

It was President Johnson's objective to bring all these entities together in one new department that would be able to deal with transportation as an entity. We did that. It took quite some effort to bring together modal administrations that for years had operated on auto pilot, without any coordination, without interaction among them. The first Secretary of Transportation, Alan Boyd, took to the task with great vigor and enthusiasm and his successors have done the same. It has taken well over 30 years to craft a spirit of transportation within the Department.

In the passage of ISTEA, we brought this concept of a Department of Transportation with a culture of transportation to its, I think, logical conclusion. The Intermodal Surface Transportation Efficiency Act really culminated years of effort of creating a transportation spirit and policy and need for intermodal communication within the Department, culminated all in one piece of legislation. It was an extraordinary step forward in the history of transportation in America.

The new Under Secretary will be the third-ranking official in the Department. He will manage all Department-wide offices dealing with policy and with intermodal transportation to develop comprehensive, sound and interrelated transportation policies. I might say that 16 years ago I introduced the first legislation to create a position of under secretary for intermodalism in the Department of Transportation, and it is now coming to be.

Both because the position has been created and because of the person who has been nominated to fill that position, Jeffrey N. Shane, I would say that never in the 35-year history of the Department has a person been named for a position at DOT with better or more appropriate credentials than Jeff Shane, with the sole exception of the current Secretary of Transportation, Norm Mineta.

Jeff comes to this position with the sweep of intellect, with the personal and professional integrity, and with more than 3 decades of professional experience in the Department of State and the Department of Transportation on international aviation trade and policy matters, qualities that will enable him to take command of the duties of the office on which he is about to enter with clarity of purpose, with alacrity and, best of all, without a learning curve.

□ 1945

My experience with Jeff Shane dates back to well over a decade and a half, to his service at State and DOT in both the Ronald Reagan and George H. Bush

administrations. I worked with him extensively on international aviation passenger and cargo trade matters, as well as domestic aviation matters, in my capacity then as chairman of the Subcommittee on Investigations and Oversight and Aviation authorizing subcommittee.

I found Jeff Shane always to be the very model of intellectual integrity; thoroughly knowledgeable on a wide range of issues on which he was called to testify before our committee, well-informed, and, very importantly, a consistently vigilant, vigorous advocate for U.S. aviation interests and a skillful negotiator.

Jeff was the architect of our government's original Open Skies policy to promote competition in our bilateral aviation trade agreements. Under this policy, a great many competitive agreements were negotiated during the first Bush administration, and the Clinton administration continued the policy with great success. The result has been that aviation trade markets in passenger and cargo, in which we once had 30 percent of market share, we now have 60 to 70 percent of market share and are the dominant aviation trade partner.

Jeff Shane's experience extends well beyond aviation to other modes of transportation, as exemplified by a discussion he and I had shortly after the enactment of ISTEA in 1991. Jeff said, ''This is one of the most extraordinary, innovative transportation measures ever enacted. It has had the exceptionally beneficial effect of causing all of us at the Assistant Secretary-Policy level to come together, share our thoughts, understand each other's mode of transportation better and to begin thinking, as well as acting, intermodally, something we have long needed to do in this department.''

That is an extraordinary observation and admission to make on the part of a policy person in any department, and that reflects the candor with which Jeff approaches his service in the public sector.

Secretary Mineta has said to me several times that he would like Jeff Shane to work to upgrade the department's policy office, and, as he put it, make it a ''world-class think tank.'' We need that. We need that kind of support at the policy level of the Department of Transportation.

Two years ago, I met with Jeff Shane and Charlie Hunnicutt, who had held the Assistant Secretary position during the Clinton Administration, to explore means of upgrading the Department's aviation policy staff, a staff that deals with the most important issues in the department in negotiating international aviation rights for our airlines, providing expert advice to the Department of Justice when the department is considering airline mergers, and carrying out the department's regulatory responsibilities, including predatory practices, computer reservation systems and adequate competition in Internet ticket sales.

It is deplorable that over the past 15 years, the DOT aviation staff has been eroded by budget cutting decisions. The staff has decreased from 166 at the time of the Civil Aeronautics Board sunset in 1985, to fewer than 100 today. Furthermore, as many as half of the staff could well retire in the next few years.

It was a great tribute to Jeff Shane that in his career outside of government, he was concerned about the quality of government service among those who continued in the department. He and I took many opportunities over the past few years to raise awareness on the Hill and within the aviation community of the critical importance of this unique staff, and it is so encouraging to me that Secretary Mineta has recognized the problem and is giving Jeff Shane a mandate to correct it. I can think of no one better to do this, no one better qualified to attract the staff, to inspire that staff and to keep them interested and motivated, than Jeff Shane.

In these perilous post-September 11 times and in the aftermath of enactment of our most recent aviation and transportation security law, DOT needs at the policy level a person with Jeff Shane's experience, intellectual capacity, honesty and openness to new ideas, as well as energy to pursue and implement innovation. Jeff Shane's reentry into public service will produce better transportation policy decisions, to the great benefit of the Nation's economy and to all who use our transportation systems, as well as to the benefit of the Department of Transportation.

This new position is long overdue, much needed, and will serve our country and our transportation policy well. After all, transportation does represent 11 percent of our Nation's gross domestic product. That is $1.1 trillion, an impact that we must nurture and strengthen, and this legislation will help do that.

Mr. CLEMENT. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. LaTOURETTE. Mr. Speaker, I yield myself the balance of my time just to say that one of the treasures and great assets of not only the Committee on Transportation and Infrastructure, but the Congress is the gentleman from Minnesota (Mr. OBERSTAR). The remarks that the gentleman just made, going through the entire history of the Department of Transportation, indicate why we rely on him so heavily, and why our committee continues to prosper in a very bipartisan way.

It is thanks to his efforts that I continue to learn from him.

I urge passage of the bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. OSE). The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and pass the bill, H.R. 3441.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

NAMING MEMBER AS MAJORITY MANAGER OF TIME ON H.R. 3442, NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE PLAN FOR ACTION PRESIDENTIAL COMMISSION ACT OF 2001

Mr. MCINNIS. Mr. Speaker, I ask unanimous consent that the gentleman from Ohio (Mr. LATOURETTE) be allowed to manage the floor time on H.R. 3442.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

NATIONAL MUSEUM OF AFRICAN AMERICAN HISTORY AND CULTURE PLAN FOR ACTION PRESIDENTIAL COMMISSION ACT OF 2001

Mr. LATOURETTE. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3442) to establish the National Museum of African American History and Culture Plan for Action Presidential Commission to develop a plan of action for the establishment and maintenance of the National Museum of African American History and Culture in Washington, D.C., and for other purposes.

The Clerk read as follows:

H.R. 3442

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 ''National Museum of African American History and Culture Plan for Action Presidential Commission Act of 2001''.

SEC. 2. ESTABLISHMENT OF COMMISSION.

(a) IN GENERAL.—There is established the National Museum of African American History and Culture Plan for Action Presidential Commission (hereafter in this Act referred to as the ''Commission'').

(b) MEMBERSHIP.—The Commission shall consist of not more than 23 members appointed as follows:

(1) The President shall appoint 7 voting members.

(2) The Speaker of the House of Representatives and the Senate Majority Leader shall each appoint 6 voting members.

(3) In addition to the members appointed under paragraph (2), the Speaker of the House of Representatives and the Senate Majority Leader shall each appoint 2 additional nonvoting members.

(c) QUALIFICATIONS.—Members of the Commission shall be chosen from the following professional groups:

(1) Professional museum associations, including the Association of African American Museums and African American Museum Cultural Complex. Inc.

(2) Academic institutions and groups committed to the research and study of African

American life, art, history, and culture, including Historically Black Colleges and Universities and the Joint Center for Political and Economic Studies.

SEC. 3. FUNCTIONS OF THE COMMISSION.

(a) PLAN OF ACTION FOR ESTABLISHMENT AND MAINTENANCE OF MUSEUM.—

(1) IN GENERAL.—The Commission shall submit a report to the President and the Congress containing its recommendations with respect to a plan of action for the establishment and maintenance of the National Museum of African American History and Culture in Washington, D.C. (hereafter in this Act referred to as the ''Museum'').

(2) NATIONAL CONFERENCE.—In developing the recommendations, the commission shall convene a national conference on the Museum, comprised of individuals committed to the advancement of African American life, art, history, and culture, not later than 3 months after the date of the enactment of this Act.

(b) FUNDRAISING PLAN.—The Commission shall develop a fundraising plan for supporting the creation and maintenance of the Museum through contributions by the American people, and a separate plan on fundraising by the African American community.

(c) REPORT ON ISSUES.—The Commission shall examine and submit a report to the President and the Congress on the following issues:

(1) The availability and cost of collections to be acquired and housed in the Museum.

(2) The impact of the Museum on regional African American museums.

(3) Possible locations for the Museum on or adjacent to the National Mall in Washington, D.C.

(4) The cost of converting the Smithsonian Institution's Arts and Industries Building into a modern museum with requisite temperature and humidity controls.

(5) Whether the Museum should be located within the Smithsonian Institution.

(6) The governance and organizational structure from which the museum should operate.

(d) LEGISLATION TO CARRY OUT PLAN OF ACTION.—Based on the recommendations contained in the report submitted under subsection (a) and the report submitted under subsection (c), the Commission shall submit for consideration to the Committee on Transportation and Infrastructure of the House of Representatives, the Committee on House Administration of the House of Representatives, the Committee on Rules and Administration of the Senate, and the Committees on Appropriations of the House of Representatives and Senate a legislative plan of action to create and construct the Museum.

SEC. 4. ADMINISTRATIVE PROVISIONS.

(a) FACILITIES AND SUPPORT OF SECRETARY OF INTERIOR.—The Secretary of the Interior shall provide the administrative services, facilities, and funds necessary for the performance of the Commission's functions.

(b) COMPENSATION.—Each member of the Commission who is not an officer or employee of the Federal government may receive compensation for each day on which the member is engaged in the work of the Commission, at a daily rate to be determined by the Secretary of the Interior.

(c) TRAVEL EXPENSES.—Each member shall receive travel expenses, including per diem in lieu of subsistence, in accordance with applicable provisions under subchapter I of chapter 57 of title 5, United States Code.

SEC. 5. DEADLINE FOR SUBMISSION OF REPORTS; TERMINATION.

(a) DEADLINE.—The Commission shall submit final versions of the reports and plans required under section 3 not later than 9 months after the date of the enactment of this Act.

(b) TERMINATION.—The Commission shall terminate not later than 30 days after submitting the final versions of reports and plans pursuant to subsection (a).

SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated $3,000,000 for activities of the Commission during fiscal year 2002.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Ohio (Mr. LATOURETTE) and the gentleman from Tennessee (Mr. CLEMENT) each will control 20 minutes.

The Chair recognizes the gentleman from Ohio (Mr. LATOURETTE).

Mr. LATOURETTE. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3442 establishes the National Museum of African American History and Culture Plan for Action Presidential Commission, which will develop a plan to establish and maintain the National Museum of African American History and Culture in Washington, D.C. I want to commend the gentleman from Oklahoma (Mr. WATTS) and the gentleman from Georgia (Mr. LEWIS) for bringing this legislation to our attention.

Mr. Speaker, I yield such time as he may consume to the distinguished gentleman from Oklahoma (Mr. WATTS) to further amplify and to explain the purpose of the commission and the ultimate goal of the legislation.

Mr. WATTS of Oklahoma. Mr. Speaker, I thank my friend, the gentleman from Ohio, for yielding me time.

Mr. Speaker, the contributions made by African Americans to our Nation and to our communities need to be not only celebrated, but demonstrated. The legislation we are considering today establishes a Presidential Commission to create a blueprint on how to move forward on a National Museum of African American History and Culture.

African Americans have made countless contributions throughout the history of our country. From the founding of this great Nation, African Americans fought for independence from Great Britain, liberty in the Civil War and equal rights in the peaceful marches of the civil rights movement. As my colleagues are aware, African Americans played a key role in the actual construction of prominent landmarks, such as the White House and the building where we stand today, the United States Capitol.

From language, to art, to science, to technology, to food and music and total spiritual heritage, African Americans have made an extraordinary, indelible mark on American culture and American history.

An African American Museum on the National Mall would be a valuable resource for all Americans, including visitors to our Nation's Capital. From scholarly research, to school field trips, to lunch hour leisure, its existence would serve a needed purpose by demonstrating the significance of African American history to American history.

I want to thank the gentleman from Alaska (Mr. YOUNG) with the Committee on Transportation and Infrastructure, the gentleman from Minnesota (Mr. OBERSTAR), the gentleman from Ohio (Mr. LATOURETTE), the gentleman from Ohio (Mr. NEY), the gentleman from Maryland (Mr. HOYER) and the gentleman from Illinois (Mr. COSTELLO), and I want to thank the gentleman from Georgia (Mr. LEWIS), who has worked tirelessly over the last 12 years to get us to this point on this issue.

This has been a bipartisan effort. It is my hope the importance of this initiative becomes a bicameral focus so we may put this legislation on the President's desk for his signature.

Mr. Speaker, this is an excellent blueprint for a permanent public exhibition of the history and culture of African Americans. It puts us one step closer toward the reality of a museum that celebrates and demonstrates the achievements, contributions and the lives of Americans of African descent.

I urge my colleagues to support this legislation and the effort to construct a National Museum as soon as possible.

Mr. CLEMENT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this legislation that will establish a Presidential Commission to develop a report for the President and the Congress regarding the establishment of a National Museum of African American History and Culture in Washington, D.C.

Among other issues, the report will address fund-raising, the availability and cost of these collections to be acquired and housed in the museum, possible locations here in the District of Columbia, the cost of converting the Arts and Industries Building owned by the Smithsonian Institute, and the governance and organizational structure of the new museum.

The report will include recommendations on a legislative plan of action, and will be submitted to the Committee on Transportation and Infrastructure, the Committee on House Administration, the Committee on Rules and the Senate. The Committee on Appropriations will also be involved.

Congress can expect to receive the report 9 months after enactment of this bill. Information contained in the report will provide the basis for Congress to make a prudent determination regarding the location, size, budget and construction costs for a world-class museum in our Nation's Capital.

Mr. Speaker, I wish to commend my colleagues, the gentleman from Georgia (Mr. LEWIS) and the gentleman from Oklahoma (Mr. WATTS) for their diligence and determination on this bill. The gentleman from Georgia (Mr. LEWIS) has been a steadfast champion for this innovative program more than a decade. We look forward to receiving the report from the Presidential Commission.

I urge my colleagues to support the bill.

Mr. Speaker, I yield 3 minutes to the gentleman from Georgia (Mr. LEWIS), who walked and marched with Martin Luther King, who has been a real champion in the U.S. House of Representatives, and I have read his book.

Mr. LEWIS of Georgia. Mr. Speaker, I want to thank my friend and colleague, the gentleman from Tennessee (Mr. CLEMENT), for yielding me time, from the great City of Nashville, where I had the opportunity to study and to learn much from the people of Tennessee and the people of Nashville.

Mr. Speaker, I want to thank all of my colleagues for working to bring this bill before us today. I rise today in support of H.R. 3442, the National Museum of African American History and Culture Plan for Action Presidential Commission Act of 2001.

During the past few months, Mr. Speaker, it has been my honor and pleasure to work with my friend and colleague, the gentleman from Oklahoma (Mr. WATTS), and his staff. I want to take this opportunity to thank the staff of the Subcommittee on Public Buildings and also my own staff for their good work on this bill.

Mr. Speaker, this Commission would develop and recommend a legislative plan of action for creating a national African American museum. It is my hope and prayer that this will finally bring Congress closer to achieving the goal of establishing a national African American museum in our Nation's Capital.

□ 2000

This Presidential commission is a step, a necessary step in the right direction to preserve the rich history of African Americans.

As I travel across this land, I have been to several local African American museums in such cities as Memphis, Birmingham, Philadelphia, and Detroit. So I believe the time has long passed for a national African American museum right here in our Capitol city, right here in Washington.

I have introduced legislation during every session of Congress since 1988 to authorize a national African American museum. The time has come for passage of this legislation. By establishing this museum and placing it on the national Mall, we will be able to honor the legacy of African Americans and put it in a national light where it belongs.

African American history is an important part of our country; yet the vital and important contributions of African Americans go virtually unrecognized. Until we understand the full African American story, we cannot understand ourselves as a Nation. The African American story must be told and a national African American museum in Washington, D.C. is critical to telling that story.

This Presidential commission is our chance to take an important and productive step in establishing an African American museum and healing our Nation's racial wounds. This is our chance to create an African American community of every individual, an all-inclusive community that is at peace with itself, a beloved community.

Mr. Speaker, the time is right. The time is now.

Mr. CLEMENT. Mr. Speaker, I yield 4 minutes to the gentlewoman from the District of Columbia (Ms. NORTON), a real spokesperson for all of us on various issues, including this one.

Ms. NORTON. Mr. Speaker, I appreciate the kind words of the gentleman, and I very much appreciate his yielding me this time and his work on this bill, bringing it forward. I also appreciate the diligent work of the chairman of our Subcommittee on Economic Development, Public Buildings, and Emergency Management.

I especially want to thank the sponsors of this resolution, the gentleman from Georgia (Mr. LEWIS) and the gentleman from Oklahoma (Mr. WATTS), for moving us forward for the first time with substantial action on a national museum of African American history on the Mall. This bill has been introduced for each of the 11 years I have been in Congress; and it was introduced for years before that, initially by the gentleman from Georgia (Mr. LEWIS).

If I may say a word about the persistence of the gentleman from Georgia (Mr. LEWIS) in introducing this bill. It is one thing to introduce a bill like this, a kind of showcase bill as a freshman Congressman, as he did. It is quite another thing to fight for a bill like this each and every year as he has. The gentleman moved on into the leadership of the Democrats and continued to make this bill a priority, so it is a special tribute to him to have this bill move forward; and I am very pleased that the gentleman from Oklahoma (Mr. WATTS) has joined him to make this a truly bipartisan effort.

Mr. Speaker, this bill has been regularly before the Subcommittee on Economic Development, Public Buildings and Emergency Management. I remember that almost one year I thought we were going to get there. We got a bill actually out of the House to renovate the tower at the Smithsonian to make it the African American museum on the Mall; but the Congress found out that even when we renovate it costs money, and the lack of money is what stopped this bill.

I want to report to the House that there are African Americans ready and willing to contribute funds to build this museum. I have had a very interesting conversation with one such potential contributor; and he said that unless the House took some action that showed there was some hope that this would happen, he would be reluctant to step forward. I think today's action is the kind of action that will encourage contributors to step forward, because the Presidential commission moves the idea forward in two ways. First, it is the first concrete action ever; and in this bill is all of the planning, all of the logistics. It contains all of the elements that our subcommittee, the Subcommittee on Economic Development, Public Buildings and Emergency Management, requires for monumental buildings. It is all here. All we have to do is do it once the commission finishes its work.

Second, this commission raises the importance of the idea, and I say to my colleagues, important it is. African Americans have been at the very center of the development of our country itself, let alone its history, from our music and all that is unique about American culture, all that is derivative to our most historic structures, including this Capitol building built with the labor of freed blacks and slaves.

Mr. Speaker, there are all manner of museums and monuments in this Capital, all manner of commemorations to events and to people of every kind, and to be kind, I will say many of them obscure. It is astonishing to me that we have entered the 21st century, the third century of our existence as a Nation, with precious few monuments or structures of any kind to commemorate African Americans or African American history. This bill, perhaps, assures that we will not go much longer if we value the history of our country. I thank the sponsors once again.

Mr. CLEMENT. Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE) where I used to live.

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, I thank the distinguished gentleman for his kind introduction and tell him that there is always a place for him in Texas.

Mr. Speaker, allow me again to thank the distinguished gentleman from Tennessee as well as the chairman of the subcommittee for his leadership and, collectively, the leadership of the ranking member and chairperson of the full Committee on Transportation and Infrastructure, knowing their continued concern on issues of, if you will, highlighting and honoring our history. It is important as well to thank the two authors of this legislation as it moves through the House, and that is the establishment of a Presidential commission. One step is a giant step for where we want to take these opportunities to be able to highlight and to reinforce the wonderment of this Nation, and that is that we are built on many shoulders.

The gentleman from Georgia (Mr. LEWIS) is an icon, and I thank him for his persistence and determination. Besides his own leadership in our caucus and on the Committee on Ways and Means, he has taken upon himself to frame for this Congress and this Nation the ability to honor those who have given of their lives to help this country be a better place to live. In his commitment to the Institute of Faith and

Politics, he has educated so many Members of Congress about our civil rights history.

But this particular legislative initiative takes African American history to another level. It chronicles from the very beginning the important role that African Americans have played in this Nation and in nation-building. It is not a legislative initiative that takes us backwards; it is one that moves us forward.

I am very gratified that through a detailed commission we will now have a structure to begin the architectural building, if you will, of how we would create a national museum of African American history. Who will we talk to? What will that story be like? How will it be told? Who will we include, and not to exclude anyone. Where will we reach to in order to make sure that it is an all-comprehensive story of the African American in this Nation?

These are very troubling times. September 11 drew all of us closer together. Now we approach the holiday season when families will be gathered and stories will be told. Will it not be wonderful to be able to come to the United States Capital in years to come because of the leadership of the gentleman from Georgia (Mr. LEWIS) and the gentleman from Oklahoma (Mr. WATTS), and ultimately from the work of this commission to be able to see the story of a very strong component of our history. This is not to deny the wonderment of the history of those who came across this Nation through Ellis Island or those who may have walked across the border from South America, or maybe those who came in a fishing boat. But what it says of those who came to this Nation in a slave boat have a very special history and now today that story will be told.

Mr. Speaker, I want to again thank the authors of this legislation and the committee for its wisdom in allowing us to debate this legislation, and I hope all of my colleagues will join me in enthusiastically supporting the first step of a very big step in our Nation.

Mr. CLEMENT. Mr. Speaker, I yield such time as he may consume to the gentleman from Minnesota (Mr. OBERSTAR), our ranking Democrat on the Committee on Transportation and Infrastructure.

Mr. OBERSTAR. Mr. Speaker, I rise in strong support of the legislation before us to establish a Presidential commission to develop a plan of action for the establishment and maintenance of the national museum of African American history and culture in Washington, D.C. It is a great tribute to the gentleman from Georgia (Mr. LEWIS) that he has worked so diligently and vigorously, in a bipartisan fashion with the gentleman from Oklahoma (Mr. WATTS), to bring this bill to the House floor.

For over a decade, the gentleman from Georgia (Mr. LEWIS) has been a persistent and a persuasive advocate for the establishment of a national African American museum, support for which is well established and has already been advocated for quite some time going back to the early 1990s by the Smithsonian Institution, which vigorously endorsed the concept of such a museum.

This commission that we are authorizing will supply significant information and data to support the size, the appropriate size of the building, the location, the budget, the extent and type of collection and displays to be managed there. Some of the ideas for the museum include exhibits on the reconstruction era, the Harlem Renaissance, and the Civil Rights movement. We also anticipate that the commission and the museum to be established will work collaboratively with academic institutions to research and study African American life, history, art, and culture, as well as the abominable era of slave trade, which the gentlewoman from Texas alluded to so powerfully in her remarks.

As a part of the initiative we launch today, the Presidential commission will convene a national conference to consider and to include the views and opinions of learned persons who are dedicated to the advancement of African American life. This initiative is long overdue; and I strongly urge not only its support in this House, but swift enactment into law and establishment so that the progress can get quickly underway.

Mr. CLEMENT. Mr. Speaker, this is a very serious issue. We have had some excellent speakers to comment concerning this legislation, and we strongly support it.

Mr. Speaker, I have no further speakers, and I yield back the balance of my time.

Mr. LATOURETTE. Mr. Speaker, I urge passage of the bill, and I yield back the balance of our time.

The SPEAKER pro tempore (Mr. OSE). The question is on the motion offered by the gentleman from Ohio (Mr. LATOURETTE) that the House suspend the rules and pass the bill, H.R. 3442.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. LATOURETTE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous materials on the bills H.R. 3282, H.R. 2595, H. Con. Res. 259, H.R. 10, H.R. 3441, H.R. 3442, and H.R. 3370, the legislation just considered.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Ohio?

There was no objection.

□ 2015

ANNOUNCEMENT BY THE SPEAKER PRO TEMPORE

The SPEAKER pro tempore (Mr. OSE). The Chair would like to clarify that the request of the gentleman from Colorado (Mr. MCINNIS) was intended merely to transfer to the gentleman from Ohio majority debate time, assuming that another Member had made the motion to suspend the rules. Unanimous consent was not required to permit the Speaker to recognize any Member for a motion to suspend the rules.

KEEPING THE SOCIAL SECURITY PROMISE INITIATIVE

Mr. SHAW. Mr. Speaker, I move to suspend the rules and agree to the concurrent resolution (H. Con. Res. 282) expressing the sense of Congress that the Social Security promise should be kept.

The Clerk read as follows:

H. CON. RES. 282

Resolved by the House of Representatives (the Senate concurring),

SECTION 1. SHORT TITLE.

This concurrent resolution may be cited as the ''Keeping the Social Security Promise Initiative''.

SEC. 2. FINDINGS.

The Congress finds that—

(1) Social Security provides essential income security through retirement, disability, and survivor benefits for over 45 million Americans of all ages, without which nearly 50 percent of seniors would live in poverty;

(2) Social Security is of particular importance for low earners, especially widows and women caring for children, without which nearly 53 percent of elderly women would live in poverty;

(3) each payday, American workers send their hard-earned payroll taxes to Social Security and in return are promised income protections for themselves and their families upon retirement, disability, or death, and that commitment must be kept;

(4) Social Security payments to beneficiaries will exceed worker contributions to the Social Security trust funds beginning in 2016, as demographics, including the aging baby boom generation and increasing life expectancies, will result in fewer workers per beneficiary and threaten Social Security's essential income safety net with financial instability and insolvency;

(5) deferring action to save Social Security will result in loss of public confidence in the program, will increase the likelihood of spending cuts to other essential programs, and will expose beneficiaries, particularly those with low earnings, to poverty-threatening benefit cuts or reduce workers' take-home pay through burdensome payroll tax increases;

(6) workers' ability to save and invest for their own retirement will continue to be particularly important, especially for younger workers, to enhance their own retirement security; and

(7) the President should be commended for recognizing that Social Security is not prepared to fully fund the retirement of the baby boom and future generations and for establishing the bipartisan President's Commission to Strengthen Social Security, which will report its recommendations this fall.

SEC. 3. SENSE OF THE CONGRESS.

It is the sense of the Congress that—

(1) the President's Commission to Strengthen Social Security, recognizing the immense financial commitment of every American worker into the Social Security system, should present in its recommendations innovative ways to protect that commitment without lowering benefits or increasing taxes; and

(2) the President and the Congress should join to develop legislation to strengthen Social Security as soon as possible, and such legislation should—

(A) recognize the obstacles women face in securing financial stability at retirement or in cases of disability or death and the essential role that the Social Security program plays in providing income security for women;

(B) recognize the unique needs of minorities and the critical role the Social Security program plays in preventing poverty and providing financial security for them and their families when income is reduced or lost due to retirement, disability, or death; and

(C) guarantee current law promised benefits, including cost-of-living adjustments that fully index for inflation, for current and future retirees, without increasing taxes.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Florida (Mr. SHAW) and the gentleman from Michigan (Mr. LEVIN) each will control 20 minutes.

The Chair recognizes the gentleman from Florida (Mr. SHAW).

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, two-thirds of a century ago, any kind of income security was indeed rare. Today, however, the success of Social Security in providing income security and reducing poverty among the elderly is well known, and it is well known to everyone in this Chamber. Without Social Security, nearly half our seniors and over half of disabled workers would live in poverty today.

Yet, Social Security faces significant financial challenges ahead. Unless we modernize the program's Depression-era financial structure, program income will not cover the full cost of paying promised benefits soon after the baby boomers begin retiring.

Today we must let every American know that we will act as soon as possible to save Social Security, and we will not do it by placing undue burdens on today's retirees and workers by reducing benefits or increasing taxes.

Social Security provides at least half of the retirement income for over two-thirds of our seniors and 100 percent of income for almost one in every five seniors. Reducing Social Security benefits would have serious consequences for the majority of seniors, and would increase their number in poverty, which is why we must find ways to strengthen Social Security without cutting the benefits.

Social Security is also one of the largest financial obligations of many families. For around three-fourths of American families, the payroll tax is their largest tax liability. Increasing this tax burden would hit low- and middle-income families the hardest. In addition, it would reduce the already low rate of return on these contributions that workers may expect.

So we must find ways to strengthen Social Security without increasing Social Security taxes. Our decisions on how to strengthen Social Security are particularly important to women.

As we make choices, we must keep in mind the obstacles women face in ensuring financial security for themselves and their families and the key role Social Security plays in providing income security in the event of retirement, disability, or death. Without Social Security, over half of elderly women would live in poverty today. As we consider the program's improvements, we must not consider reducing benefits or cost-of-living increases that are so important, particularly to women.

We must also remember the critical role Social Security plays in providing financial security for minorities of all ages. African Americans are more likely to receive disability benefits. Since their life expectancy is shorter than average, survivor benefits are also critically important.

Also, about two-thirds of the African Americans and about three out of five Hispanic seniors would have income below poverty without Social Security. As we consider changes to the program, we must not reduce the benefits that are vital to preventing poverty among our minorities. We must protect Social Security for all Americans, especially for those who rely on it the most.

However, we must also work to ensure Social Security is fair to all generations. Our kids and grandkids need us to find a way to improve the low rates of return they will receive from Social Security. For example, a single man who is 31 years old today and earns average wages can expect a rate of return on his contribution only a little more than 1 percent, and kids born today can expect even less.

We cannot, in fairness, allow this to continue. The President's bipartisan Commission to Strengthen Social Security has talked about the unique needs of women and minorities, as well as the system's low rate of return, in its interim report and throughout all of its meetings. Today, the commission will provide a draft report with its recommendations for several options for modernizing and strengthening Social Security. This information will help us along the road towards a solution for Social Security's financial woes.

Ultimately, we, the Members of Congress, must make the final decision about which road to choose, and the American people are depending upon us to make the right choices. I hope we will make these decisions together on a bipartisan basis, because this is not a road upon which we can afford to falter or to lose our way. So let us begin today, as Congress first voices its views, and let that voice be a bipartisan one.

Mr. Speaker, it is for these reasons that I encourage all Members on both sides of the aisle to vote in favor of this critically important resolution. We must act now to assure Americans that any plan for saving Social Security will guarantee current law promised benefits, including cost-of-living adjustments for current and for future retirees, without increasing our taxes. Our children, our grandchildren, and future generations deserve no less.

Mr. Speaker, I know that we will hear a lot tonight about privatization, and there will be some that will say that this resolution is a repudiation of individual retirement accounts for American workers. I would remind the Members that we just voted on the Railroad Retirement Fund, in which we took the railroad retirees out of Treasury bills and put them in stocks and bonds of corporations.

Our Social Security people, and by the way, I tell my Democrat friends that only two of them voted against that particular bill. So when Members get up to criticize Individual Retirement Accounts, I would advise Members, and I would guess that every speaker here tonight that speaks on this resolution and that mentions that Individual Retirement Accounts are something risky, that begin with they can get a lot more than 1 percent over the ages and over the long haul, it certainly shows that this is not a repudiation of the Individual Retirement Accounts. We have already voted on going towards the private sector of investment for American union retirees. Our retirees on Social Security deserve no less.

But let us not argue that tonight. Let us argue the future of the Social Security system and the need for us to work together to come up with a solution that will, in itself, nail down the fact that this retirement system is not only going to be there for our generation, it is going to be there for future generations and our grandkids. If we do less, they will turn our pictures to the wall. It is our obligation to do this. It is our opportunity to do this. So if we can break down the wall of partisanship and come forward with a plan that we can work together with, I will be most happy and anxious to work with Members on both sides of the aisle.

Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, it is my pleasure to yield 7 minutes to the gentleman from Maine (Mr. ALLEN).

Mr. ALLEN. Mr. Speaker, I thank the gentleman for yielding time to me.

Mr. Speaker, I rise in support of the resolution because, like its author, I believe that the promise of Social Security should be kept for the millions of Americans, or in fact, all Americans who wind up qualifying for this vital program.

But I do have to say, Mr. Speaker, that this is a remarkable resolution in many ways, because in one section it praises President Bush's Social Security Commission.

On page 3 it reads: ''The President should be commended for recognizing

that Social Security is not prepared to fully fund the retirement of the baby boom and future generations, and for establishing the bipartisan President's Commission to Strengthen Social Security,'' which is, coincidentally, reporting today.

That commission was established in order to push privatization proposals, and hopefully to come up with one privatization proposal. But this resolution contains no mention of the central purpose of the commission, which was to find a way to privatize Social Security, in full or in part.

When we go to the last section of the resolution, it is a sense of Congress that legislation should be developed which, among other things, would guarantee current law promised benefits, including cost-of-living adjustments that fully index for inflation for current and future retirees without increasing taxes.

That is an admirable goal, one that I support, but one that is exactly the opposite of what the President's Social Security Commission is recommending. In fact, what we now know, what some of us have been arguing for a long period of time but we now know from the commission's report itself, is that if we do nothing but privatize Social Security and create these partial accounts, it will consume $1 trillion of Social Security or other funds over 10 years, $1 trillion.

In response to the point of the gentleman from Florida (Mr. SHAW) that all of us, almost all of us, voted to allow the Railroad Retirement Fund to invest in the stock market, I would point out that that does not cost $1 trillion in transition costs in order to do. So in that case, it made some sense.

But $1 trillion is real money. The fact of life is that there are substantial administrative costs for creating private accounts, which is, after all, why Wall Street is so interested in having an individual account for virtually every member of Social Security.

Another point, another area of disagreement between us, is that the way we calculate the rate of return is subject to disagreement. We do not agree that it is 1 or 2 percent, we think the number is closer to 4 percent, and that that is comparable to guaranteed investments in U.S. Treasuries.

But beyond that, when people have Social Security, they have two things that go along with that program:

First, they have a form of disability insurance, because Social Security is there to provide a form of disability insurance. There is money there for survivors' benefits. In the aftermath of September 11, one thing we know about Social Security is that all those children who lost a parent in the attack on the World Trade Centers are qualifying for survivors' benefits. They will be helped by this program because that is part of what it does.

Now, over the last 2 years, and let me say, as I said before, Wall Street loves privatization of accounts. They will make a lot of money doing that, but ordinary Americans should be terrified. In the last 2 years, the loss in value in the stock market approaches $5 trillion. In those 2 years, Social Security did not lose one thin dime, not one. It provides the kind of assurance that we need.

The commission report coming out today did not do what the President wanted and have one plan for privatization; they rolled out three plans for privatization. But they do exactly what this resolution said we should not do. They do reduce Social Security benefits in different ways.

For example, they tie future COLAs to growth in prices, not wages, which will reduce the increase that Social Security beneficiaries are expected to get every year. There is a disguised increase in the retirement age. There is a reduction in disability payments.

What we are really talking about, Mr. Speaker, here is that we cannot privatize Social Security in full or in part without substantial costs. It is simply not possible, Mr. Speaker, to privatize Social Security, in full or in part, without these very substantial transition costs.

It is worth pointing out that in the space of less than 12 months we have converted the Federal budget from a situation where we could see surpluses virtually as far as the eye could see to a situation where we now see deficits virtually as far as the eye can see. And most of that loss, most of that loss, 55 percent, is due to the tax cut passed by this House and signed by the President in June.

Mr. Speaker, we are now using Social Security surplus dollars to fund the ordinary expenses of this government, and we are doing that in major part because of the tax cut that was passed here that was twice what a tax cut of reasonable size should have been.

So in conclusion, Mr. Speaker, it is very important, I believe, that we pass this resolution because the promise of Social Security should be kept; but let us not cloud this debate by what is really going on here.

□ 2030

This resolution rejects the principal purpose and the principal finding of the President's Commission on Social Security which was set up in order to push a privatization proposal, which now we know is the wrong thing for America.

Mr. SHAW. Mr. Speaker, I yield as much time as he may consume to the gentleman from California (Mr. THOMAS), the chairman of the Committee on Ways and Means for purposes of a colloquy.

Mr. THOMAS. Mr. Speaker, first of all, I want to thank the chairman of the Subcommittee on Social Security for bringing this particular resolution to the floor. My concern goes beyond the particulars of this resolution, but clearly underscored in all of the discussion that we have about Social Security is the sensitivity in terms of the money that people pay into the payroll tax.

That is why I was stunned today to hear a prominent Member of the other body announce on the floor that he was willing to accept an idea that would mean an immediate $40 billion loss in payroll taxes to the trust funds that we have all showed we have great concern about.

Mr. SHAW. Mr. Speaker, will the gentleman yield?

Mr. THOMAS. I yield to the gentleman from Florida.

Mr. SHAW. Mr. Speaker, I, too, do not understand and was quite amazed and disappointed to see when this Senator was willing to ask Social Security to bear the burden of the economic stimulus, when the program is facing its own serious financial challenges.

Mr. THOMAS. Apart from the obvious in immediate lost to the trust funds, there has been some concern about the ability to execute the proposal. The loss of funds is bad enough, but when we strip it to the essentials of the proposal, those organizations which are charged with the responsibility of dealing with the way in which payroll taxes are paid and accounting procedures are dealt with, the American Payroll Association, the American Society for Payroll Management, the National Payroll Reporting Consortium and the Society for Human Resource Management, all agree that it would take 6 months or more to try to get it correct in making this scheme work, but they had no guarantee that it would, in fact, be sound.

Mr. SHAW. Mr. Speaker, as a former certified public accountant, I can assure my colleague that making such a change would dramatically increase the risk of error in reporting Social Security wages. These wage reports must be accurate in order to assure beneficiaries receive their full and correct benefits in a timely way. This is very important.

Mr. THOMAS. Of course, it does not even address the game playing that would go on if we were able to set up a system and we were losing $40 billion out of the trust fund. We would have employees negotiating with employers where particular benefits or amounts were going to be given so that they would just happen to fall within this holiday period, further complicating an attempt to make this system work.

Mr. SHAW. Not only would the employer be faced with employees trying to shift their wages to the payroll tax holiday month, employers would also have to contend with implementing a payroll tax holiday at the same time they are preparing W–2s and 1099s to meet the January 31 requirement as provided as a deadline. Having employers having to deal with these changes at once would only risk incorrect reporting of Social Security wages. It could only risk incorrect reporting of income for Federal tax purposes.

Mr. THOMAS. In addition, of course, not everybody has the luxury of a large

staff being paid to manage payroll and computers to deal with it. So we do not know the uneven burden that is going to be placed on employers who would now have to add a temporary change to the difficult, ongoing structure that is necessary. Of course, that does not even address the precedent of taking an enormous amount of general fund money and then moving it over to cover the losses out of the trust fund in the first place.

Mr. SHAW. I agree. Even if the lost payroll taxes were replaced with general revenue funds, we would be obscuring the clear connection between a person's contribution and the benefits he will receive. This is what President Roosevelt intended when he established Social Security and set up this separate trust fund. We should not take lightly the idea of breaking this critical connection, this firewall, if I may. Otherwise, we will find ourselves looking to the payroll system for every economic fix that we need.

Mr. THOMAS. Especially when they are arguing that we need to do this very risky scheme, jeopardizing the ability to be accurate, and committing enormous general funds to the trust fund to replace the hole in the trust fund that would bring insolvency from 2017 to 2006, and argue that they feel they need to do it for stimulus purposes. There are a whole lot better ways to stimulate the economy. The legislation passed by the House, the discussion between, just as recently today, a moderate group of Senators, both Democrats and Republicans and the President, none of those discussions involved risky schemes like this exposure of the payroll tax.

Mr. SHAW. My colleague is once again right. Now is the time for us to act wisely and not overreact. Several excellent ideas have been put forth by both parties. A payroll tax holiday was not in the House passed bill. The Senate has never passed such a bill and should not, at any time, be used in a stimulus package passed by either body.

Mr. THOMAS. Mr. Speaker, I want to thank the chairman of the Subcommittee on Social Security for the colloquy, and I want to praise him for his continued vigilance in not allowing people to play with the trust fund as was proposed by a prominent Senator just today.

Mr. SHAW. Mr. Speaker, I reserve the balance of my time.

Mr. LEVIN. Mr. Speaker, I yield myself such time as I shall consume.

I was listening with interest to my distinguished colleagues, and I think their colloquy was an example of true bipartisanship in this sense. As I heard them, I think what they were describing was initially proposed by a Senator from their party. I hope they will send their colloquy to that gentleman.

Mr. SHAW. Mr. Speaker, will the gentleman yield on that?

Mr. LEVIN. No. Let us talk about this resolution. The gentleman used the time to talk about something that is not relevant to this resolution, and I thought that I would just put it in some perspective. Let me talk about this resolution, if I might.

The resolution before the House has very little to do with strengthening Social Security, which is indeed necessary, and it has very much to do with providing political distance to some Member of the majority party.

Does anyone seriously believe that it is a coincidence, a coincidence, that this resolution is being brought to the House floor on the very same day that the President's hand-picked Social Security Commission unanimously adopted its recommendations? The recommendations of the Commission should come as a surprise to no one. From the day the President appointed a one-sided commission, I do not, for a moment, challenge the views in terms of the integrity of their point of view, but it was very one-sided and the outcome was predetermined.

Indeed, the President's spokesman, Ari Fleischer, said it very clearly very early on in quotes, ''The Commission will, of course, be comprised of people who share the President's view that private retirement accounts are the way to save Social Security.''

This is the spokesperson of the President of the United States. It is now apparent from the Commission's recommendations that privatization would result in cuts in Social Security benefits. That is clear from the two plans of the Commission that spell out how to pay for privatization. Any doubt on this score has vanished over the course of the last year with the depletion, I think, the reckless depletion of the non-Social Security surplus. But this resolution wants to have it both ways.

It refers appropriately to the vital nature of Social Security, its guaranteed lifetime benefits, its COLAs, its important anti-poverty role and its special protections for women, low earners and minorities. It also says it rejects benefits cuts but it does not reject, it does not reject the misguided policy that would necessitate benefit reductions, the Bush administrations quest to privatize Social Security.

I urge my colleagues to vote for this resolution because it reaches the right conclusion. To vote no would only confuse the picture. But no one should believe that voting yes will make the President's privatization quest go away. That horse already left the barn.

The public deserves a thorough discussion of the Commission's privatization plans. The impact of these plans can not be obscured by any smoke screen. As true in this instance, they are too transparent to work.

I want to just say a couple of other words in response to what my friend, the gentleman from Florida (Mr. SHAW) had to say. He said that this resolution is not a repudiation of privatization. Maybe I will let those words stand. I wish it had repudiated but it is silent.

Mr. SHAW. If the gentleman would yield, I would like to correct his statement as to my statement. I said a repudiation of private accounts, not privatization. There is a big difference.

Mr. LEVIN. All right. We will see as time unfolds if there is a difference. I do not see it. Indeed, in reference to the railroad retirement bill I think is misplaced. There are not individual accounts. The retirement monies are allowed to be invested as a whole. They are allowed to be invested. That is not privatization, nor is it private accounts.

So I think we need to understand what is going on here today with this resolution. We should vote for it. But we should not be misguided as to what is really going on here. I do not think there is any way in the end to duck the issue of strengthening Social Security. The President embraced privatization. He appointed members of a commission that embraced privatization. There was no effort to have any diversity on that key issue on the Commission.

So essentially, the President and his party have ended up with a Commission report that supports privatization, and in the only plans that spell out how they would pay for it, they provide for benefit cuts; and I do not know any way out of that equation. I do not think there is any way for anybody to explain it away. I think we owe it to the public to have a forthright discussion as to how we should strengthen Social Security. And those who favor privatization or private accounts should simply say so, indicate how they would be structured, indicated how they would be paid for; if they want to suggest general funds when those general funds by their own plans have been diminished, indeed I think destroyed, they can do so.

But if we are going to move ahead in strengthening Social Security, we are going to have to really tell the American people what we really mean and like it is.

So I support this resolution with the qualifications that I have mentioned.

Mr. Speaker, I reserve the balance of my time.

Mr. SHAW. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would remind the gentleman from Michigan (Mr. LEVIN) that the Commission was made up of half Democrats and half Republicans. Only one former Republican Member of Congress and one Democratic former Member of Congress and one Democratic former Senator, and so that is a 2-to-1 Democratic, as far as elected officials are concerned.

I would also say that no one in this body that I know of and the Commission report certainly did not endorse privatizing Social Security. That idea is not even out there and is not even under consideration.

Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. BRADY), a member of the Committee on Ways and Means.

Mr. BRADY of Texas. Mr. Speaker, Social Security needs to be preserved once and for all. By passing this legislation which was introduced by the chairman of the Social Security subcommittee, the gentleman from Florida (Mr. SHAW), the House of Representatives will make a strong statement that we do support reforming Social Security and ensuring its solvency once and for all without cutting benefits, increasing taxes on people whose payroll check does not go far enough as it is today.

□ 2045

We may have different ideas, but let us first agree that the current system is not financially sound for the baby boomers and the generations that follow. Common sense tells us that we must transition from this pay-as-you-go system that will run out of money to a traditional retirement plan where our money grows over time into a bigger nest egg. The only question is how and how soon. And let us agree that we ought to keep our Social Security promises, cost-of-living increases each year that really do reflect the cost of living for seniors, and keeping our promise on benefits and not increasing taxes.

Some people in Washington do not want to face up to this issue. They want to make it an election campaign issue. They want to run ads; they want to scare seniors with the phrase of privatization. Well, I think people in America want us to work on Social Security. They want to hear the good ideas. They want to be part of this process. And when we ask people up here who do not want to touch Social Security, who do not want to tackle Social Security, what their plan is for preserving it once and for all, there is nothing but silence.

I applaud the President for appointing this commission. They are tackling issues that we really need to tackle. This was an important first step in getting Congress and Washington to focus on preserving Social Security once and for all. Do not get me wrong, while I support the urgency, I strongly disagree with the committee's recommendations that reductions in benefits will be necessary to ensure Social Security's future solvency. I hope President Bush rejects those ideas.

Nonetheless, I look forward as a member of the committee to working with my colleagues in the House, the President, my Democratic colleagues, and others in moving the ball forward on Social Security and preserving Social Security once and for all.

Mr. LEVIN. Mr. Speaker, I yield myself 1 minute.

The chairman of the subcommittee mentioned bipartisanship, and I just want to say a word about that.

I do not challenge or question the sincerity of the members of the commission. Indeed, very distinguished people. But true bipartisanship means, I think, if it is going to be at all effective, a reflection of the mainstream within each party. This commission, as Ari Fleischer said, had on it people who favored privatization. And that is what Mr. Fleischer said; these were his terms, private retirement accounts. All of them share the President's views that these accounts are the way to save Social Security.

So what we put in, we get out. And when we put in a uniform point of view that does not encompass the mainstream of both parties, we are going to get out of it deep division.

Mr. Speaker, I reserve the balance of my time.

Mr. SHAW. May I ask the Speaker how much time remains on both sides?

The SPEAKER pro tempore (Mr. OSE). The gentleman from Florida (Mr. SHAW) has 5 minutes remaining, and the gentleman from Michigan (Mr. LEVIN) has 4½ minutes remaining.

Mr. SHAW. Mr. Speaker, I yield 2½ minutes to the gentleman from Michigan (Mr. SMITH), who has worked long and hard on the problem of trying to do something with Social Security.

(Mr. SMITH of Michigan asked and was given permission to revise and extend his remarks.)

Mr. SMITH of Michigan. Mr. Speaker, everybody talks so calmly about Social Security. Let me just stress that the greatest danger is doing nothing.

I would suggest to the gentleman from Michigan (Mr. LEVIN) that everyone that criticizes anybody else's plan should come up with their own plan that is going to keep Social Security solvent. Look, we all agree this is a great program. Fifty percent of the people on retirement today would be at the poverty level if they did not have Social Security. So what are we going to do?

I just feel so strongly, and it is somewhat irritating that it is easy to criticize, to nit and pick. But I would humbly suggest that everybody that criticizes anybody else's plans, including the commission's, should come up with their own prompt proposal that keeps Social Security solvent.

Now, some people say, well, look, just pay back what we owe the trust fund and we will still be able to pay 70 percent of the benefits in 2034. Well, it is all going to take money. After there is less revenues coming in starting in 2018 than is required to pay benefits, the money has to come from someplace. So we will come up with the money and pay back everything we owe the trust fund and then benefits are going to be cut 30 percent, and then, a few years later, 65 percent. That is not acceptable. The longer we put off a decision, the more drastic the changes are going to have to be made.

Let me suggest that nobody is suggesting privatizing Social Security. The commission came up with three proposals today. The middle proposal says, for example, an individual can invest, and it is optional, it is all optional, an individual can invest 4 percent of their taxable earnings, if they want to, into their privately owned account. So if they die before 65, it goes into their estate and not back to the government; and they are going to offset future benefits, assuming that they get a 2 percent rate of return on that interest. Even government bonds can do better than that.

Let us move ahead, let us be positive, let us come up with proposals that will save Social Security. Things have changed so much since I introduced my first Social Security bill in 1994. Now we are talking about the reality of a problem. America is becoming better informed. But until America realizes where their Social Security checks come from, we are probably not going to convince most Americans that we need to fix the problem.

Where it comes from is existing workers. It is a Ponzi game. Existing workers today put in their money, and it is immediately sent out to existing retirees. That needs to be changed over time, and let us get with it.

Mr. LEVIN. Mr. Speaker, I yield myself the balance of my time.

Opposing private retirement accounts is not nitpicking. It is a major issue. And among Democrats and some Republicans there is deep resistance to it.

In terms of specific proposals, I would suggest, as was true in the early 1980s, if we are going to have a commission, let it be diverse, let it have a broad range of opinions. Do not have anybody, whether it is the President or the Congress, picking people who agree with them; in the President's case, people who believe in private retirement accounts, which is, I think, a legitimate privatization method in terms of what we call it. I do not think it is legitimate, but we can legitimately call it privatization.

Mr. Speaker, I believe the issues really are clear. I think the discussion here has been even more to the point than I expected in terms of what this resolution is all about and what is behind it. And therefore, within those qualifications, I suggest Members come here and vote, if a vote is called for.

Mr. Speaker, I yield back the balance of my time.

Mr. SHAW. Mr. Speaker, I yield myself the balance of my time.

The gentleman from Michigan and I worked for many years on welfare reform. The President vetoed my bill twice. In the end, we came together and we worked together, and America is better off for it. We supported it in a bipartisan way. We can do the same with Social Security.

The gentleman does not like the idea of investment in the private sector. If he has a better idea, bring it to me. I will have hearings on it. And if it is better than the investment in the private sector, I will support it.

The reason we are looking at investment in the private sector through individual retirement accounts is that is the only way we figured out we can get

a sufficient return that is going to leave the program there strong enough for our kids and our grandkids.

What we are talking about tonight is working together to preserve that program in a bipartisan way, to preserve it so that our kids and our grandkids are going to get a fair deal. Can we go to our kids and our grandkids, can I go home and tell them they are going to pay 12.4 percent of their wages and FICA taxes and, oh, by the way, you are going to take a cut after taking care of my generation and our Social Security benefits? That is wrong. That is wrong. And we do not need to do it. But if we continue the partisan bickering, we will need to do it.

I would challenge my friends on the other side of the aisle to come forward with a plan. The reaction has been absolutely absent. There are not even phantom plans out there to deal with this. We have to work together. Come forward with a plan, sponsor a plan, have it programmed and say that it is going to save Social Security for all time and we will work with it and have it scored that way. For us to continue the bickering on both sides of the aisle with regard to this is terrible.

This commission has worked hard, and as the gentleman correctly pointed out, they are distinguished individuals. They worked hard. Maybe the gentleman does not like the results, maybe I do not like the results, I think we can do better; but their job was not to legislate. Their job was to come forth with ideas, and this is what they have done.

I commend the President for putting together this bipartisan commission to come back to us. They have shown there is a problem out there. This resolution very clearly states that the Social Security System is going to be in trouble in 2016. So tomorrow when we get a big vote, and I am going to ask for a recorded vote, this is going to be an acknowledgment by the Congress that there is a problem that must be faced.

Let us face it now and let us face it together.

Mr. ENGLISH. Mr. Speaker, I rise in strong support of H. Con. Res. 282, Keeping the Social Security Promise Initiative. This resolution simply reaffirms Congress's resolve to strengthen the Social Security program for future generations without lowering benefits or increasing taxes. Mr. Speaker, Social Security provides essential retirement security for more than 45 million Americans. With each paycheck, workers send their hard-earned payroll taxes to Social Security with the promise of security in their retirement. In reforming the system Congress should not do anything that will jeopardize that security or break our promises to America's seniors.

President Bush has recognized that Social Security cannot sustain the imminent retirement of the baby boomers and future generations. He should be commended for creating a bipartisan Commission to Strengthen Social Security. The final report is due on December 21, 2001. The Commission has proposed three options to date, two of which would reduce benefits.

The responsibility for reforming Social Security ultimately lies with the Congress. I believe we can protect Social Security's commitment to our current and future retirees without lowering benefits or raising taxes while providing cost-of-living adjustments. With Social Security anticipated to run a deficit in 2016, now is the time for Congress and the President to work together in a bipartisan fashion to put Social Security on sound financial footing for generations to come.

I ask my colleagues to support H. Con. Res. 282.

Mr. FORBES. Mr. Speaker, I rise in strong support of H. Con. Res. 282, which reiterates Congress' commitment to our seniors to keep the promise of Social Security.

For years now, Congress and the public have known that Social Security would soon be facing serious financing challenges due to shifting demographics. With the aging of the baby boom generation, the number of retiring Americans receiving benefits is beginning to overwhelm the number of working Americans paying into the Social Security system. In addition, thanks to important medical advances and healthy behavioral changes, Americans are living longer. The result of these factors is that beginning in 2016, Social Security payments will exceed worker contributions into the trust funds.

This is a scary prospect for the millions of Americans who receive Social Security benefits. Many of those individuals depend upon their monthly Social Security checks to survive. As we fight our global war on terrorism, we must not lose sight of the fact that terror can come in many forms. It is every bit as frightening to an elderly man or woman that the Social Security check might be late—and far more real. Too many of these people are living from one check to the next and balancing food against medicine. As their Representatives in Congress, we should at least provide them with the security of the promise of Social Security.

It is also a scary prospect, Mr. Speaker, for the millions of Americans who are approaching retirement. They have been paying into the Social Security trust funds because they have to, not because they believe in Social Security. In fact, numerous studies have shown that more young Americans believe in UFOs than in their future Social Security checks.

It is clear that Social Security in its current form—the form it has had since the Great Depression—is unsustainable. If we are to keep the promise that so many seniors and working Americans have relied upon for years, we must reform this program. There are many possibilities for reform, including adding personal investment options. The President appointed a commission of experts from business, think tanks, and government to explore these alternatives and to make recommendations to Congress for change. They are expected to vote on their final report today, and Congress should consider their recommendations with due deliberative speed. We must act quickly, but more importantly, we must act right.

But throughout our deliberations, Mr. Speaker, we must maintain our steadfastness to keep the promise of Social Security. We should not raise Social Security taxes and we should not cut benefits. We must use the innovative spirit that is America's hallmark to meet this challenge and find a way to strengthen and improve Social Security.

Building upon the Social Security lock box legislation that this body has already approved, this resolution lays the groundwork for our coming debate, reaffirming our commitment to Social Security's beneficiaries, in particular, the most vulnerable beneficiaries—the low-income, the women, and minorities. I look forward to reviewing these issues with my colleagues and developing a real solution to this challenge.

I urge all my colleagues to support H. Con. Res. 282.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Florida (Mr. SHAW) that the House suspend the rules and agree to the concurrent resolution, H. Con. Res. 282.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SHAW. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

GENERAL LEAVE

Mr. SHAW. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of House Concurrent Resolution 282.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Florida?

There was no objection.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF H.R. 3295, HELP AMERICA VOTE ACT OF 2001

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 107–331) on the resolution (H. Res. 311) providing for consideration of the bill (H.R. 3295) to establish a program to provide funds to States to replace punch card voting systems, to establish the Election Assistance Commission to assist in the administration of Federal elections and to otherwise provide assistance with the administration of certain Federal election laws and programs, to establish minimum election administration standards for States and units of local government with responsibility for the administration of Federal elections, and for other purposes, which was referred to the House Calendar and ordered to be printed.

REPORT ON RESOLUTION WAIVING POINTS OF ORDER AGAINST THE CONFERENCE REPORT ON H.R. 2883, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2002

Mr. REYNOLDS, from the Committee on Rules, submitted a privileged report (Rept. No. 107–332) on the resolution (H. Res. 312) waiving points of order against the conference report to accompany the bill (H.R. 2883) to authorize appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, which was referred to the House Calendar and ordered to be printed.

HOMESTEAD NATIONAL MONUMENT OF AMERICA ADDITIONS ACT

Mr. McINNIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 38) to provide for additional lands to be included within the boundaries of the Homestead National Monument of America in the State of Nebraska, and for other purposes, as amended.

The Clerk read as follows:

H.R. 38

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 ''Homestead National Monument of America Additions Act''.

SEC. 2. DEFINITIONS.

In this Act:

(1) MAP.—The term ''map'' means the map entitled ''Proposed Boundary Adjustment, Homestead National Monument of America, Gage County, Nebraska'', numbered 368/80036 and dated March 2000.

(2) MONUMENT.—The term ''Monument'' means the Homestead National Monument of America, Nebraska.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

SEC. 3. ADDITIONS TO HOMESTEAD NATIONAL MONUMENT OF AMERICA.

(a) IN GENERAL.—The Secretary may acquire, by donation or by purchase with appropriated or donated funds, from willing sellers only, the privately-owned property described in paragraphs (1) and (2) of subsection (b). The Secretary may acquire, by donation only, the State-owned property described in paragraphs (3) and (4) of subsection (b).

(b) PARCELS.—The parcels referred to in subsection (a) are the following:

(1) GRAFF PROPERTY.—The parcel consisting of approximately 15.98 acres of privately-owned land, as depicted on the map.

(2) PIONEER ACRES GREEN.—The parcel consisting of approximately 3 acres of privately-owned land, as depicted on the map.

(3) SEGMENT OF STATE HIGHWAY 4.—The parcel consisting of approximately 5.6 acres of State-owned land including Nebraska State Highway 4, as depicted on the map.

(4) STATE TRIANGLE.—The parcel consisting of approximately 8.3 acres of State-owned land, as depicted on the map.

(c) BOUNDARY ADJUSTMENT.—Upon acquisition of a parcel described in subsection (b), the Secretary shall modify the boundary of the Monument to include the parcel. Any parcel included within the boundary shall be administered by the Secretary as part of the Monument.

(d) DEADLINE FOR ACQUISITION OF CERTAIN PROPERTY.—If the property described in subsection (b)(1) is not acquired by the Secretary from a willing seller within 5 years after the date of the enactment of this Act, the Secretary shall no longer be authorized to acquire such property pursuant to this Act and such property shall not become part of the Monument pursuant to this Act.

(e) AVAILABILITY OF MAP.—The map shall be on file in the appropriate offices of the National Park Service.

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this Act $400,000.

SEC. 4. COOPERATIVE AGREEMENTS.

The Secretary may enter into cooperative agreements with the State of Nebraska, Gage County, local units of government, private groups, and individuals for operation, maintenance, interpretation, recreation, and other purposes related to the proposed Homestead Heritage Highway to be located in the general vicinity of the Monument.

The SPEAKER pro tempore (Mr. JOHNSON of Illinois). Pursuant to the rule, the gentleman from Colorado (Mr. McINNIS) and the gentleman from Colorado (Mr. UDALL) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado (Mr. McINNIS).

□ 2100

Mr. McINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 38 introduced by the gentleman from Nebraska (Mr. BEREUTER) would authorize the expansion of Homestead National Monument of America in Beatrice, Nebraska, by 30 acres.

The monument, which currently encompasses 189 acres, was established to commemorate the Homestead Act of 1862, one of the significant and enduring events in the western expansion of the United States. The Act granted 160 acres of free land to claimants willing to live on the frontier. The monument includes the site of one of the first homesteads claimed, located in the tallgrass prairie landscape that so many pioneers settled and traversed.

Mr. Speaker, the 30 acres would be acquired from willing sellers, two privately owned and two owned by the State of Nebraska. The bill also authorizes $400,000 to purchase the parcels of land. The bill is supported by the National Park Service and the majority and minority of the committee.

Mr. Speaker, I urge my colleagues to support H.R. 38, as amended.

Mr. Speaker, I reserve the balance of my time.

Mr. UDALL of Colorado. Mr. Speaker, I yield myself such time as I may consume.

(Mr. UDALL of Colorado asked and was given permission to revise and extend his remarks.)

Mr. UDALL of Colorado. Mr. Speaker, I rise in support of this legislation. The Homestead National Monument of America was created in 1936 to commemorate the Homestead Act of 1862 and its significant role in the settlement of the American west.

The monument includes the first parcel of land claimed under the Homestead Act as well as the Freeman School, an original, one-room schoolhouse adjacent to that parcel. The monument is listed in the National Register of Historic Places.

H.R. 38 authorizes the Secretary to acquire two specific parcels of private property, either by donation or purchase from willing sellers, and two parcels of State-owned land, by donation only. Once the land is acquired, the Secretary would be authorized to alter the boundaries of the monument to include these new properties.

It is our understanding that this expansion will allow the National Park Service to better protect the monument's historic resources from potential flood damage and aid in interpretation of the site.

Mr. Speaker, I support passage of H.R. 38.

Mr. BEREUTER. Mr. Speaker, this Member rises in strong support of H.R. 38, a bill this Member re-introduced on January 3, 2001, as during the prior 106th Congress, this Member introduced the same legislation.

This Member would like to begin by thanking the distinguished gentleman from California (Mr. RADANOVICH), the Chairman of the National Parks, Recreation, and Public Lands Subcommittee, and the distinguished gentlewoman from the Virgin Islands (Mrs. CHRISTENSEN), the ranking Member of the Subcommittee, for their work in bringing this bill to the Floor. This Member would also like to express his appreciation to the distinguished gentleman from Utah (Mr. HANSEN), the Chairman of the Resources Committee, and the distinguished gentleman from West Virginia (Mr. RAHALL), for their efforts to move this legislation forward.

This legislation, the Homestead National Monument of America Additions Act, is a straightforward bill. It is also noncontroversial. The bill would simply adjust the boundaries of Homestead National Monument of America and allow a small amount of additional land to be included within its boundaries. It is also important to note that the funding necessary to implement this bill was appropriated last fiscal year.

The legislation being considered today reflects the recommendations in the recently completed General Management Plan (GMP) calling for a minor boundary expansion for Homestead National Monument. Unfortunately, the current visitor center is located in a 100-year flood plain. The acquisition of land outside the existing boundaries as recommended in the GMP would allow a new ''Homestead Heritage Center'' to be constructed outside the floodplain. This location would offer greater protection to the Monument's collections, interpretive exhibits, public research facilities, and administrative offices.

As the bill makes clear, the land for the Heritage Center would be acquired on a willing-seller basis It is this Member's understanding that all of the individuals who would be involved in the boundary adjustment have expressed a willingness to sell for a negotiated price.

Homestead National Monument of America commemorates the lives and accomplishments of all pioneers and the changes to the land an the people as a result of the Homestead Act of 1862, which is recognized as one of the

most important laws in U.S. history. This Monument was authorized by legislation enacted in 1936. The FY96 Interior Appropriations Act directed the National Park Service to complete a General Management Plan to begin planning for improvements at Homestead. The General Management Plan, which was completed last year, made recommendations for improvements that are needed to help ensure that Homestead is able to reach its full potential as a place where Americans can more effectively appreciate the Homestead Act and its effects upon the nation.

Homestead National Monument of America is truly a unique treasure among the National Park Service jewels. The authorizing legislation makes it clear that Homestead was intended to have a special place among Park Service units. According to the original legislation:

It shall be the duty of the Secretary of the Interior to lay out said land in a suitable and enduring manner so that the same may be maintained as an appropriate monument to retain for posterity a proper memorial emblematic of the hardships and the pioneer life through which the early settlers passed in the settlement, cultivation, and civilization of the great West. It shall be his duty to erect suitable buildings to be used as a museum in which shall be preserved literature applying to such settlement and agricultural implements used in bringing the western plains to its present state of high civilization, and to use the said tract of land for such other objects and purposes as in his judgment may perpetuate the history of this country mainly developed by the homestead law.

Clearly, this authorizing legislation sets some lofty goals. This Member believes that H.R. 38 would help the Monument achieve the potential which was first described in its authorizing legislation.

This Member urges his colleagues to support H.R. 38.

Mr. UDALL of Colorado. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MCINNIS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. JOHNSON of Illinois). The question is on the motion offered by the gentleman from Colorado (Mr. MCINNIS) that the House suspend the rules and pass the bill, H.R. 38, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

JAMES PEAK WILDERNESS AND PROTECTION AREA ACT

Mr. MCINNIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 1576) to designate the James Peak Wilderness and Protection Area in the Arapaho and Roosevelt National Forests in the State of Colorado, and for other purposes, as amended.

The Clerk read as follows:

H.R. 1576

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 ''James Peak Wilderness and Protection Area Act''.

SEC. 2. WILDERNESS DESIGNATION.

(a) INCLUSION WITH OTHER COLORADO WILDERNESS AREAS.—Section 2(a) of the Colorado Wilderness Act of 1993 (Public Law 103–77; 107 Stat. 756; 16 U.S.C. 1132 note) is amended by adding at the end the following new paragraph:

''(21) Certain lands in the Arapaho/Roosevelt National Forest which comprise approximately 14,000 acres, as generally depicted on a map entitled 'Proposed James Peak Wilderness', dated September 2001, and which shall be known as the James Peak Wilderness.''.

(b) ADDITION TO THE INDIAN PEAKS WILDERNESS AREA.—Section 3 of the Indian Peaks Wilderness Area and Arapaho National Recreation Area and the Oregon Islands Wilderness Area Act (Public Law 95–450; 92 Stat. 1095; 16 U.S.C. 1132 note) is amended by adding at the end the following new subsections:

''(c) The approximately 2,232 acres of Federal lands in the Arapaho/Roosevelt National Forest generally depicted on the map entitled 'Ranch Creek Addition to Indian Peaks Wilderness' dated September 2001, are hereby added to the Indian Peaks Wilderness Area.

''(d) The approximately 963 acres of Federal lands in the Arapaho/Roosevelt National Forest generally depicted on the map entitled 'Fourth of July Addition to Indian Peaks Wilderness' dated September 2001, are hereby added to the Indian Peaks Wilderness Area.''.

(c) MAPS AND BOUNDARY DESCRIPTIONS.—As soon as practicable after the date of the enactment of this Act, the Secretary of Agriculture (hereafter in this Act referred to as the ''Secretary'') shall file with the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a map and a boundary description of the area designated as wilderness by subsection (a) and of the area added to the Indian Peaks Wilderness Area by subsection (b). The maps and boundary descriptions shall have the same force and effect as if included in the Colorado Wilderness Act of 1993 and the Indian Peaks Wilderness Area and Arapaho National Recreation Area and the Oregon Islands Wilderness Area Act, respectively, except that the Secretary may correct clerical and typographical errors in the maps and boundary descriptions. The maps and boundary descriptions shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture and in the office of the Forest Supervisor of the Arapaho/Roosevelt National Forest.

SEC. 3. DESIGNATION OF JAMES PEAK PROTECTION AREA, COLORADO.

(a) FINDINGS AND PURPOSE.—

(1) FINDINGS.—The Congress finds the following:

(A) The lands covered by this section include important resources and values, including wildlife habitat, clean water, open space, and opportunities for solitude.

(B) These lands also include areas that are suitable for recreational uses, including use of snowmobiles in times of adequate snow cover as well as use of other motorized and nonmotorized mechanical devices.

(C) These lands should be managed in a way that affords permanent protection to their resources and values while permitting continued recreational uses in appropriate locales and subject to appropriate regulations.

(2) PURPOSE.—The purpose of this section is to provide for management of certain lands in the Arapaho/Roosevelt National Forest in a manner consistent with the 1997 Revised Land and Resources Management Plan for this forest in order to protect the natural qualities of these areas.

(b) DESIGNATION.—The approximately 16,000 acres of land in the Arapaho/Roosevelt National Forest generally depicted on the map entitled ''Proposed James Peak Protection Area'', dated September 2001, are hereby designated as the James Peak Protection Area (hereafter in this Act referred to as the ''Protection Area'') .

(c) MAP AND BOUNDARY DESCRIPTION.—As soon as practicable after the date of the enactment of this Act, the Secretary shall file with the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a map and a boundary description of the Protection Area. The map and boundary description shall have the same force and effect as if included in this Act, except that the Secretary may correct clerical and typographical errors in the map and boundary description. The map and boundary description shall be on file and available for public inspection in the office of the Chief of the Forest Service, Department of Agriculture, and in the office of the Forest Supervisor of the Arapaho/Roosevelt National Forest.

(d) MANAGEMENT.—

(1) IN GENERAL.—Except as otherwise provided in this section, the Protection Area shall be managed and administered by the Secretary in the same manner as the management area prescription designations identified for these lands in the 1997 Revision of the Land and Resource Management Plan for the Arapaho/Roosevelt National Forest and the Pawnee National Grasslands. Such management and administration shall be in accordance with the following:

(A) GRAZING.—Nothing in this Act, including the establishment of the Protection Area, shall affect grazing on lands within or outside of the Protection Area.

(B) MINING WITHDRAWAL.—Subject to valid existing rights, all Federal land within the Protection Area and all land and interests in land acquired for the Protection Area by the United States are withdrawn from—

(i) all forms of entry, appropriation, or disposal under the public land laws;

(ii) location, entry, and patent under the mining laws; and

(iii) the operation of the mineral leasing, mineral materials, and geothermal leasing laws, and all amendments thereto.

Nothing in this subparagraph shall be construed to affect discretionary authority of the Secretary under other Federal laws to grant, issue, or renew rights-of-way or other land use authorizations consistent with the other provisions of this Act.

(C) MOTORIZED AND MECHANIZED TRAVEL.—

(i) REVIEW AND INVENTORY.—Not later than two years after the date of the enactment of this Act, the Secretary, in consultation with interested parties, shall complete a review and inventory of all roads and trails in the Protection Area on which use was allowed on September 10, 2001, except those lands managed under the management prescription referred to in subparagraph (F). During the review and inventory, the Secretary may—

(I) connect existing roads and trails in the inventoried area to other existing roads and trails in the inventoried area for the purpose of mechanized and other nonmotorized use on any lands within the Protection Area as long as there is no net gain in the total mileage of either roads or trails open for public use within the Protection Area; and

(II) close or remove roads or trails within the Protection Area that the Secretary determines to be undesirable, except those roads or trails managed pursuant to paragraph (2) of this subsection or subsection (e)(3).

(ii) AFTER COMPLETION OF INVENTORY.—After completion of the review and inventory required by clause (i), the Secretary shall ensure that motorized and mechanized travel within the Protection Area shall be permitted only on those roads and trails identified as open to use in the inventory or established pursuant to subparagraph (D).

(D) NEW ROADS AND TRAILS.—No new roads or trails shall be established within the Protection

Area except those which the Secretary shall establish as follows:

(i) Roads and trails established to replace roads or trails of the same character and scope which have become nonserviceable through reasons other than neglect.

(ii) Nonpermanent roads as needed for hazardous fuels reduction or other control of fire, insect or disease control projects, or other management purposes.

(iii) Roads determined to be appropriate for reasonable access under section 4(b)(2).

(iv) A loop trail established pursuant to section 6.

(v) Construction of a trail for nonmotorized use following the corridor designated as the Continental Divide Trail.

(E) TIMBER HARVESTING.—No timber harvesting shall be allowed within the Protection Area except to the extent needed for hazardous fuels reduction or other control of fire, insect or disease control projects, or protection of public health or safety.

(F) SPECIAL INTEREST AREA.—The management prescription applicable to the lands described in the 1997 Revision of the Land and Resource Management Plan as the James Peak Special Interest Area shall also be applicable to all the lands in the Protection Area that are bounded on the north by Rollins Pass Road, on the east by the Continental Divide, and on the west by the 11,300 foot elevation contour as shown on the map referred to in subsection (b). In addition, motorized vehicle use shall not be permitted on any part of the Rogers Pass trail.

(2) NATURAL GAS PIPELINE.—The Secretary shall allow for maintenance of rights-of-ways and access roads located within the Protection Area to the extent necessary to operate the natural gas pipeline permitted under the Arapaho/Roosevelt National Forest master permit numbered 4138.01 in a manner that avoids negative impacts on public safety and allows for compliance with Federal pipeline safety requirements. Such maintenance may include vegetation management, road maintenance, ground stabilization, and motorized vehicle access.

(3) PERMANENT FEDERAL OWNERSHIP.—All right, title, and interest of the United States, held on or acquired after the date of the enactment of this Act, to lands within the boundaries of the Protection Area shall be retained by the United States.

(e) ISSUES RELATED TO WATER.—

(1) STATUTORY CONSTRUCTION.—

(A) Nothing in this Act shall constitute or be construed to constitute either an express or implied reservation of any water or water rights with respect to the lands within the Protection Area.

(B) Nothing in this Act shall affect any conditional or absolute water rights in the State of Colorado existing on the date of the enactment of this Act.

(C) Nothing in this subsection shall be construed as establishing a precedent with regard to any future protection area designation.

(D) Nothing in this Act shall be construed as limiting, altering, modifying, or amending any of the interstate compacts or equitable apportionment decrees that apportion water among and between the State of Colorado and other States.

(2) COLORADO WATER LAW.—The Secretary shall follow the procedural and substantive requirements of the law of the State of Colorado in order to obtain and hold any new water rights with respect to the Protection Area.

(3) WATER INFRASTRUCTURE.—Nothing in this Act (including the provisions related to establishment or management of the Protection Area) shall affect, impede, interfere with, or diminish the operation, existence, access, maintenance, improvement, or construction of water facilities and infrastructure, rights-of-way, or other water-related property, interests, and uses, (including the use of motorized vehicles and equipment existing or located on lands within the Protection Area) on any lands except those lands managed under the management prescription referred to in subsection (d)(1)(F).

SEC. 4. INHOLDINGS.

(a) STATE LAND BOARD LANDS.—If the Colorado State Land Board informs the Secretary that the Board is willing to transfer to the United States some or all of the lands owned by the Board located within the Protection Area, the Secretary shall promptly seek to reach agreement with the Board regarding terms and conditions for acquisition of such lands by the United States by purchase or exchange.

(b) JIM CREEK INHOLDING.—

(1) ACQUISITION OF LANDS.—The Secretary shall enter into negotiations with the owner of lands located within the portion of the Jim Creek drainage within the Protection Area for the purpose of acquiring the lands by purchase or exchange, but the United States shall not acquire such lands without the consent of the owner of the lands.

(2) LANDOWNER RIGHTS.—Nothing in this Act shall affect any rights of the owner of lands located within the Jim Creek drainage within the Protection Area, including any right to reasonable access to such lands by motorized or other means as determined by the Forest Service and the landowner consistent with applicable law and relevant and appropriate rules and regulations governing such access.

(c) REPORT.—

(1) IN GENERAL.—The Secretary shall submit to the Committee on Resources of the House of Representatives and the Committee on Energy and Natural Resources of the Senate a report concerning any agreement or the status of negotiations conducted pursuant to—

(A) subsection (a), upon conclusion of an agreement for acquisition by the United States of lands referred to in subsection (a), or 1 year after the date of the enactment of this Act, whichever occurs first; and

(B) subsection (b), upon conclusion of an agreement for acquisition by the United States of lands referred to in subsection (b), or 1 year after the date of the enactment of this Act, whichever occurs first.

(2) FUNDING INFORMATION.—The report required by this subsection shall indicate to what extent funds are available to the Secretary as of the date of the report for the acquisition of the relevant lands and whether additional funds need to be appropriated or otherwise made available to the Secretary for such purpose.

(d) MANAGEMENT OF ACQUISITIONS.—Any lands within the James Peak Wilderness or the Protection Area acquired by the United States after the date of the enactment of this Act shall be added to the James Peak Wilderness or the Protection Area, respectively, and managed accordingly.

SEC. 5. JAMES PEAK FALL RIVER TRAILHEAD.

(a) SERVICES AND FACILITIES.—Following the consultation required by subsection (c), the Forest Supervisor of the Arapaho/Roosevelt National Forest in the State of Colorado (in this section referred to as the ''Forest Supervisor'') shall establish a trailhead and corresponding facilities and services to regulate use of National Forest System lands in the vicinity of the Fall River basin south of the communities of Alice Township and St. Mary's Glacier in the State of Colorado. The facilities and services shall include the following:

(1) Trailhead parking.

(2) Public restroom accommodations.

(3) Trailhead and trail maintenance.

(b) PERSONNEL.—The Forest Supervisor shall assign Forest Service personnel to provide appropriate management and oversight of the area described in subsection (a).

(c) CONSULTATION.—The Forest Supervisor shall consult with the Clear Creek County commissioners and with residents of Alice Township and St. Mary's Glacier regarding—

(1) the appropriate location of facilities and services in the area described in subsection (a); and

(2) appropriate measures that may be needed in this area—

(A) to provide access by emergency or law enforcement vehicles;

(B) for public health; and

(C) to address concerns regarding impeded access by local residents.

(d) REPORT.—After the consultation required by subsection (c), the Forest Supervisor shall submit to the Committee on Resources and the Committee on Appropriations of the House of Representatives and the Committee on Energy and Natural Resources and the Committee on Appropriations of the Senate a report regarding the amount of any additional funding required to implement this section.

SEC. 6. LOOP TRAIL STUDY; AUTHORIZATION.

(a) STUDY.—Not later than three years after funds are first made available for this purpose, the Secretary, in consultation with interested parties, shall complete a study of the suitability and feasibility of establishing, consistent with the purpose set forth in section 3(a)(2), a loop trail for mechanized and other nonmotorized recreation connecting the trail designated as ''Rogers Pass'' and the trail designated as ''Rollins Pass Road''.

(b) ESTABLISHMENT.—If the results of the study required by subsection (a) indicate that establishment of such a loop trail would be suitable and feasible, consistent with the purpose set forth in section 3(a)(2), the Secretary shall establish the loop trail in a manner consistent with that purpose.

SEC. 7. OTHER ADMINISTRATIVE PROVISIONS.

(a) BUFFER ZONES.—The designation by this Act or by amendments made by this Act of wilderness areas and the Protection Area in the State of Colorado shall not create or imply the creation of protective perimeters or buffer zones around any wilderness area or the Protection Area. The fact that nonwilderness activities or uses can be seen or heard from within a wilderness area or Protection Area shall not, of itself, preclude such activities or uses up to the boundary of the wilderness area or the Protection Area.

(b) ROLLINS PASS ROAD.—If requested by one or more of the Colorado Counties of Grand, Gilpin, and Boulder, the Secretary shall provide technical assistance and otherwise cooperate with respect to repairing the Rollins Pass road in those counties sufficiently to allow two-wheel-drive vehicles to travel between Colorado State Highway 119 and U.S. Highway 40. If this road is repaired to such extent, the Secretary shall close the motorized roads and trails on Forest Service land indicated on the map entitled ''Rollins Pass Road Reopening: Attendant Road and Trail Closures'', dated September 2001.

SEC. 8. WILDERNESS POTENTIAL.

(a) IN GENERAL.—Nothing in this Act shall preclude or restrict the authority of the Secretary to evaluate the suitability of lands in the Protection Area for inclusion in the National Wilderness Preservation System or to make recommendations to Congress for such inclusion.

(b) EVALUATION OF CERTAIN LANDS.—In connection with the first revision of the land and resources management plan for the Arapaho/Roosevelt National Forest after the date of the enactment of this Act, the Secretary shall evaluate the suitability of the lands managed under the management prescription referred to in section 3(d)(1)(F) for inclusion in the National Wilderness Preservation System and make recommendations to Congress regarding such inclusion.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado (Mr. MCINNIS) and the gentleman from Colorado (Mr. UDALL) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado (Mr. MCINNIS).

Mr. MCINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 1576 introduced by the gentleman from Colorado (Mr. UDALL) establishes the James Peak Wilderness Area, adds to the existing Indian Peaks Wilderness Area, and designates a James Peak Protection Area, all within the Arapaho-Roosevelt National Forest located in the State of Colorado.

As the gentleman from Colorado (Mr. UDALL) knows, I have a particular interest in this piece of legislation. That is because the majority of land impacted by the proposal actually falls within the boundary of the Third Congressional District of the State of Colorado, my district. The area in question is truly spectacular. There is no denying that it deserves special protection. That is something that all sides have agreed on for some period of time. Where there has not been agreement over the years is on the question of actually how and under what congressional designation the James Peak area should be managed.

While Gilpin, Clear Creek and Boulder Counties all fall in the district of the gentleman from Colorado (Mr. UDALL), I have long supported the wilderness designation for these lands within the borders of their counties; Grand County, in my district, has not. Grand County's opposition is the primary reason that this bill did not progress in either the 105th or the 106th Congress. Today, thanks to the good-faith efforts of a number of Members, we have been able to overcome the differences that have stalled this bill in the past and reached a consensus agreement that enjoys wide-spread local support.

The agreement was submitted in the form of an amendment I offered to the bill at full committee markup earlier this year. The compromise is a simple and straightforward one. For those communities that have expressed support for the wilderness designation, my amendment would establish exactly that, wilderness.

For those lands where a local consensus for wilderness has not emerged, the amendment would statutorily lock in the existing management framework as established in the local forest plan, a highly protective regime that will afford substantial protections for this landscape, while allowing certain recreational activities and important other access considerations to continue. This is the protection area.

Within the protection area, the bill includes language protecting access and maintenance rights for existing water facilities in the area, a critical element and an issue that was overlooked in the bill as it was originally introduced. It requires the Federal Government to acquire any new water rights in the protection area under the substantive and procedural requirements of Colorado water law. I repeat, under the substantive and procedural requirements under Colorado water law. It directs the Forest Service to sit down with mountain biking enthusiasts and environmentalists to decide which recreational trails should remain open, and which should be closed.

Finally, it leaves open an opportunity for the Forest Service and the affected local communities to reconsider wilderness designation for the lands in the protection area some time down the road.

Mr. Speaker, I note that the acreage numbers in the bill are estimates, and reaffirm the fact that the map accompanying this legislation is intended to be the controlling statement on the boundary issue. At a subcommittee meeting earlier this year, I promised the gentleman from Colorado (Mr. UDALL) and my friends in the environmental community that if they would support my compromise proposal, I would do everything I could to see that this bill made its way through the House of Representatives before the end of year. With their support in hand, Mr. Speaker, today I fulfill that promise.

In closing, Mr. Speaker, I would like to offer special thanks to the gentleman from Colorado (Mr. UDALL); his staff; Dave Bull and Craig McGuire with the Forest Service; the Grand County commissioners, Duane Daily, James Newberry, and Bob Anderson; the Boulder, Clear Creek and Gilpin County commissioners, especially Web Sill; Steve Smith with the Colorado Sierra Club; Sara Duncan with the Denver Water Board; the Headwaters Trail Alliance; the International Mountain Biking Alliance; Lisa Daly with legislative counsel; and my staff and the Committee on Resources staff.

Mr. Speaker, I salute our former colleague, David Skaggs, who first introduced this measure during the 105th Congress and was very dedicated to the proposition. These people have all put forth a lot of effort and energy into this legislation today. They deserve real credit. I would also like to thank the majority leader and his staff for scheduling this vote.

Mr. Speaker, I urge Members to support H.R. 1576.

Mr. Speaker, I reserve the balance of my time.

Mr. UDALL of Colorado. Mr. Speaker, I yield myself such time as I may consume.

(Mr. UDALL of Colorado asked and was given permission to revise and extend his remarks.)

Mr. UDALL of Colorado. Mr. Speaker, I rise in strong support of this bill. I begin by thanking the chairman of the subcommittee, the gentleman from Colorado (Mr. MCINNIS), as well as the chairman of the Committee on Resources, the gentleman from Utah (Mr. HANSEN), and the gentleman from West Virginia (Mr. RAHALL) for making it possible for the House to be considering it today. In particular, the hard work and leadership of the gentleman from Colorado (Mr. MCINNIS) have been essential, and I appreciate all the gentleman has done in connection with this legislation which will provide additional protection for a key part of the high alpine environment along Colorado's Continental Divide.

Rising to 13,294 feet above sea level, James Peak is a dramatic feature of this part of the front range section of our State. It is a dominant feature in a 26,000-acre roadless area within the Arapaho-Roosevelt National Forest that straddles this part of the Continental Divide. The peak itself was named after Dr. Edwin James, a prominent botanist and journalist with the Stephen H. Long expedition to Colorado way back in 1820.

During that expedition, James became the first Anglo-American to climb a 14,000 foot peak in the continental United States, the one that is now known as Pike's Peak near Colorado Springs. That name, of course, referred to Zebulon Pike, who had earlier seen and described but never climbed that peak.

In fact, historians say Long tried to change the name of Pike's Peak in honor of Dr. James' ascent, but by the time of the Long expedition, the name Pike's Peak was too well established. As an alternative, the more northerly peak, visible from many places in the Denver metro area, was named after Dr. James in the 1860s.

As my colleague has mentioned, the James Peak roadless area includes lands within four counties. Three of those counties, Boulder, Clear Creek and Gilpin, are on the east side of the divide, within Colorado's Second Congressional District. The other, Grand County, is on the western side in the Third Congressional District.

The area offers outstanding recreational opportunities for hiking, skiing, fishing and backpacking. It includes a dozen spectacular alpine lakes, including the Forest Lakes, Arapaho Lakes, and Heart Lake. It is one of the highest rated areas for biological diversity on the entire Arapaho National Forest. It includes unique habitat for wildlife, miles of riparian corridors, stands of old growth forests, and it is home to some threatened and endangered species.

Adding James Peak to the chain of protected lands from Berthoud Pass to the Wyoming boundary will promote movement of sensitive species such as wolverine, lynx, and pine marten, and improve the chances of these and similar species that only thrive in wilderness settings.

Currently, this is the largest wilderness area on the Northern Front Range that has no specific statutory protection. Under current law it is open to mining claims and other developments that can occur on general national forest lands. In my opinion, these roadless lands are eminently qualified for and deserve to be added to the National Wilderness Preservation System, and that is the view of many Coloradans as well.

My predecessor, David Skaggs, introduced a James Peak Wilderness bill,

but action on it was not completed. Since my first election to Congress, I have been working to protect the wilderness qualities of the James Peak area. I introduced a bill in the 106th Congress that would have designated about 22,000 acres of the James Peak roadless areas as wilderness, including about 8,000 acres in Grand County.

The proposal was designed to renew discussions for the appropriate management of these lands that qualify for wilderness consideration, and that discussion certainly has taken place. In fact, the bill before us today has been shaped by nearly 2 years of discussions with county officials, interested groups and the general public. The previous bill had broad support. However, after its introduction, the Grand County commissioners, which includes the western side of James Peak, expressed some concerns with the proposed wilderness designation for the land in that county. So I undertook to work with the Grand County commissioners and interested residents of that part of the State.

We held several discussions, including a public meeting in Grand County. After that, the Grand County commissioners put forth a suggestion for designation of a James Peak Protection Area that would include both the Grand County part of the roadless area and additional lands as well. That suggestion is a key part of the bill now before the House.

Mr. Speaker, the bill introduced earlier this year included wilderness designation of about 14,000 acres of the James Peak roadless area in Boulder, Clear Creek and Gilpin Counties. It also included a designation of about 18,000 acres in Grand County as the James Peak Protection Area, and would have added 2,000 acres in Grand County to the Indian Peaks Wilderness Area in accordance with the recommendation of the Forest Service. Within the protection area, there would have been an 8,000 acre wilderness study area. I included the wilderness study provision after the Grand County commissioners indicated that they would not oppose having the Forest Service again review the lands involved for possible wilderness designation.

□ 2115

They indicated that they were aware that the Forest Service had reviewed this area in the past and could have recommended it for wilderness but did not do so. The commissioners also indicated that if the Forest Service were to review the area again, they would respect that process.

I thought, and still think, that the bill as introduced was a sound, balanced measure that deserved their support and the support of the Congress. However, the bill before us today differs in several ways from the version I introduced earlier. Instead, as it comes to the House, the bill incorporates a number of changes developed through negotiations between the chairman of the subcommittee, the gentleman from Colorado (Mr. MCINNIS), and myself.

One of those changes is that the bill before us does not provide for an immediate wilderness study of any of the lands in the protection area. And there are other changes as well, including an increase in the additions to existing wilderness. In short, this bill is a compromise but it is a good compromise. It does not do everything I would have liked, but it probably does more than some others would have liked. That is what a compromise is all about.

In particular, as I have mentioned, it does not designate as much wilderness as I would have preferred on the western side of the James Peak area. But it also does not preclude the Forest Service from revisiting that issue in the future, and in fact it makes it clear that at least part of these lands on the west side will be reviewed for possible wilderness recommendations.

In any event, some of these lands on the west side, the ones designated in the bill as the James Peak protection area and specifically the ''special interest area'' lands within this designation, are to be managed by the Forest Service for their pristine and roadless qualities. Furthermore, the present forest plan restrictions for this area are to be locked in place with the additional restrictions prohibiting commercial logging, land exchanges, mining activities, and new recreational trail development.

This ''protection area'' designation has been designed especially for these lands. It should not be seen as something that necessarily can be applied elsewhere in Colorado or elsewhere as a substitute for wilderness designation where that designation is appropriate. But I think it is appropriate in the way it addresses the management of the lands involved.

On one related point, I want to compliment what my colleague, the gentleman from Colorado (Mr. MCINNIS), also said, it should be noted that it is the intention that the final map and boundary description will make clear that the existing water diversion and impoundment facilities owned by the Denver Water Board and other entities are not within the protection area because the boundary is set back so that these facilities, including an aqueduct, are excluded from the designation. I would also like to take this opportunity to acknowledge and thank all of the people who made this legislation possible. There are too many of them for me to mention them all, and I am deeply grateful for all their contributions; but let me highlight some who made particular contributions:

All of the county commissioners in the four counties, Boulder, Clear Creek, Gilpin and Grand, deserve thanks for their support and input. I want to especially thank Gilpin County Commissioner Web Sill. I would also recognize and applaud the passion and perseverance of the local conservationists who saw the value of these lands early on. These include Bill Ikler of Nederland, Colorado; Kirk Cunningham and Linda Batlin of Boulder, Colorado; Sue Howell of Idaho Springs, Colorado; and Matt Sugar of Winter Park, Colorado.

I also must thank Sierra Club regional representative Steve Smith. Steve was a member of the staff of my predecessor, Congressman David Skaggs, and has been involved in land protection in Colorado for over 20 years. His understanding of the issues as well as his tenacity and diplomacy were indispensable to working out these compromises. Finally, I want to add a special note of appreciation for the work of Doug Young of my staff. His dedication, persistence and expertise were crucial in the process that has brought us to this point.

Mr. Speaker, the James Peak area is indeed special. With the continuing pressure of population growth along Colorado's Front Range, I am concerned that if we do not protect these lands now, we could lose a critical resource for future generations.

In closing, again I want to thank my colleague particularly, the gentleman from Colorado (Mr. MCINNIS), the chairman of the subcommittee, for his invaluable assistance and leadership and his friendship. I look forward to working with him in the future when we have the opportunity. I urge passage of this much-needed bill.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MCINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, there are a couple of points here I would like to make very clear. First of all, there are a couple of other thank-you's I want to make: Josh Penry on my staff, Melissa Simpson and a couple of others in the staff, Christopher and some others, put a lot of effort into this. I understand the gentleman's comment in regards to model. I think this should be a piece of model legislation or legislation on which to model future compromises, the reason being is that this bill required a lot of local effort.

The gentleman from Colorado (Mr. UDALL) was involved at the grassroots level in putting that compromise together. That is the exact kind of model for the future of Colorado that we should look forward to. As the gentleman from Colorado (Mr. UDALL) realizes, between the two of us and our staffs, we were able to go to Colorado and bring these various factions together. Wilderness will never receive further designation in Colorado in my opinion if it is going to be black and white, that clear. It can never be that clear a line. There has to be compromise, and there has to be local support. I think that was recognized by my colleague, the gentleman from Colorado (Mr. UDALL). But I want to make it clear on the record that this should

be a model piece of legislation for future discussions in regards to wilderness.

I also want to point out that this bill was introduced in the 105th session and in the 106th session. It never received a hearing. It never got a vote. The reason that it is here on the floor today is because the gentleman from Colorado (Mr. UDALL) and the communities and myself were able to come together. I would hope that as a result of what we saw, the compromise that came here tonight that brought this bill to the floor, we will also see the same kind of, I guess, courtesies, or reciprocation from the gentleman from Colorado (Mr. UDALL) in regards to the Deep Creek wilderness.

As he knows, these bills were close to being companion bills. The Deep Creek bill still has some work in regards to description and so on before we can get it to hearing, but I would hope that my colleague will also put forth his efforts and energies as I did with his bill; I hope he puts the same kind of energy and efforts to making my bill on the Deep Creek wilderness become a reality.

Mr. UDALL of Colorado. Mr. Speaker, will the gentleman yield?

Mr. MCINNIS. I yield to the gentleman from Colorado.

Mr. UDALL of Colorado. Mr. Speaker, I thank the gentleman for yielding. I wanted to make the statement that I look forward to working with him on the Deep Creek wilderness proposal. Also if I could, I might just point out, I think the process was a model, first and foremost. We brought people together on an ongoing basis. Nobody walked away from the table. We had differences of opinion and differences of approaches over, as he points out, almost a 3-year or arguably a longer period of time given that Congressman Skaggs introduced the bill back in the 105th Congress. But nobody walked away from the process. People were trusting of other people's motives even though there was perhaps a difference in approach and opinion.

I hope that we can bring that model not only to our State, Colorado, but around the West as we continue to have to deal with some of these thorny issues that surround the use of public lands. People operated in good faith. I thank the chairman again for his support and work, and I look forward to working with him in the future.

Mr. MCINNIS. I would point out to the gentleman from Colorado that, yes, people were at the table, but it required leadership to get something done at the table. They were willing to sit at the table, they were willing to sit politely and have a discussion; but it took your leadership, it took my leadership, it took the leadership of these county commissioners to come in with this kind of compromise. It also took some resistance on our part for people who at the last minute want to pull off the table or try and squash the deal by always moving the goal posts. I am afraid we are going to see that in Deep Creek. I would hope, as I said, that you would reciprocate with the same kind of leadership that I showed, I think, with your bill, that you would show with my bill. But I think you have done a tremendous job. I also want to commend Mr. Sloss and his efforts. We both live close there.

Mr. UDALL of Colorado. If the gentleman will yield further, if I might, I was remiss in not acknowledging the tremendous staff work on the part of Stan Sloss who anybody who works with the Committee on Resources knows is an institution and is a great resource not just to Democrats but to Republicans as well and is a tremendous resource to all of us. I thank the gentleman for acknowledging Stan Sloss and the great work that he does.

Mr. MCINNIS. On a lighter moment, as the gentleman knows, Mr. Sloss' mother was my school teacher many years ago, so I walked the straight line as a result of the lessons I learned from that fine lady.

Mr. Speaker, I ask for favorable consideration of the bill.

Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. JOHNSON of Illinois). The question is on the motion offered by the gentleman from Colorado (Mr. MCINNIS) that the House suspend the rules and pass the bill, H.R. 1576, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

NATIVE AMERICAN CULTURAL CENTER AND MUSEUM AUTHORIZATION ACT

Mr. MCINNIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 2742) to authorize the construction of a Native American Cultural Center and Museum in Oklahoma City, Oklahoma.

The Clerk read as follows:

H.R. 2742

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. OKLAHOMA NATIVE AMERICAN CULTURAL CENTER AND MUSEUM.

(a) FINDINGS.—Congress makes the following findings:

(1) In order to promote better understanding between Indian and non-Indian citizens of the United States, and in light of the Federal Government's continuing trust responsibilities to Indian tribes, it is appropriate, desirable, and a proper function of the Federal Government to provide grants for the development of a museum designated to display the heritage and culture of Indian tribes.

(2) In recognition of the unique status and history of Indian tribes in the State of Oklahoma and the role of the Federal Government in such history, it is appropriate and proper for the museum referred to in paragraph (1) to be located in the State of Oklahoma.

(b) GRANT.—

(1) IN GENERAL.—The Secretary shall offer to award financial equaling not more than $33,000,000 and technical assistance to the Authority to be used for the development and construction of a Native American Cultural Center and Museum in Oklahoma City, Oklahoma.

(2) AGREEMENT.—To be eligible to receive a grant under paragraph (1), the appropriate official of the Authority shall—

(A) enter into a grant agreement with the Secretary which shall specify the duties of the Authority under this section, including provisions for continual maintenance of the Center by the Authority without the use of Federal funds; and

(B) demonstrate, to the satisfaction of the Secretary, that the Authority has raised, or has commitments from private persons or State or local government agencies for, an amount that is equal to not less than 66 percent of the cost to the Authority of the activities to be carried out under the grant.

(3) LIMITATION.—The amount of any grant awarded under paragraph (1) shall not exceed 33 percent of the cost of the activities to be funded under the grant.

(4) IN-KIND CONTRIBUTION.—When calculating the cost share of the Authority under this Act, the Secretary shall reduce such cost share obligation by the fair market value of the approximately 300 acres of land donated by Oklahoma City for the Center, if such land is used for the Center.

(c) DEFINITIONS.—For the purposes of this Act:

(1) AUTHORITY.—The term ''Authority'' means the Native American Cultural and Educational Authority of Oklahoma, and agency of the State of Oklahoma.

(2) CENTER.—The term ''Center'' means the Native American Cultural Center and Museum authorized pursuant to this section.

(3) SECRETARY.—The term ''Secretary'' means the Secretary of the Interior.

(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to grant assistance under subsection (b)(1), $8,250,000 for each of fiscal years 2003 through 2006.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Colorado (Mr. MCINNIS) and the gentleman from Oklahoma (Mr. CARSON) each will control 20 minutes.

The Chair recognizes the gentleman from Colorado (Mr. MCINNIS).

Mr. MCINNIS. Mr. Speaker, I yield myself such time as I may consume.

H.R. 2742 is legislation introduced by the gentleman from Oklahoma (Mr. CARSON) which directs the Secretary of the Interior to grant $33 million in financial assistance grants and technical assistance to the Native American Cultural and Educational Authority for the development of the Native American Cultural Center and Museum in Oklahoma City, Oklahoma. The bill authorizes appropriations to the Secretary of the Interior for $8.25 million for the fiscal years 2003 through 2006.

The committee held a hearing on October 17, 2001, and favorably reported it out of full committee by unanimous consent on November 28, 2001. The Oklahoma delegation, the 39 tribes recognized by the State of Oklahoma and the Oklahoma State legislature all support H.R. 2742.

Mr. Speaker, I respectfully request an affirmative vote on the passage of

this important bill for the State of Oklahoma.

Mr. Speaker, I reserve the balance of my time.

Mr. CARSON of Oklahoma. Mr. Speaker, I yield myself such time as I may consume.

I would like to begin by expressing my sincere appreciation to Chairman HANSEN of the Committee on Resources, Ranking Member RAHALL and the entire Committee on Resources staff for their leadership and hard work in bringing H.R. 2742 to the floor of the House of Representatives. I would like to especially single out the gentleman from Colorado (Mr. MCINNIS) for his leadership on this issue as well as my indispensable aide, Jessica Werner, whose passion for this issue and whose expertise is greater than my own. I rise in support of H.R. 2742, a bill to authorize, as the gentleman from Colorado said, the construction of a Native American Cultural Center and Museum in Oklahoma City, Oklahoma. As an enrolled member of the Cherokee tribe and representing the most Native American district in the entire country, H.R. 2742 and the Native American Cultural Center and Museum planned for Oklahoma City, Oklahoma, carry great significance for me.

The area encompassed by the boundaries of the State of Oklahoma, often referred to as ''Native America,'' has had a special relationship with Indian nations since long before it became a State in 1907. Beginning in the 1820s, the five civilized tribes from the southeastern United States were relocated to Indian Territory over numerous routes, the most famous being the Cherokee Trail of Tears. Forced off their ancestral lands by State and Federal governments, the tribes suffered great hardships during the rigorous trips west. This forced march of eastern tribes to the West under the Indian Removal Act of 1830 is the best known movement of American Indians to what is now Oklahoma. Thirty-nine tribes are recognized by the State, including both tribes forced to Oklahoma and tribes native to the plains.

These tribes collectively and individually have played an invaluable role in the evolution of the State of Oklahoma. Indeed, the culture and history of Oklahoma are inseparable from that of the 39 tribes. Nevertheless, before the creation of the Native American Cultural and Educational Authority of Oklahoma, there has been little statewide effort to recognize the contributions and sacrifices made by the tribes, and no Federal effort in my State.

In 1994, the Oklahoma legislature created the Native American Cultural and Educational Authority to promote the history of Native Americans for the mutual benefit of the State of Oklahoma and its Indian and non-Indian citizens. By that legislation, the authority was authorized and empowered to construct and operate a cultural center and museum on a chosen site in Oklahoma. Since 1994, various entities, including the authority, the State legislature, the Office of the Governor, Native American groups, and a stellar design team have worked together and developed an impressive and extensive plan for the creation of the Native American Cultural Center and Museum in Oklahoma City, which three cities in Oklahoma initially bid for.

□ 2130

The approximately 300-acre site donated by Oklahoma City where the center will be located will have a Great Promontory, a Court of Nations, a Court of the Wind, a Hall of the People, Permanent and Temporary Galleries, a ''Who We Are'' Theater, a Multi-Purpose Theater, a Demonstration Gallery, Family Center, Study Center, Discovery Center, a Lodge, Hotel and Conference Center, a Visitor Center and Dancing Grounds.

As an affiliate of the Smithsonian Institute, the museum will be able to rotate exhibits with the Native American Smithsonian Institute being built not far from where I stand here in Washington, enriching both of the museum's collections.

Some of the main goals tied to the creation of the Native American Cultural Center and Museum are, first, to link the past, present and future of Indian Nations and present them to the visitor in a way that he or she can experience and understand fully; second, to preserve and promote the living cultures of Native Americans, in language and history, dance, arts, cultural values and spirituality; and, third, to strive for economic self-sufficiency and to engender the principles of environmental sustainability.

This massive endeavor, representing and promoting all 39 tribes in Oklahoma, is truly awe-inspiring and worthy of Federal financial and technical support. The design team includes Ralph Appelbaum, whose achievements include the United States Holocaust Museum, and Bill Fain, who helped design the TransAmerica Building in San Francisco. The world class team has enjoyed the strong support of Governor Frank Keating of Oklahoma, as well as Senator NICKLES and Senator INHOFE, and Senator CAMPBELL of Colorado, as well as the Oklahoma State Legislature, and the gentleman from Oklahoma (Mr. WATKINS), the gentleman from Oklahoma (Mr. WATTS), the gentleman from Oklahoma (Mr. LARGENT) and the gentleman from Oklahoma (Mr. ISTOOK), to name just a few.

H.R. 2742, as the gentleman from Colorado (Mr. MCINNIS) noted, would authorize the appropriation of $33 million over a period of four fiscal years beginning in 2003. However, appropriation of Federal dollars is contingent upon private, city and State sources, accounting for 66 percent of the total cost. Thus, the center is neither wholly dependent upon Federal funds nor given access to Federal funds until a local commitment has been adequately demonstrated.

Nevertheless, Federal funds are necessary and reasonable. Given the Federal Government's significant role, indeed determining role, in relocating many of the 39 tribes now a part of Oklahoma, it seems more than appropriate for the Federal Government to award grants to the Native American Cultural and Educational Authority for the development of this museum, committed to preserving the history and culture of these tribes.

Furthermore, a precedent has been set for the Federal funding of State museums. To name a few examples, from 1986 to 1994, the Steamtown Railroad Museum in Pennsylvania was appropriated more than $80 million in Federal funds. From 1996 to 1997, the Hispanic Cultural Center in New Mexico was appropriated $16 million. Under the Omnibus Indian Advancement Act of the 106th Congress, appropriations amounting to over $18 million were authorized for the Wakpa Sica Reconciliation Place in Fort Pierre, South Dakota.

The construction of this museum and, hence, this legislation, is not only necessary for the preservation of Indian cultures, but carries deep significance in the State of Oklahoma and, I believe, to the Nation too. Felix Cohen, in his landmark treatise on Indian law, remarked that, ''like the miner's canary, the Indian marks the shift from fresh air to poison gas in our political atmosphere; and our treatment of Indians, even more than our treatment of other minorities, reflects the rise and fall in our democratic faith.''

With this bill, in a State formed by the cruelties of our Nation's Indian policy, we build finally a monument to all which has endured. We now celebrate what was once despised, and we now preserve what our Nation for too long tried to eradicate.

Mr. Speaker, I reserve the balance of my time.

Mr. MCINNIS. Mr. Speaker, I yield such time as he may consume to the gentleman from Oklahoma (Mr. ISTOOK).

Mr. ISTOOK. Mr. Speaker, I thank the gentleman for yielding me time. I want to especially express my appreciation to my colleague, the gentleman from Oklahoma (Mr. CARSON) for offering H.R. 2742. I certainly rise in support of it.

As the gentleman from Oklahoma (Mr. CARSON) mentioned, he is an enrolled member of the Cherokee Tribe. In fact, there are some 67 tribes that originally inhabited what became known as Indian Territory, and now is known as the State of Oklahoma.

Through a chapter in our Nation's history, of which we cannot be proud, we had the Trail of Tears with the movement of Indian Tribes across the country, from eastern parts of the Nation, from Florida and Alabama and other states in the Southeast in particular, moved by the U.S. Government to Oklahoma.

Now we need to recognize what they built there, what they established

under adverse conditions, in a good land but not the land that was originally theirs, but the land that became theirs. It is fitting and proper that the Federal Government participate in establishing this center about the education, the culture and the history of the Tribes that were moved across the country to become the homeland of now the State of Oklahoma.

Mr. Speaker, this legislation, which is supported by the Tribes to preserve their heritage in the lands which became theirs, is a partnership piece of legislation. It states that the money to be provided by the Federal Government will be matched two-to-one by funds being provided by State and local and private sources.

Indeed, the State legislature has already appropriated $6.5 million. There has been a grant of land from the City of Oklahoma City of some 300 acres, in the prime location where Interstates 40 and 35 come together next to downtown Oklahoma City on the banks of the North Canadian River. In that prime location will be erected the proud monument and preservation of the history and culture of the Indian Tribes that inhabited so much of the country and came to rest in the State of Oklahoma.

Private donations are being solicited. We are not asking for the Federal Government to assume the cost of operating this. We are not asking the Federal Government to even bear the lion's share of the funding for this. We are saying that State, local and private sources will provide two-thirds of the funding, and the Federal Government is only being asked to provide one-third. That is more than fair, Mr. Speaker, and it is just that we provide this funding, that we authorize it today, and appropriate it over this 4-year period, as the bill calls to be done.

I want to express my appreciation for the partnership of the many people and several Indian Tribes involved in this, the civic leaders in the city of Oklahoma City, the State legislators. I want to single out one member of the State legislature in particular, State Senator Enoch Kelly Haney, a Native American who was responsible for much of the vision regarding this center. In fact, he is also an artist. He is a sculpture. He is donating his work of the statue of a Native American to be the new statue atop the new dome being put on the Oklahoma State Capitol.

I also want to express appreciation to Governor Bill Anaotubby of the Chickasaw Nation, Principle Chief Perry Beaver of the Muscogee Creek Nation, Former Chief Joe Byrd of the Cherokee Nation, Former Chief Elmer Manatowa of the Sac & Fox Nation, and Dr. Bud Sahmaunt of the Kiowa Tribe. They have all served on the Board of Directors of the Native American Cultural and Educational Authority and have been involved in the planning for this museum.

I again want to express my special appreciation to my colleague, the gentleman from Oklahoma (Mr. CARSON), for sponsoring this legislation, knowing that it is not just a matter of things that are important to the people in his district, but also that are important to the people throughout the State of Oklahoma and to the preservation of Native American history and culture for people throughout the United States of America as well.

AMENDMENT OFFERED BY MR. MCINNIS

Mr. MCINNIS. Mr. Speaker, I ask unanimous consent on page 2, line 21 of the bill, that the word ''assistance'' be inserted after the word ''financial.''

The SPEAKER pro tempore (Mr. JOHNSON of Illinois). Is there objection to the request of the gentleman from Colorado?

There was no objection.

Mr. MCINNIS. Mr. Speaker, I yield such time as he may consume to my good friend, the gentleman from Oklahoma (Mr. WATKINS).

(Mr. WATKINS of Oklahoma asked and was given permission to revise and extend his remarks.)

Mr. WATKINS of Oklahoma. Mr. Speaker, I thank the gentleman for yielding me time.

Mr. Speaker, first I would like to express my thanks to the gentleman from the Second Congressional District of Oklahoma (Mr. CARSON), for his tremendous work in this area of Native Americans and also on this particular bill. He has done a great job putting this bill together, bringing it to light and moving it forward to where we are tonight.

I am delighted to be a cosponsor with the gentleman and with other Oklahomans. It is so fitting that this museum honoring the Native Americans be in Oklahoma City. To a lot of people, they may not realize that the word ''Oklahoma'' means ''red man,'' and that in Oklahoma we have more Native Americans per capita than any other State in the Nation. We have one of the largest populations, of course.

I am delighted to say that, even in my own family, that I have a child that is part Cherokee. I also have grandchildren that are part Cherokee and part Creek, two of them are part Creek, so in our family we have a lot of discussions from time to time about the various cultural activities and other things that we feel like need to be done for the socioeconomic conditions of Native Americans.

Mr. Speaker, I myself have grown up with and among the Choctaw Indians. I am always delighted to say I was the only non-Native American on the baseball team when I was growing up, and also the only non-Native American on the basketball team in my little hometown of Bennington, Oklahoma, which was one of the early-time headquarters of Native Americans and one of the largest populations of Native Americans of Choctaw background.

In my immediate family, I spent probably more time with the Native American families, spending nights there and spending many days working in their culture and understanding the culture of the Native Americans in my district.

But we have longed for the time, I think, where we should hold up and honor the Native Americans for their tremendous sacrifice, for their tremendous contributions, not only to our State of Oklahoma, but to this Nation and to really our freedoms that we enjoy today. Probably there is no one any more American that feels the patriotism of being American than our Native American brothers and sisters.

So, for this particular legislation to come forth concerning this Native American museum, to hold this up, I want to commend my good friend, the gentleman from Oklahoma (Mr. CARSON) for his efforts. I am sincere about that, what the gentleman is doing along these lines.

So without anything else, I would like to say I appreciate the time of the chairman. I know, Mr. Chairman, in Colorado you have a lot of Native Americans in your fine State also.

I rise today in support of H.R. 2742. This legislation will authorize a grant for the development and construction of a Native American Cultural Center and Museum in Oklahoma City, Oklahoma. I thank the gentleman from Oklahoma, Brad Carson, for his work on behalf of Native Americans and also for offering this legislation that I am proud to co-sponsor.

Oklahoma has one of the largest American Indian populations of any state. Currently, Oklahoma is home to 39 recognized Indian Tribes. We are very proud in Oklahoma of our Native American heritage. In fact, Oklahoma means ''red man.'' I know from my personal experience Native Americans in my area of Oklahoma make a major contribution to the state.

In 1994, the Oklahoma Legislature created the Native American Cultural and Educational Authority (NACEA) ''to promote the history and culture of Native Americans for the mutual benefit of the state of Oklahoma and its American Indian and non-Indian citizens.'' That legislation authorized the NACEA to construct and operate a Cultural Center and Museum on a chosen site in Oklahoma City. I know the Center will promote the proud history and culture of Oklahoma Native Americans.

I want to again thank my colleague for his tremendous work and role in bringing this legislation to the floor and urge passage of this important bill.

Mr. MCINNIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I might add, Native Americans are well protected by the gentleman from Oklahoma (Mr. WATKINS) in Oklahoma as well. He watches out for all of them.

Mr. Speaker, I ask for favorable consideration of the bill.

Mr. LARGENT. Mr. Speaker, I rise today encouraged by the congressional support for the Native American Cultural Center and Museum to be built in Oklahoma City. Oklahoma, which boasts the highest Native American population in this country, has long needed a starting point from which to guide interested persons through our rich history. I believe that travelers passing through Oklahoma's crossroads will now encounter a facility so reflective of our

State heritage, that their curiosity will be piqued. It is my hope that education and healing will occur as the pains and triumphs of our people are experienced on the grounds of this meeting place.

The Center's central location will not only benefit the heart of our people, but will also spur on the Oklahoma economy by providing new opportunities for Native American entrepreneurs and other local businesses. Furthermore, travelers will have a great place to begin their study of the intriguing native people who have ancestral roots throughout our nation. I believe in this way, visitors will experience the true Native America.

It is always wise to build upon existing strengths. It is obvious that Oklahoma's strength lies in the incredible people who have shaped its history. I look forward to the new strengths to be revealed through the creation of this native American center.

Mr. KILDEE. Mr. Speaker, as Co-Chair of the Congressional Native American Caucus, I rise in strong support of H.R. 2742, a bill that authorizes the Secretary of Interior to award financial assistance grants and technical assistance grants to the Native American cultural and educational authority for the construction of a Native American cultural center and museum in Oklahoma City, Oklahoma.

The bill authorizes a Federal appropriation of $33 million over a period of four fiscal years beginning in 2003. The Federal appropriation, however, is contingent upon private, city and State sources accounting for 66 percent of the total cost of the project.

Mr. Speaker, support for a Native American Cultural Center and Museum in a state that has one of the largest Native American population of any state is long overdue. This bill has the bipartisan support of the Congressional Native American Caucus, the Oklahoma Congressional Delegation and the State's elected officials too.

Mr. Speaker, I ask my colleagues to support this bill.

Mr. RAHALL. Mr. Speaker, I want to congratulate our colleague, BRAD CARSON of Oklahoma, for all his hard work and sponsorship of H.R. 2741.

Promised as the original Indian Territory, the State of Oklahoma has clearly been enriched through its Indian heritage from the Trail of Tears which moved eastern Indian tribes into the state, through the settlements of the Oklahoma Sooners, to the 39 tribes living within its border today.

It is truly a story worth telling and I look forward to one day visiting the Native American Cultural Center and Museum we are authorizing today.

Mr. CARSON of Oklahoma. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MCINNIS. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Colorado (Mr. MCINNIS) that the House suspend the rules and pass the bill, H.R. 2742, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MCINNIS. Mr. Speaker, I ask unanimous consent that all Members have 5 legislative days in which to revise and extend their remarks on the 3 bills just considered, H.R. 38, H.R. 1576 and H.R. 2742.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Colorado?

There was no objection.

BASIC PILOT EXTENSION ACT OF 2001

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3030) to extend the ''Basic Pilot'' employment verification system, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3030

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 ''Basic Pilot Extension Act of 2001''.

SEC. 2. EXTENSION OF PROGRAMS.

Section 401(b) of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 (8 U.S.C. 1324a note) is amended by striking ''4-year period'' and inserting ''6-year period''.

SEC. 3. EFFECTIVE DATE.

The amendment made by this Act shall take effect on the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentlewoman from Texas (Ms. JACKSON-LEE) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3030.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the Immigration Reform and Control Act of 1986 made it unlawful for employers to knowingly hire or employ aliens not eligible to work and required employers to check the identity and work eligibility documents of all new employees. Under this Act, if the documents provided by an employee reasonably appear on their face to be genuine, the employer has met its document review obligations.

The easy availability of counterfeit documents has made a mockery of the Immigration Reform and Control Act.

□ 2145

Fake documents are produced by the millions and can be obtained cheaply.

Congress responded to this dilemma in the Illegal Immigration Reform and Immigrant Responsibility Act of 1996 by instituting employment eligibility confirmation pilot programs for volunteer employers that were to last for 4 years.

Under the basic pilot, the Social Security numbers and alien identification numbers of new hires are checked against Social Security Administration and Immigration and Naturalization Service records in order to weed out documents containing counterfeit numbers and real numbers used by multiple individuals. Operation of the pilot program commenced in November of 1997 and expires this month.

The 1996 Act required that the INS provide a report to Congress on the operation of the pilot programs within 3 months after the end of the third and fourth year in which the programs are in effect. The reports were to, one, assess the benefits of the pilot programs to employers and the degree to which they assist in the enforcement of the rules regarding the employment of aliens; and, two, to include recommendations on whether or not the pilot program should be continued or modified.

The INS has not complied. That is no surprise. The agency provided Congress with no report after the third year of operation of the basic pilot program, despite being mandated to do so by law, and there is no assurance that one will be provided within the time limits specified by law after the fourth year of operation. The INS' failure to obey the law and to provide the reports as required by law is unfortunately a frequent failing of this agency. It can only be hoped that once the immigration functions of the Justice Department are restructured and the INS is abolished will such negligence and/or malfeasance be a thing of the past.

In any event, Congress must now decide upon the reauthorization of the basic pilot program in the absence of the agency reports, required by law, on the program. We have received word from industry implementing the basic pilot program that it has been a great success and that industry representatives favor a 2-year extension of the program.

The committee has received no adverse comment regarding the basic pilot program. In light of the continuing relevance of the original goals of the basic pilot program, and the evidence of its successful operation, we all should support a 2-year extension. H.R. 3030, introduced by our colleague, the gentleman from Iowa (Mr. LATHAM), provides that extension.

I can only hope that when we are again called upon to consider the merits of this pilot program we will have in hand an evaluation of the program's operation from the Justice Department. The INS is supposed to enforce

the law. The Justice Department is the agency in the executive branch to ensure that the law is being enforced; and unfortunately, the law is not being complied with, and the reports we asked for in 1996 by law have not been submitted by the Immigration and Naturalization Service.

I urge my colleagues to support H.R. 3030; and let me say that I hope at the end of 2 years the immigration service will read laws passed by Congress and signed by the President so that once again the Congress is not put in this embarrassing situation of legislating without required reports.

Mr. Speaker, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield myself such time as I may consume.

I rise with great enthusiasm on supporting the extension with respect to H.R. 3030, a bill to extend the basic pilot employment verification system. I would imagine if we were to take a survey of all of the legal immigrants in the United States, we would find a minuscule proportion engaged in any illegal and/or terroristic activities. However, since September 11, a new page has been turned as relates to immigration laws and those who are immigrants.

Congress created the program that we speak of tonight as part of the Illegal Immigration Reform and Immigration Responsibility Act of 1996 to help employers comply with laws that bar them from knowingly hiring ineligible workers. I would venture to say that most Americans would agree that it is important to assure that as employers are hiring, that they have the necessary information to hire those who are here in the United States legally.

At the same time, I believe that under the leadership of our new Commissioner Ziglar that we will also begin to be able to confront issues of terrorism and those who would promote it, would come into this country illegally, and separate that from the necessity of improving our immigration laws overall and addressing those individuals that want to access immigration legally with dignity.

I am supporting this legislation, but I hope as well this House and the other body will be able to move forward to address a number of issues that have been put on the table. As a co-chair of the Democratic Task Force on Immigration, I hope we will be able to look at the issue of family reunification, earned access to legalization, increase our review of border safety and protection, look at the enhanced temporary worker program; and yes, I think it is important to end unfair discrimination against legal immigrants.

As my colleagues know, in this instance, this particular pilot bill, the Congress is exploring new ways and methods and techniques to assure the security and integrity of the way in which we admit and track aliens who apply for nonimmigrant visas. We do live in dangerous times, as I have already noted.

This bill is extending a pilot program that will improve and ensure integrity in the employment verification process. I believe that this is a process that no one disagrees with. Those who want to access legalization, those who want to support family reunification, and certainly those legal immigrants who are seeking employment, they have their documentation and they have no problem with the employers verifying that documentation.

This bill introduced by the gentleman from Iowa (Mr. LATHAM) extends the basic pilot employment verification point under expedited procedures. The basic employment verification system is a program that many companies use to ensure that new companies are legal. This program is a voluntary electronic employment verification system which allows employers to verify I–9 documents. Companies with facilities in any of the pilot States may use the verification program throughout all of their facilities, including States outside the program. That is a very important aspect of this particular legislation.

Approximately 2,000 employers are presently using the basic pilot program, which creates a very valid data processing system that allows accuracy in access to determine if the individual that they want to hire, the person that is presenting themselves as a legal immigrant, has the documentation and does have the required legal documentation.

In title IV of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, Congress authorized the Immigration and Naturalization Service to conduct voluntary pilot programs that allow these participating employers to access by computer certain governmental databases for purposes of new employment verification. This program allows employers signing a memorandum of understanding with the INS to query an INS Social Security Administration database regarding the work authorization status of a new employment applicant instead of simply recording and retaining the number of documents that such applicants choose to submit.

The basic pilot program provides greater ease of verification for employers and employees and greater deterrence of the use of fraudulent INS and SSA documents. We need a system like this system-wide in the INS in order to be able to address the differentiation between those who want to access legalization rightly and those who want to be in this country illegally.

Industries, such as meat packing and food processing, have stated an interest in cooperating with the INS to maximize its ability to assure its interests in cooperating with the INS in order to make sure that their workforce is authorized. Many believe that while the program does not provide 100 percent deterrence of persons seeking unauthorized employment, it is far superior to the current practice of recording I–9 forms, the number of documents physically presented by new employees.

This gives something for the employers to rely upon. This puts the onus and responsibility on the INS to have a database on which they can rely. This moves immigration into the 21st century.

I support this legislation because it is needed, because section 401(b) of the 1996 Act states that the Attorney General shall terminate the pilot program at the end of the 4-year period beginning on the first day the pilot program is in effect. H.R. 3030 extends the life of the program by 2 years, from 4 years to 6 years, giving us, as the chairman indicated, additional data so that we can again respond to those who wish to access legalization and as well maintain legal documentation and be in this country as we would want them to be in a country that believes in the diversity as well as the responsibility of those who seek access to legalization in treating them fairly.

This pilot program enhances the current I–9 form employment verification process by providing employers with greater assurances that they are not hiring unauthorized aliens and by establishing larger obstacles to aliens seeking to work illegally, but thereby rewarding those who seek to access the right documentation and to follow the laws of this Nation.

Again, I hope that we will support this legislation. We are a country of immigrants and a country of laws.

Mr. Speaker. I am gratified to be here today to vote on a bill that will improve the employment verification process. As you know, the Congress is exploring new ways, methods, and techniques to ensure the security and integrity of the way in which we admit and track aliens who apply for non-immigrant visas. We do live in dangerous times. This bill is extending a pilot program that would improve and ensure integrity in the employment verification process.

This bill, introduced by Congressman TOM LATHAM, extends the Basic Pilot employment verification program under expedited procedures. The Basic employment verification system is a program that many companies use to ensure that new companies are legal. This program is a voluntary electronic employment verification system, which allow employers to verify I–9 documents. Companies with facilities in any of the ''pilot'' states may use the verification program throughout all of their facilities, including states outside the program. Approximately 2,000 employers are presently using the Basic Pilot Program.

In Title IV of the Illegal Immigration Reform and Immigrant Responsibility Act of 1996, Congress authorized the Immigration and Naturalization Service to conduct voluntary pilot programs that allow these participating employers to access by computer certain governmental databases for purposes of new employment verification. This program allows employers signing a memorandum of understanding (MOU) with the INS to query an INS-Social Security Administration (SSA) data

base regarding the work-authorization status of new employment applicants, instead of simply recording and retaining the numbers of documents that such applicants chose to submit. The Basic Pilot Program provides greater ease of verification for employers and employees and greater deterrence of the use of fraudulent INS and SSA documents.

Industries such as meat packing and food processing have stated an interest in cooperating with the INS to maximize its ability to ensure its interest in cooperating with the INS to maximize its ability to ensure its workforce is authorized. Many believe that while the program does not provide 100 percent deterrence of persons seeking unauthorized employment, it is far superior to the current practice of recording in I-9 forms the numbers of documents physically presented by new employees.

I support this legislation because it is needed because Section 401(b) of the 1996 Act states that "the . . . Attorney General shall terminate a pilot program at the end of the 4-year period beginning on the first day the pilot program is in effect." H.R. 3030 extends the life of the program by two years, from four years to six years. This pilot program enhances the current I-9 form employment verification process by providing employers with greater assurances that they are not hiring unauthorized aliens and by establishing larger obstacles to aliens seeking to work illegally. I support this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I have no further speakers, and I am prepared to yield back if the gentlewoman from Texas (Ms. JACKSON-LEE) does the same.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield myself such time as I may consume.

Let me just conclude by simply adding that I hope as we pass this legislation we will be able to as well bring to finalization 245(I) that helps with family unification; that we will realize that immigration issues are separated from those who would promote and do harm to the United States versus those who are hungry to be in a country that provides opportunity and democracy.

I would hope that we would look to the issues of earned access to legalization as we look to border safety and protection, work of the enhanced temporary worker program and continue to work against unfair discrimination against legal immigrants as we look to put this country on sure footing, fighting the terrible terrorists, but as well recognizing the value of immigrants who have come to this country and contributed with hard work and sincere commitment to our values and our principles.

I ask that my colleagues support H.R. 3030.

Mr. LATHAM. Mr. Speaker, today I rise to commend the judiciary committee on a job well done and ask for the expedient passage of H.R. 3030, a bill to extend the basic pilot employment verification program. This bill will reauthorize the recently expired program for an additional two years at minimal cost to the government.

H.R. 3030 will further the aims of this body by encouraging greater cooperation between industry and the federal government—something I believe my colleagues on both sides of the aisle can support.

This program, originally the brain-child of my good friend Representative KEN CALVERT, allows eligible employers to use a joint Immigration and Naturalization Service (INS)—Social Security Administration (SSA) database to verify that prospective employees are employable under existing law. Furthermore, it has the desirable effect of providing greater ease of verification for employers and greater deterrence to those who would fraudulently use legal documents.

Currently used by approximately 1,758 companies in the states of California, Florida, Illinois, Nebraska, New York, and Texas, as well as facilities owned by these companies in states not explicitly covered, this program has been beneficial to industries ranging from meat packing to direct mail.

As we continue to debate INS reform, I believe it is incumbent upon us that we reauthorize programs that have been successful and recognize these programs as the model for such future efforts.

Mr. CALVERT. Mr. Speaker, I stand today in strong support of this important legislation. In 1994, during my first term in Congress I introduced a bill to create a system now known as the Basic Pilot Program. Representing a district very close to the U.S./Mexico border, I heard from many INS agents dissatisfied with the tools they were given to track illegal immigrants and from employers who wanted a way to verify the employment eligibility of prospective employees. As we discussed the means to develop such a system, one idea that kept cropping up was a simple 1–800 telephone number that businesses could use to verify the Social Security numbers of people they had hired.

In 1996, I was successful in getting the Basic Pilot Program included in the Immigration Reform Act and I am pleased that companies across the country are now using the toll free verification line. I applaud my friend from Iowa for moving to extend the program. Now, more than ever, it is clear that we need to provide tools that will help the INS track people in this country illegally.

Even while this program continues, we will be working together to ensure that the INS meets the requirements of the 1996 law. I have asked INS to complete their report on the Basic Pilot Program and will work with the Service, the gentleman from Iowa and the Chairman of the Committee on ways to improve and expand the program to all fifty states.

Again, I would like to thank the gentleman from Iowa for introducing this key legislation and would urge all my colleagues to vote for its passage.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I also yield back the balance of my time.

The SPEAKER pro tempore (Mr. JOHNSON of Illinois). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 3030, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title of the bill was amended so as to read: "A bill to extend the basic pilot program for employment eligibility verification, and for other purposes.".

A motion to reconsider was laid on the table.

ANTI-HOAX TERRORISM ACT OF 2001

Mr. SENSENBRENNER. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3209) to amend title 18, United States Code, with respect to false communications about certain criminal violations, and for other purposes, as amended.

The Clerk read as follows:

H.R. 3209

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 "Anti-Hoax Terrorism Act of 2001".

SEC. 2. HOAXES AND RECOVERY COSTS.

(a) PROHIBITION ON HOAXES.—Chapter 47 of title 18, United States Code, is amended by inserting after section 1036 the following:

"§ 1037. False information and hoaxes

"(a) CRIMINAL VIOLATION.—Whoever engages in any conduct, with intent to convey false or misleading information, under circumstances where such information may reasonably be believed and where such information concerns an activity which would constitute a violation of section 175, 229, 831, or 2332a, shall be fined under this title or imprisoned not more than 5 years, or both.

"(b) CIVIL ACTION.—Whoever engages in any conduct, with intent to convey false or misleading information, under circumstances where such information concerns an activity which would constitute a violation of section 175, 229, 831, or 2332a, is liable in a civil action to any party incurring expenses incident to any emergency or investigative response to that conduct, for those expenses.

"(c) REIMBURSEMENT.—The court, in imposing a sentence on a defendant who has been convicted of an offense under subsection (a), shall order the defendant to reimburse any party incurring expenses incident to any emergency or investigative response to that conduct, for those expenses. A person ordered to make reimbursement under this subsection shall be jointly and severally liable for such expenses with each other person, if any, who is ordered to make reimbursement under this subsection for the same expenses. An order of reimbursement under this subsection shall, for the purposes of enforcement, be treated as a civil judgment.".

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of chapter 47 of title 18, United States Code, is amended by adding after the item for section 1036 the following:

"1037. False information and hoaxes.".

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentleman from California (Mr. SCHIFF) each will control 20 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all

Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3209, the bill presently under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

□ 2200

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 3209 would impose civil and criminal penalties to deter and punish a person or persons for perpetrating a hoax that others could reasonably believe is or may be a biological, chemical, nuclear attack, or an attack using some other type of weapon of mass destruction.

Mr. Speaker, today is a very important day to this Nation in many respects. It has been 3 months since New York and the Pentagon were turned into Ground Zero and our national innocence was shattered. Since that time, anthrax and the U.S. mail have become synonymous; monthly Federal warnings about new terrorist attacks have become expected; and a heightened level of alertness on the part of the American people has become necessary.

In the wake of September 11, 2001, and the anthrax attacks, the news media has graphically described the likely devastation caused by chemical, biological, or nuclear attacks on our citizens and on our country. America is in a state of high alert, and this has brought both apprehension and new responsibility.

Due to these concerns, Americans are responsibly reporting suspicious behavior and events to the authorities. This is necessary to protect our country and our freedoms. Unfortunately, while our emergency responders and law enforcement are stretched to the limits responding to real threats, they have had to respond to an increased number of hoaxes. These hoaxes are not meant to be funny; rather, they are meant to terrorize and to frighten.

These hoaxes distract Federal, State, and local law enforcement, criminal investigators, and emergency responders from real crises and real threats. As a result, they place both the public and our national security at risk.

Amazingly, the criminal code does not always cover such crimes. While under current law it is a felony to commit a hoax with regard to tampered food products, it is not necessarily a felony to commit a hoax that scares the public into believing that they have been exposed to a deadly disease such as anthrax, a disease that has been militarized and used to kill innocent Americans since September 11.

H.R. 3209, the Anti-hoax Terrorism Act of 2001, closes the existing gap. This is important and necessary legislation, as it will make it a felony to perpetrate a hoax related to biological, chemical, nuclear, and weapons of mass destruction attacks. The person or persons committing such a hoax will be subject to civil and criminal penalties and responsible for reimbursement of any emergency or investigative expense due to the hoax.

The Department of Justice and the FBI have testified before the Subcommittee on Crime and made it clear that these types of hoaxes threaten the health and safety of the American public and our national security.

Mr. Speaker, I urge my colleagues to support this bill, and I reserve the balance of my time.

Mr. SCHIFF. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I want to thank the gentleman from Wisconsin (Chairman SENSENBRENNER) for his leadership on this issue, and I would also like to extend my appreciation to the chairman of the Subcommittee on Crime, the gentleman from Texas (Mr. SMITH), for introducing this bill and for all of his leadership on this issue.

I am proud to serve as a member of the Subcommittee on Crime where the bill was first heard, and also to be a cosponsor of H.R. 3209.

Mr. Speaker, our communities are struggling every day to meet the demands of our citizens and prepare for all kinds of potential terrorist attacks. They are working around the clock to develop and strengthen protocols to respond swiftly and safely in the event of an attack.

But our communities are doing all of this with very limited resources. Every time a threat is identified, authorities spring into action, donning protective gear, bolstering hospital staffing, coordinating local, State, and Federal efforts, and calling upon additional law enforcement personnel to respond.

These reports from our citizens are critical. We certainly want to encourage people to continue to be vigilant and report suspicious activity. A false alarm, however, is a false alarm. But every time a suspected threat turns out to be a hoax, it costs the taxpayers an enormous amount.

In Los Angeles, a man who phoned in an anthrax threat because he wanted to avoid appearing in bankruptcy court that day, his call succeeded in shutting down the court and the courthouse, and cost taxpayers $600,000.

In addition to closing down the very functioning of government, it is a tremendous waste of our precious resources. The resources that could be going into prevention and training are wasted. The manpower that is required to respond to a hoax is wasted. The funding that could be used to hire additional emergency personnel is wasted.

While millions of dollars are going into the effort to combat terrorism, we frankly do not have a dollar to waste. We simply cannot allow reports that come from hoaxes to clog up the investigation of other potentially life-threatening dangers. Our citizens need to be acutely aware that hoaxes have consequences. It shakes our sense of safety; the fear that many citizens are struggling to cope with continues to grow as a result of hoaxes; there are financial consequences; and there are community consequences. There ought to be criminal consequences.

The Anti-Hoax Terrorism Act of 2001, H.R. 3209, would create criminal and civil penalties for falsely reporting a chemical, biological, or nuclear threat. This would include threats that are in written or verbal form, as well as those communicated through physical actions. It is legislation that should not be necessary, but, regrettably, is certainly needed now. Those who would prey on the fears of the American public should be punished.

As America works to regain its footing and return to as much of a normal life as possible, hoaxes only serve as a cruel joke on the American public. Those who would commit the ultimate prank on this Nation must be aware that they are, in effect, serving as accomplices to terrorism. They are interrupting murder investigations, and they are obstructing justice.

According to the FBI, there are an estimated 7,000 agents spread out across the country investigating possible sources and suspects in the anthrax attacks. Can we really afford to have even one of those agents pulled off the killer's trail because of a hoax?

Mr. Speaker, we cannot allow these hoaxes to go unchallenged. We do not have a minute to waste, we do not have a dollar to waste, we do not have an investigator to waste, we do not have a citizen to waste. The time for anti-hoax legislation is now. I urge the House to adopt the strongest possible measure.

Again, I want to thank the gentleman from Wisconsin (Chairman SENSENBRENNER) and the gentleman from Texas (Chairman SMITH) for bringing this bill to the floor today.

Mr. Speaker, I yield 3 minutes to the gentlewoman from Texas (Ms. JACKSON-LEE).

(Ms. JACKSON-LEE of Texas asked and was given permission to revise and extend her remarks.)

Ms. JACKSON-LEE of Texas. Mr. Speaker, this is a good bill. I rise to support this legislation.

I met with my emergency first responders a few days after September 11 and then sometime after the beginning of the anthrax scares around the Nation. The hazardous materials team in my Houston Fire Department in just a couple of days had some 75 calls of individuals who thought they saw or thought they were reporting the sight of anthrax.

Those are innocent calls, but they do take up a lot of the resources of our first responders and our community resources. Those individuals, however, should not be prosecuted.

My concern with this legislation is to ensure that that does not happen. I am hoping that the legislative history and the debate in the committee will make

it clear that our intent in this legislation is to ensure that those with criminal intent, to do harm by calling in hoaxes and frightening communities, should be punished. I agree with that.

I offered an amendment, however, to be sure that that was the case; that the hoax would be perpetrated with malicious intent. That amendment was not approved, but I believe there was sufficient discussion in the committee to suggest that those that we are attempting to prosecute are those with criminal intent.

For example, we would hope that the incident of a local prosecutor in Chicago who recently placed an envelope containing sugar on a colleague's desk, who was administratively punished by being forced to resign from his job, would not be subject to this particular legislation. The prank demonstrates poor taste and bad judgment, but he should not be subject to Federal prosecution.

Likewise, our youth should not be subject to Federal prosecution if they are engaged in a prank, of course, that we would not approve of, but certainly that did not have the criminal intent.

I think it is important, Mr. Speaker, that as we move through these very trying times, that we can be aware that we can balance legislative intent with protecting Americans. I hope that this House will have an opportunity to address some of the executive orders that deal with the violation of the sixth amendment that allows the Justice Department to listen in on those who are addressing or having a relationship with their attorney.

At the same time, I hope we will be able to address the question of the thousands of detainees who are being detained by the Justice Department, and I hope we will also have an ability to address in this House military tribunals. We can protect Americans, provide legislation that makes sense, and at the same time, uphold our Constitution, our Bill of Rights, and our values.

I support the Anti-Hoax Terrorism Act of 2001. It is a well-thought-out bill. It has had hearings in the Committee on the Judiciary. I think we need to do more as it relates to other offerings of legal representations that have not had the oversight of the United States Congress.

Mr. Speaker, I rise in support of H.R. 3209, the Anti-Hoax Terrorism Act of 2001. I feel this bill could have been more narrowly tailored as it went through the Subcommittee on Crime, and subsequently the full Committee on the Judiciary. However, in light of the exponentially increasing amounts of bioterrorism threats that have occurred since September 11, I strongly favor a Federal anti-hoax provision now more than ever.

H.R. 3209 creates a Federal criminal penalty and a civil cause of action for anyone who conveys intentionally any false information about a threat involving biological, chemical, or nuclear weapons or weapons of mass destruction.

Mr. Speaker, the purpose of this bill should not be to prosecute innocent mistakes or someone making a report concerning a suspected substance, but rather to deliberate and malicious hoaxes reported by individuals who know they are disseminating false information.

In Committee, I offered an amendment that would require the government to prove that the hoax was perpetrated with ''malicious'' intent. This requirement would have been analogous with the mens rea requirement of similar legislation introduced in the Senate by Senator LEAHY, Chairman of the Senate Committee on the Judiciary.

H.R. 3209, as written, does not require that the offenses be committed with malicious intent. This could result in Federal prosecutions of individuals who simply disseminate erroneous information about potential acts of terrorism.

Also subject to Federal prosecution under this bill would be incidents that amount to nothing more than mere jokes. A local prosecutor in Chicago recently placed an envelope containing sugar on a colleague's desk. He was administratively punished by being forced to resign from his job. While I believe this prank demonstrates poor taste and bad judgment, this should not be subject to Federal prosecution.

The language in my amendment would have given prosecutors a means to distinguish between a person who is actually threatening to use anthrax on a victim on one hand, and a person who never intends to use it, but truly wants the victim or police to think they have done so. The latter is what we are trying to prevent.

My colleagues on the other side have said we should simply ''trust'' and ''have hope'' that Federal prosecutors will exercise their discretion and avoid prosecuting hoax cases. I don't believe we should rely on a ''hope'' for good judgment and discretion when this bill could have been more narrowly tailored to avoid capriciousness.

Nevertheless, Mr. Speaker, especially in this time of national crisis, I support the effort to punish people who perpetrate hoaxes involving biological, chemical, or nuclear materials or other weapons of mass destruction. We must act immediately to provide law enforcement with the tools it needs to address this problem.

Mr. SMITH of Texas. Mr. Speaker, as Chairman of the Subcommittee on Crime, I support H.R. 3209, the ''Anti-Hoax Terrorism Act of 2001,'' a bipartisan bill I introduced along with Chairman SENSENBRENNER and ranking Members Mr. CONYERS and SCOTT.

Tragically, some have used the shadow of fear cast by the September 11th and the subsequent anthrax attacks to terrorize others with hoaxes of biological and chemical attacks.

The purpose of H.R. 3209 is to address this serious and growing problem. Under current law, it is a felony to perpetrate a hoax such as falsely saying there is a bomb on an airplane. It is also a felony to communicate a threat over interstate commerce threatening personal injury to another.

However, if the hoax pertains to a biological or chemical weapons attack instead of a bomb or does not contain a specific threat, then the law may not apply. This is clearly a gap in existing law that must be closed.

If someone places white powder on a computer with a note that ''this is anthrax'' or send white powder through the mail, such conduct may cause panic but not violate Federal law. And no federal law is violated when the government spends time, money, and effort responding to such hoaxes. But public safety is threatened when resources are diverted from investigating legitimate threats.

This legislation makes it a felony to perpetrate a hoax related to biological, chemical, and nuclear attacks. If a hoax causes a hospital to be evacuated, people could die; if a hoax causes a business to close, people could lose their jobs; and if a hoax preoccupies law enforcement officials, the public is denied protection from other crimes.

A hoax of terrorism threatens public safety and national security, overburdens law enforcement officials and emergency workers and chips away at the Nation's morale.

As we are reminded today, the three-month anniversary of the attacks against the World Trade Center and the Pentagon, America is engaged in a war on terrorism. Those who rely on fear as a weapon, should be held responsible for their actions.

H.R. 3209 imposes criminal and civil penalties that reflect the serious nature of these hoax crimes.

I urge my colleagues to support H.R. 3209.

Mr. BRADY of Texas. Mr. Speaker, I would like to express my strong support for H.R. 3209, ''The Anti-Hoax Terrorism Act of 2001.'' I am a co-sponsor of this important and necessary legislation which was introduced by my good friend and fellow Texan, LAMAR SMITH and is a step in the right direction. Making it a felony to perpetrate a hoax related to a biological, chemical or nuclear attack and making those who engage in this conduct liable for the expenses caused as a result of their fraudulent action brings these criminals to justice and makes them responsible for their terrible actions. It is important that our nation address this issue so that those misguided individuals who choose to perform such fraudulent acts are prosecuted to the fullest extent of the law and those that consider performing these same acts are deterred from doing so.

I know from first hand experience how costly these fake anthrax hoaxes can be. On October 15th, The Memorial Hermann Hospital, in my hometown of The Woodlands, Texas, was closed for several hours after a false anthrax scare. Sandee Sherf, a resident of Magnolia, Texas and a constituent of the 8th Congressional District, received a strange package at her place of business. When she opened the package, a white substance flew up in her face and she inhaled it. She immediately went to the emergency room at Memorial Hermann, where the whole hospital subsequently shut down for about five hours as a precautionary measure.

Fortunately, the tests for the substance suspected of being anthrax proved to be negative but the cost of responding to this false incident has proved to be costly financially and in other ways. The Federal Bureau of Investigation and the Shenandoah Police Department both expended valuable man hours investigating this incident. The Woodlands Fire Department had to decontaminate the entire area where the incident occurred and the emergency room where Ms. Sherf went for treatment. Most disturbing was the fact that Memorial Hermann Hospital had to withhold its valuable services from the community for several hours while decontaminating its facilities. Patients in need of medical treatment with real illness were

turned away and had to go seek treatment many miles away just so the emergency responders could properly decontaminate the facilities to ensure the public's safety. What a tragedy it would have been if someone with a real emergency had perished because Memorial Hermann had been closed and couldn't offer its help.

Regrettably, the same thing that happened in The Woodlands is happening in other areas of our country. The FBI reported that between October 1st to October 15th, their agency had received more than 2,300 reports of incidents or suspected incidents involving anthrax. We cannot afford in these trying times to have the valuable resources of our police agencies being wasted in dealing with these hoaxes. These false claims have become a serious headache for law enforcement officials, who are overwhelmed with calls from worried Americans concerned about possible anthrax contamination.

It is for these reasons that I co-sponsored this valuable legislation and fully support its passage here in the House of Representatives. We, as Americans, cannot afford to continue to waste valuable time and resources fighting these hoaxes when they can be used for better purposes such as making sure our communities across our nation are safe from true terrorist attacks in the future.

Mr. SCHIFF. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. SENSENBRENNER. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TERRY). The question is on the motion offered by the gentleman from Wisconsin (Mr. SENSENBRENNER) that the House suspend the rules and pass the bill, H.R. 3209, as amended.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. SENSENBRENNER. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

CORRECTIONS CALENDAR

The SPEAKER pro tempore. This is the day for the call of the Corrections Calendar.

The Clerk will call the bill on the Corrections Calendar.

COMMUNITY RECOGNITION ACT OF 2001

The Clerk called the bill (H.R. 1022) to amend title 4, United States Code, to make sure the rules of etiquette for flying the flag of the United States do not preclude the flying of flags at half mast when ordered by city and local officials.

The Clerk read the bill, as follows:

H.R. 1022

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 ''Community Recognition Act of 2001''.

SEC. 2. FLAG CODE AMENDMENT.

Section 7(m) of title 4, United States Code, is amended by inserting after the sentence beginning ''In the event of the death of a present or former official of the government of any State'' the following: ''In the event of the death of a present or former official of any city or locality, the chief elected official of that locality may proclaim that the National flag shall be flown at half staff.''.

The SPEAKER pro tempore. Pursuant to the rule, the bill is considered read for amendment.

COMMITTEE AMENDMENT

The SPEAKER pro tempore. The Clerk will report the amendment recommended by the Committee on the Judiciary.

The Clerk read as follows:

Committee Amendment:

Page 2 line 9 insert ''other.''

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Wisconsin (Mr. SENSENBRENNER) and the gentlewoman from Texas (Ms. JACKSON-LEE) will each control 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. SENSENBRENNER).

GENERAL LEAVE

Mr. SENSENBRENNER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include extraneous material on H.R. 1022, the bill under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. SENSENBRENNER. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 1022, which amends the flag code to make sure that the rules of etiquette for flying the flag of the United States do not preclude the flying of flags at half mast when ordered by city and local officials. This is an omission in the current flag code.

On June 28, 2001, the Corrections Day Advisory Group met and recommended that H.R. 1022 be placed upon the Corrections Calendar and the Judiciary Committee passed it by voice vote on November 15.

Unfortunately, as of late, we have had increased occasion to visit the rules and etiquette in place for the honoring of public servants. Although at the time which Mr. DOOLITTLE of California introduced H.R. 1022 the calamity of September 11 was far off, the content of this legislation rings more loudly after the events of that day, and affords Congress an opportunity to visit the laws involving recognition of those who provide public service to us all.

Currently, under the Flag Code, authority is granted only to the President of the United States or the Governor of any State, territory, or possession to order that the national flag be flown at half staff in recognition of the death of a current or former official of the government, including public safety officers.

Under this existing law, in the event of the death of a local official who is chosen to be honored by having the national flag lowered, direct permission must be sought by local officials from either the President or their Governor. The result of the current practice is a chain of communication which is not always timely and can result in the missed opportunity to honor some of these deceased public servants.

By passing H.R. 1022 today, we can solve this problem by granting authority directly to the locally elected leaders to call for and approve such recognition. Immediate authorization will be granted at the local level, ensuring that no local hero passes without the community support and recognition which he or she deserves. I urge all Members to support H.R. 1022.

Mr. Speaker, I reserve the balance of my time.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of this legislation, H.R. 1022, and I am delighted that the Committee on the Judiciary has taken this legislation up to ensure a correction.

I do not believe particularly that we need this legislation, but I do think it is important to correct and to resolve the concerns of some local leaders who are under the mistaken impression that they cannot now fly the flag of the United States at half-staff to honor the passing of a local official.

In fact, as the Supreme Court has ruled on several occasions, Congress does not have the power to prohibit any expression using the flag. The Court has gone so far as to strike down laws prohibiting the burning of the flag as a sign of disrespect. Certainly, if that is the case, then a local government may honor a local official, which is certainly an appropriate and uplifting use of the flag, who has served his or her community by flying the flag at half-staff. We hope they will do so.

Nonetheless, title IV of the United States Code does provide rules for flag etiquette. While those rules have no force of law, they do provide a guide for those seeking to display the flag in accordance with the accepted rules of conduct.

In fact, I commend those rules to my colleagues. I think some may be surprised to learn that using the flag on advertising and others matters common to political campaigns are also technically prohibited by Federal law. Although local officials are not now prohibited from using the flag to honor a deceased local official, it will certainly do no harm to make clear that there is no reason why my colleagues should not support it. I would commend that to the local officials.

I hope that since we have obviously found time to pass laws permitting that which should already be permitted, perhaps we will also in the future be able to tackle some of our vital issues dealing with, of course, INS reform and other issues that I think are extremely important.

Mr. Speaker, I rise in support of this legislation, not because there is any great need for

it, but because it will resolve the concerns of some local leaders who are under the mistakened impression that they cannot now fly the flag of the United States at half staff to honor the passing of a local official.

In fact, as the Supreme Court has ruled on several occasions, Congress does not have the power to prohibit any expression using the flag. The Court has gone so far as to strike down laws prohibiting the burning of the flag as a sign of disrespect. Certainly, if that is the case, then a local government may honor a local official who has served his or her community by flying the flag at half staff.

Nonetheless, title 4 of the United States Code does provide rules for flag etiquette. While these rules have no force of law, they do provide a guide for those seeking to display the flag in according to accepted rules of conduct. In fact, I commend those rules to my colleagues. I think that some of you may be surprised to learn that using the flag on advertising and in other manners common to political campaigns are also technically prohibited by federal law. Although local officials are not now prohibited from using the flag to honor a deceased local official it will certainly do no harm to make that clear, and there is no reason why my colleagues should not support it.

I hope that, since we have obviously found time to pass a law permitting that which is already permitted, perhaps we can next tackle some of the even more pressing issues affecting our constituents and their communities: providing health insurance for working families, extending unemployment insurance for the victims of this current recession, and creating new jobs at living wages so that working families can have the dignity of work without seeing their children grow up in poverty as is too often the case these days.

I am pleased to join in voting for this measure.

Ms. JACKSON-LEE of Texas. Mr. Speaker, Chairman SENSENBRENNER and Ranking Member CONYERS.

I rise in support of H.R. 1022, which simply authorizes the chief elected official of a locality, in the event of the death of a present or former official of that locality, to proclaim that the national flag shall be flown at half staff. This bill amends Title 4, United States Code, ensuring that the important rules of etiquette for flying the flag of the United States do not preclude the flying of flags at half mast when ordered by city and local officials.

This Section currently gives such explicit authority only to the President or, for certain purposes, the Governor of the state. This language is unnecessary and technically confusing because the subsection also reads in part that the flag may be flown at half staff ''in accordance with recognized customs or practices not inconsistent with law.''

The U.S. Supreme Court has, on two occasions, held that display of the flag, or the burning of the flag, are forms of expression protected by the First Amendment to the Constitution. As such, laws that mandate appropriate flag etiquette are unenforceable.

This bill simply clarifies that there should be no such interference in such instances.

I urge my colleagues to support it.

Mr. CAMP. Mr. Speaker, I rise today in strong support of H.R. 1022, the Community Recognition Act of 2001.

As chairman of the Speaker's advisory group on corrections, it was my pleasure to work with Congressman DOOLITTLE, the members of the corrections day advisory group and the Judiciary Committee to expedite consideration of this legislation.

On June 28th, Mr. DOOLITTLE brought H.R. 1022 before the Speaker's advisory group, where it received unanimous support. In order for a bill to be placed on the Corrections Calendar it must be recommended by the advisory group and favorably reported from the committee of jurisdiction.

I am proud that we are able to highlight the Community Recognition Act today by using the Corrections Calendar. This is truly a technical correction and is fitting for consideration on the Corrections Calendar.

H.R. 1022 amends the U.S. Code, regarding rules of etiquette for flying the flag. Current law only grants the authority to order that the flag be flown at half mast to the President and State Governors. In the event of the death of a current or former local official, many communities want the flag to be lowered as a way to pay tribute to those who so honorably served. However, it can often prove difficult to obtain proper authority in the timely manner needed.

This oversight in the U.S. Code has prevented communities across America from the right to honor their fellow citizens without having to receive the express and time consuming permission of either the President or their Governor. I urge my colleagues to join with me today to correct this burdensome requirement.

The Corrections Calendar was created to fix small technical corrections, such as this. I would like to thank Chairman SENSENBRENNER for moving this bill through the committee and Congressman DOOLITTLE for introducing the legislation and for utilizing the Corrections Calendar.

Mr. Speaker, this is a straightforward, bipartisan bill that ''corrects'' an inefficient and burdensome law. I urge my colleagues to support the bill.

Mr. DOOLITTLE. Mr. Speaker, I rise today because the last duty performed to honor a local hero should not be thwarted by a technical flaw in the law. Let me explain. The Federal Flag Code provides guidelines for the display of the U.S. flag, but grants only the president and governors the authority to fly the flag at half-mast. While this code does not expressly outlaw local government officials from lowering the flag to half-staff, it does not expressly permit it. This technicality has upset local officials across the country who believe that communities should have the right to honor their fellow citizens without permission from their respective governors or the President of the United States.

This quirk in the Federal Flag Code came to my attention when my friend and constituent, former Mayor George Magnuson of Rocklin, California sought to honor his friend and fellow volunteer firefighter, Cliff Graves, who died in the line of duty. Shortly after speaking to Mayor Magnuson I realized that this needless hurdle had to be corrected. That prompted me to introduce H.R. 1022, The ''Community Recognition Act.'' This simple, yet important, legislation authorizes the chief elected official of a locality, in the event of a death of a present or former official of that locality, to proclaim that the national flag be flown at half staff.

Mr. Speaker, at the time I introduced H.R. 1022, the tragedy of September 11th was unfathomable. But, in light of the thousands of men and women who perished in those barbaric attacks now more than ever this simple correction needs to be made so they can be mourned in an appropriate fashion without undue delay.

I thank the Chairman of the House Judiciary Committee, Mr. SENSENBRENNER, for shepherding H.R. 1022 through his committee in an expeditious manner, and I urge my colleagues to support this legislation.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I ask my colleagues to support H.R. 1022, and I yield back the balance of my time.

□ 2215

Mr. SENSENBRENNER. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TERRY). Pursuant the rule, the previous question is ordered on the amendment recommended by the Committee on the Judiciary and on the bill.

The question is on the committee amendment.

The committee amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on passage of the bill.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, three-fifths of those present have voted in the affirmative.

Ms. JACKSON-LEE of Texas. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

SMALL BUSINESS INVESTMENT COMPANY AMENDMENTS ACT OF 2001

Mr. MANZULLO. Mr. Speaker, I move to suspend the rules and concur in the Senate amendment to the House amendment to S. 1196, to amend the Small Business Investment Act of 1958, and for other purposes.

The Clerk read as follows:

Senate Amendment to House Amendment:

Page 13 of the House engrossed amendment, strike out all after line 8 over to and including line 2 on page 16 and insert:

SEC. 6. REDUCTION OF FEES.

(a) TWO-YEAR REDUCTION OF SECTION 7(a) FEES.—

(1) GUARANTEE FEES.—Section 7(a)(18) of the Small Business Act (15 U.S.C. 636(a)(18)) is amended by adding at the end the following:

''(C) TWO-YEAR REDUCTION IN FEES.—With respect to loans approved during the 2-year period beginning on October 1, 2002, the guarantee fee under subparagraph (A) shall be as follows:

''(i) A guarantee fee equal to 1 percent of the deferred participation share of a total loan amount that is not more than $150,000.

''(ii) A guarantee fee equal to 2.5 percent of the deferred participation share of a total loan amount that is more than $150,000, but not more than $700,000.

''(iii) A guarantee fee equal to 3.5 percent of the deferred participation share of a total loan amount that is more than $700,000.''.

(2) ANNUAL FEES.—Section 7(a)(23)(A) of the Small Business Act (15 U.S.C. 636(a)(23)(A)) is amended by adding at the end the following: ''With respect to loans approved during the 2-year period beginning on October 1, 2002, the annual fee assessed and collected under the preceding sentence shall be in an amount equal to 0.25 percent of the outstanding balance of the deferred participation share of the loan.''.

(b) REDUCTION OF SECTION 504 FEES.—Section 503 of the Small Business Investment Act of 1958 (15 U.S.C. 697) is amended—

(1) in subsection (b)(7)(A)—

(A) by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and moving the margins 2 ems to the right;

(B) by striking ''not exceed the lesser'' and inserting ''not exceed—

''(i) the lesser''; and

(C) by adding at the end the following:

''(ii) 50 percent of the amount established under clause (i) in the case of a loan made during the 2-year period beginning on October 1, 2002, for the life of the loan; and''; and

(2) by adding at the end the following:

''(i) TWO-YEAR WAIVER OF FEES.—The Administration may not assess or collect any up front guarantee fee with respect to loans made under this title during the 2-year period beginning on October 1, 2002.''.

(c) BUDGETARY TREATMENT OF LOANS AND FINANCINGS.—Assistance made available under any loan made or approved by the Small Business Administration under section 7(a) of the Small Business Act (15 U.S.C. 636(a)) or financings made under title V of the Small Business Investment Act of 1958 (15 U.S.C. 695 et seq.), during the 2-year period beginning on October 1, 2002, shall be treated as separate programs of the Small Business Administration for purposes of the Federal Credit Reform Act of 1990 only.

(d) USE OF FUNDS.—The amendments made by this section to section 503 of the Small Business Investment Act of 1958, shall be effective only to the extent that funds are made available under appropriations Acts, which funds shall be utilized by the Administrator to offset the cost (as such term is defined in section 502 of the Federal Credit Reform Act of 1990) of such amendments.

(e) EFFECTIVE DATE.—The amendments made by this section shall become effective on October 1, 2002.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Illinois (Mr. MANZULLO) and the gentlewoman from New York (Ms. VELÁZQUEZ) each will control 20 minutes.

The Chair recognizes the gentleman from Illinois (Mr. MANZULLO).

GENERAL LEAVE

Mr. MANZULLO. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous matters on this legislation.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

Mr. MANZULLO. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the purpose of this bill is to keep venture capital flowing to small businesses during this critical time to our Nation's economic recovery. The main purpose of S. 1196 is to adjust the fees charged to participate in security SBICs from 1 percent to 1.38 percent. This change is necessary because there is no funding for the participating securities SBICs program.

The other provision of S. 1196 modestly lowers the fees in the other main access to capital programs of the SBA, the 7(a) General Business Loan Program and the 504 Certified Development Company CDC program.

Last month the SBA administrator sent me a letter in support of this and revitalized the 7(a) and 504 programs. Mr. Speaker, the text of that letter is as follows:

U.S. SMALL BUSINESS ADMINISTRATION,
Washington, DC, November 27, 2001.

The Hon. DONALD MANZULLO,
Chairman, Committee on Small Business, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The purpose of this letter is to express the U.S. Small Business Administration's (SBA) views on S. 1196, the Small Business Investment Company (SBIC) Amendments Act of 2001.

SBA applauds the Congress on passing the President's proposed legislation that enables the SBIC Participating Securities Program to flourish and expand without additional discretionary appropriations. SBA also applauds the Congress for including the technical amendments that were included in the President's proposal to further enhance the program.

SBA agrees with the concept that we must revitalize the 7(a) and 504 programs. Over the past several years the number of loans to women, Hispanic, African American, and veteran small business owners has either decreased or remained relatively flat. Furthermore, these groups receive a low percentage of the loans, with women receiving 21 percent, Hispanics 8 percent, African Americans 4 percent, and veterans 11 percent. More than 60 percent of the loans made to women, Hispanics and African Americans, the fastest growing small business population, are less than $150,000. In addition, most businesses are started with less than $150,000. Yet the legislation fails to specifically target fee reduction in 7(a) loans of $150,000 or less.

SBA feels very strongly that because of limited resources, and the statistics set forth above, that fee reductions should be targeted to those small businesses seeking loans under $150,000.

The Office of Management and Budget advises that there is no objection from the standpoint of the President's program to the submission of these views for the consideration of Congress.

SBA welcomes the opportunity to work with Congress to revitalize the 7(a) and 504 programs for the benefit of small businesses.

Sincerely,

HECTOR V. BARRETO,
Administrator.

Mr. Barreto suggested that any fee reduction should be weighted to smaller loan borrowers and I agree. That is why I concur with the Senate's action that makes a few changes to House Amendment 7(a) Program.

I rise in support of S. 1196 and concur with the Senate to House amendment and I urge my colleagues to support these needed changes to these SBA programs.

Mr. Speaker, I reserve the balance of my time.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume.

(Ms. VELÁZQUEZ asked and was given permission to revise and extend her remarks.)

Ms. VELÁZQUEZ. Mr. Speaker, I rise in strong support of S. 1196, the Small Business Technical Correction Act of 2001. This legislation will make much needed improvement here to the Small Business Investment Company Program, the Small Business Administration's General Loan Program, and the Certified Development Company Program to ensure that they are able to meet the new challenges facing this Nation's small businesses.

Mr. Speaker, recent reports reflect that the economy is heading into a recession and small businesses now more than ever need access to capital at an affordable rate. Surveys of senior loan officers have reported tightening of credit. No one sector of the economy is hurt more by this restriction than small business. Today, through changes to the SBIC program, we will expand the programs size and volume to include an entirely new array of opportunities for small business to receive equity investment.

The SBIC program has invested nearly $15 billion in more than 90,000 small businesses. And more importantly, $600 million in businesses in low and moderate income areas throughout the Nation. Thanks to the SBIC program, such successes like Intel, FedEx, America Online and Staples launched themselves into the universe of Fortune 500 companies.

While this does raise the fees on the SBIC program, it also puts the program on a footing where no Federal subsidies are going to be required. This has created some concern that these changes will put equity investment out of reach for many small business. To offset this we have included a reduction in the fee of the SBA general loan program. This will bring some equity into a program that has according to Congressional Budget Office estimates overcharged both lenders and small businesses by at least a billion dollars.

Today with the passage of S. 1196 we will make the SBA 7(a) loan program more accessible and affordable to small businesses by drastically reducing the cost of the program. These changes will immediately free up millions of dollars for more lending spuring much needed economic revitalization. I strongly encourage my colleagues to support this legislation.

Mr. Speaker, I yield such time as he may consume to the gentleman from Illinois (Mr. DAVIS).

Mr. DAVIS of Illinois. Mr. Speaker, I thank the gentlewoman for yielding me time.

Mr. Speaker, I rise in support of S. 1196, the Small Business Investment Company Amendments Act. This legislation achieves a number of objectives for small businesses in their goal of obtaining ready sources of growth capital. This program is a true investment partner for entrepreneurs providing critical equity capital to new and existing companies.

Indeed, SBICs have invested nearly $15 billion in long term debt and equity capital to more than 90,000 small businesses. At the same time, they have provided growth and startup capital totalling more than $600 million to businesses in low and moderate income areas throughout the Nation.

After 10 years of solid economic growth, America has entered an economic downturn. For the first time in a decade, the economic indicators benchmark showing where we are and where we are going have gone down. Job losses in technology and manufacturing have risen dramatically and corporate bankruptcies were nearly double what they were last year. Consumer confidence hit its lowest point in over a decade. Even though the U.S. stock market saw a significant gain in the last 10 years, however, the bottom has virtually fallen out as a result of the events of September 11.

Now every industry has taken a huge hit as profits and employment figures head into a free fall. Part of the solution for this problem is for Congress and the President to implement a sound and fair fiscal policy that will provide an economic stimulus for the general public and small businesses. Since small businesses account for 99 percent of America's employers, it can play a vital role in bringing America out of this economic downturn.

To help American small businesses survive this economic downturn, the small business administration must engage all available resources in facilitating entrepreneurship development, provide low and no interest loans and more technical assistance programs to small businesses. S. 1196 is one approach that can assist the small business administration, and I urge all of my colleagues to support S. 1196.

Ms. VELÁZQUEZ. Mr. Speaker, I yield myself such time as I may consume. Mr. Speaker, this has been a long process and I want to thank my staff, particularly Mr. Michael Day, and Mr. Manzullo's staff for their tremendous effort in getting this bill done.

Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

Mr. MANZULLO. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Illinois (Mr. MANZULLO) that the House suspend the rules and concur in the Senate amendment to the House amendment to S.1196.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the Senate amendment to the House amendment was concurred in.

A motion to reconsider was laid on the table.

PUBLIC HEALTH SECURITY AND BIOTERRORISM RESPONSE ACT OF 2001

Mr. TAUZIN. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3448) to improve the ability of the United States to prevent, prepare for, and respond to bioterrorism and other public health emergencies

The Clerk read as follows:

H.R. 3448

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION. 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Public Health Security and Bioterrorism Response Act of 2001''.

(b) TABLE OF CONTENTS.—The table of contents of the Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—NATIONAL PREPAREDNESS FOR BIOTERRORISM AND OTHER PUBLIC HEALTH EMERGENCIES

Subtitle A—National Preparedness and Response Planning, Coordinating, and Reporting

Sec. 101. National preparedness and response.
Sec. 102. Assistant Secretary for Emergency Preparedness; National Disaster Medical System.
Sec. 103. Improving ability of Centers for Disease Control and Prevention with respect to bioterrorism and other public health emergencies; facilities.
Sec. 104. Advisory committees and communications.
Sec. 105. Education of health care personnel; training regarding pediatric issues.
Sec. 106. Grants regarding shortages of certain health professionals.
Sec. 107. Emergency system for verification of credentials of health professions volunteers.
Sec. 108. Enhancing preparedness activities for bioterrorism and other public health emergencies.
Sec. 109. Improving State and local core public health capacities.
Sec. 110. Antimicrobial resistance program.
Sec. 111. Study regarding communications abilities of public health agencies.
Sec. 112. Supplies and services in lieu of award funds.
Sec. 113. Additional amendments.
Sec. 114. Study regarding local emergency response methods.

Subtitle B—National Stockpile; Development of Priority Countermeasures

Sec. 121. National stockpile.
Sec. 122. Accelerated approval of priority countermeasures.
Sec. 123. Use of animal trials in approval of certain drugs and biologics; issuance of rule.
Sec. 124. Security for countermeasure development and production.
Sec. 125. Accelerated countermeasure research and development.
Sec. 126. Evaluation of new and emerging technologies regarding bioterrorist attack and other public health emergencies.
Sec. 127. Potassium iodide.

Subtitle C—Emergency Authorities; Additional Provisions

Sec. 131. Expanded authority of Secretary of Health and Human Services to respond to public health emergencies.
Sec. 132. Streamlining and clarifying communicable disease quarantine provisions.
Sec. 133. Emergency waiver of Medicare, Medicaid, and SCHIP requirements.
Sec. 134. Provision for expiration of public health emergencies.
Sec. 135. Designated State public emergency announcement plan.
Sec. 136. Expanded research by Secretary of Energy.
Sec. 137. Agency for Toxic Substances and Disease Registry.
Sec. 138. Expanded research on worker health and safety.
Sec. 139. Technology opportunities program support.

Subtitle D—Authorization of Appropriations

Sec. 151. Authorization of Appropriations.

TITLE II—ENHANCING CONTROLS ON DANGEROUS BIOLOGICAL AGENTS AND TOXINS

Sec. 201. Regulation of certain biological agents and toxins.

TITLE III—AMENDMENTS TO FEDERAL FOOD, DRUG, AND COSMETIC ACT

Subtitle A—Protection of Food Supply

Sec. 301. Protection against intentional adulteration of food.
Sec. 302. Administrative detention.
Sec. 303. Permissive debarment regarding food importation.
Sec. 304. Maintenance and inspection of records for foods.
Sec. 305. Registration.
Sec. 306. Prior notice of imported food shipments.
Sec. 307. Authority to mark articles refused admission into United States.
Sec. 308. Prohibition against port shopping for importation.
Sec. 309. Notices to States regarding imported food.
Sec. 310. Grants to States for inspections; response to notice regarding adulterated imported food.

Subtitle B—Protection of Drug Supply

Sec. 311. Annual registration of foreign manufacturers; shipping information; drug and device listing.
Sec. 312. Requirement of additional information regarding import components intended for use in export products.

TITLE IV—DRINKING WATER SECURITY AND SAFETY

Sec. 401. Amendment of the Safe Drinking Water Act.

TITLE I—NATIONAL PREPAREDNESS FOR BIOTERRORISM AND OTHER PUBLIC HEALTH EMERGENCIES

Subtitle A—National Preparedness and Response Planning, Coordinating, and Reporting

SEC. 101. NATIONAL PREPAREDNESS AND RESPONSE.

The Public Health Service Act (42 U.S.C. 201 et seq.) is amended by adding at the end the following title:

''TITLE XXVIII—NATIONAL PREPAREDNESS FOR BIOTERRORISM AND OTHER PUBLIC HEALTH EMERGENCIES

''Subtitle A—National Preparedness and Response Planning, Coordinating, and Reporting

''SEC. 2801. NATIONAL PREPAREDNESS PLAN.

''(a) IN GENERAL.—

''(1) PREPAREDNESS AND RESPONSE REGARDING PUBLIC HEALTH EMERGENCIES.—The Secretary shall further develop and implement a coordinated strategy, building upon the core public health capabilities established pursuant to section 319A, for carrying out health-

related activities to prepare for and respond effectively to bioterrorism and other public health emergencies, including the preparation of a plan under this section. The Secretary shall periodically thereafter review and as appropriate revise the plan.

''(2) CONSULTATION.—The Secretary shall carry out paragraph (1) in consultation with the Secretary of Defense, the Director of the Federal Emergency Management Agency, the Secretary of Veterans Affairs, the Attorney General, the Secretary of Agriculture, the Secretary of Energy, the Secretary of Labor, and the Administrator of the Environmental Protection Agency, and with other appropriate public and private entities.

''(3) NATIONAL APPROACH.—In carrying out paragraph (1), the Secretary shall collaborate with the States toward the goal of ensuring that the activities of the Secretary regarding bioterrorism and other public health emergencies are coordinated with activities of the States, including through local governments, such that there is a national plan for preparedness for and responding effectively to such emergencies.

''(4) EVALUATION OF PROGRESS.—The plan under paragraph (1) shall provide for specific benchmarks and outcome measures for evaluating the progress of the Secretary and the States, including local governments, with respect to the plan under paragraph (1), including progress toward achieving the goals specified in subsection (b).

''(b) PREPAREDNESS GOALS.—The plan under subsection (a) shall include provisions for achieving the following goals with respect to preparedness for and responding effectively to bioterrorism and other public health emergencies:

''(1) Providing effective assistance to State and local governments in the event of such an emergency.

''(2) Ensuring that State and local governments have adequate and appropriate capacity to detect and respond effectively to such emergencies, including capacities for the following:

''(A) Effective public health surveillance and reporting mechanisms at the State and local levels.

''(B) Adequate laboratory readiness.

''(C) Properly trained and equipped emergency response, public health, and medical personnel.

''(D) Health and safety protection of workers involved in responding to such an emergency.

''(E) Public health agencies that are prepared to coordinate health services (including mental health services) during and after such emergencies.

''(F) Participation in communications networks that can effectively disseminate relevant information in a timely and secure manner to appropriate public and private entities and to the public.

''(3) Developing and maintaining medical countermeasures (such as drugs, vaccines and other biological products, and medical devices) against biological agents that may be used in such emergencies.

''(4) Ensuring coordination and minimizing duplication of Federal, State, and local planning, preparedness, and response activities, including among agencies during the investigation of a suspicious disease outbreak.

''(5) Ensuring adequate readiness of hospitals and other health care facilities to respond effectively to such emergencies.

''(c) EVALUATION OF USING VA R&D CAPABILITIES.—The Secretary shall evaluate the feasibility of using the biomedical research and development capabilities of the Department of Veterans Affairs, in conjunction with that Department's affiliations with health-professions universities, as a means to assist the Secretary in achieving the goals specified in subsection (b).

''(d) REPORTS TO CONGRESS.—

''(1) INITIAL REPORT TO CONGRESS.—Not later than one year after the date of the enactment of the Public Health Security and Bioterrorism Response Act of 2001, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and the Committee on Health, Education, Labor, and Pensions of the Senate, a report concerning progress with respect to the plan under subsection (a), including progress toward achieving the goals specified in subsection (b).

''(2) BIENNIAL REPORTS.—Not later than 2 years after the date on which the report under paragraph (1) is submitted, and biennially thereafter, the Secretary shall submit to each of the committees specified in such paragraph a report concerning the progress made with respect to the plan under subsection (a), including the goals under subsection (b).

''(3) ADDITIONAL AUTHORITY.—Reports submitted under paragraph (2) by the Secretary shall make recommendations concerning—

''(A) any additional legislative authority that the Secretary determines is necessary for fully implementing the plan under subsection (a), including meeting the goals under subsection (b); and

''(B) any additional legislative authority that the Secretary determines is necessary under section 319 to protect the public health in the event that a condition described in section 319(a) occurs.

''(e) OTHER REPORTS.—Not later than one year after the date of the enactment of the Public Health Security and Bioterrorism Response Act of 2001, the Secretary shall submit to each of the committees specified in paragraph (1) a report concerning—

''(1) the recommendations and findings of the EPIC Advisory Committee under section 319F(c)(3);

''(2) the characteristics that may render a rural community uniquely vulnerable to a biological attack, including distance, lack of emergency transport, hospital or laboratory capacity, lack of integration of Federal or State public health networks, workforce deficits, or other relevant conditions;

''(3) the characteristics that may render areas or populations designated as medically underserved populations (as defined in section 330) uniquely vulnerable to a biological attack, including significant numbers of low-income or uninsured individuals, lack of affordable and accessible health care services, insufficient public and primary health care resources, lack of integration of Federal or State public health networks, workforce deficits, or other relevant conditions; and

''(4) the recommendations of the Secretary with respect to additional legislative authority that the Secretary determines is necessary to effectively strengthen rural communities, or medically underserved populations (as defined in section 330).

''(f) RULE OF CONSTRUCTION.—This section may not be construed as expanding or limiting any of the authorities of the Secretary that, on the day before the date of the enactment of the Public Health Security and Bioterrorism Response Act of 2001, were in effect with respect to preparing for and responding effectively to bioterrorism and other public health emergencies.''.

SEC. 102. ASSISTANT SECRETARY FOR EMERGENCY PREPAREDNESS; NATIONAL DISASTER MEDICAL SYSTEM.

(a) IN GENERAL.—Title XXVIII of the Public Health Service Act, as added by section 101 of this Act, is amended by adding at the end the following subtitle:

''Subtitle B—Emergency Preparedness and Response

''SEC. 2811. COORDINATION OF PREPAREDNESS FOR AND RESPONSE TO BIOTERRORISM AND OTHER PUBLIC HEALTH EMERGENCIES.

''(a) ASSISTANT SECRETARY FOR EMERGENCY PREPAREDNESS.—

''(1) IN GENERAL.—There is established within the Department of Health and Human Services the position of Assistant Secretary for Emergency Preparedness. The President, by and with the advice and consent of the Senate, shall appoint an individual to serve in such position. Such Assistant Secretary shall report to the Secretary.

''(2) DUTIES.—Subject to the authority of the Secretary, the Assistant Secretary for Emergency Preparedness shall carry out the following duties:

''(A) Coordinate on behalf of the Secretary—

''(i) all interagency interfaces between the Department of Health and Human Services (referred to in this paragraph as the 'Department') and other departments, agencies and offices of the United States, including the activities of the joint interdepartmental working groups under subsections (a) and (b) of section 319F; and

''(ii) all interfaces between the Department and State and local entities with responsibility for emergency preparedness.

''(B) Coordinate the operations of the National Disaster Medical System and any other emergency response activities within the Department of Health and Human Services that are related to bioterrorism or public health emergencies.

''(C) Coordinate the efforts of the Department to bolster State and local emergency preparedness for a bioterrorist attack or other public health emergency, and evaluate the progress of such entities in meeting the benchmarks and other outcome measures contained in the national plan and in meeting the core public health capabilities established pursuant to 319A.

''(D) Coordinate the activities of the Department with respect to research and development of priority vaccines, other biological products, drugs, and devices useful for detecting or responding to a bioterrorist attack or other public health emergency.

''(E) Coordinate the activities of the Department with respect to public education, awareness, and information relating to bioterrorism or other public health emergencies, including the activities and recommendations of the EPIC Advisory Committee under section 319F(c)(3).

''(F) Coordinate all other functions within the Department of Health and Human Services relating to emergency preparedness, including matters relating to bioterrorism and other public health emergencies that are addressed in the national plan under section 2801.

''(G) Any other duties determined appropriate by the Secretary.

''(b) NATIONAL DISASTER MEDICAL SYSTEM.—

''(1) IN GENERAL.—The Secretary shall provide for the operation in accordance with this section of a system to be known as the National Disaster Medical System (in this section referred to as the 'National System'). The Secretary shall designate the Assistant Secretary for Emergency Preparedness as the head of the National System, subject to the authority of the Secretary.

''(2) FEDERAL AND STATE COLLABORATIVE SYSTEM.—

''(A) IN GENERAL.—The National System shall be a coordinated effort by the Federal agencies specified in subparagraph (B), working in collaboration with the States and other appropriate public or private entities,

to carry out the purposes described in paragraph (3).

''(B) PARTICIPATING FEDERAL AGENCIES.—The Federal agencies referred to in subparagraph (A) are the Department of Health and Human Services, the Federal Emergency Management Agency, the Department of Defense, and the Department of Veterans Affairs.

''(3) PURPOSE OF SYSTEM.—

''(A) IN GENERAL.—The Secretary may activate the National System to—

''(i) provide health services, health-related social services, other appropriate human services, and appropriate auxiliary services to respond to the needs of victims of a public health emergency (whether or not determined to be a public health emergency under section 319); or

''(ii) be present at locations, and for periods of time, specified by the Secretary on the basis that the Secretary has determined that a location is at risk of a public health emergency during the time specified.

''(B) ONGOING ACTIVITIES.—The National System shall carry out such ongoing activities as may be necessary to prepare for the provision of services described in subparagraph (A) in the event that the Secretary activates the National System for such purposes.

''(C) TEST FOR MOBILIZATION OF SYSTEM.—During the one-year period beginning on the date of the enactment of the Public Health Security and Bioterrorism Response Act of 2001, the Secretary shall conduct an exercise to test the capability and timeliness of the National System to mobilize and otherwise respond effectively to a bioterrorist attack or other public health emergency that affects two or more geographic locations concurrently. Thereafter, the Secretary may periodically conduct such exercises regarding the National System as the Secretary determines to be appropriate.

''(c) CRITERIA.—

''(1) IN GENERAL.—The Secretary shall establish criteria for the operation of the National System.

''(2) EDUCATION AND TRAINING OF PERSONNEL.—In carrying out paragraph (1), the Secretary shall establish criteria regarding the education and training of individuals who provide emergency services through the National System. In the case of permanent, full-time positions in the Department of Health and Human Services that involve significant supervisory roles within the National System, the criteria shall require that individuals in such positions have completed appropriate education or training programs as determined by the Secretary.

''(3) PARTICIPATION AGREEMENTS FOR NONFEDERAL ENTITIES.—In carrying out paragraph (1), the Secretary shall establish criteria regarding the participation of States and private entities in the National System, including criteria regarding agreements for such participation. The criteria shall include the following:

''(A) Provisions relating to the custody and use of Federal personal property by such entities, which may in the discretion of the Secretary include authorizing the custody and use of such property on a reimbursable basis to respond to emergency situations for which the National System has not been activated by the Secretary pursuant to subsection (b)(3)(A).

''(B) Provisions relating to circumstances in which an individual or entity has agreements with both the National System and another entity regarding the provision of emergency services by the individual. Such provisions shall address the issue of priorities among the agreements involved.

''(d) INTERMITTENT DISASTER-RESPONSE PERSONNEL.—

''(1) IN GENERAL.—For the purpose of assisting the National System in carrying out duties under this section, the Secretary may appoint individuals to serve as intermittent personnel of such System in accordance with applicable civil service laws and regulations.

''(2) LIABILITY.—For purposes of section 224(a) and the remedies described in such section, an individual appointed under paragraph (1) shall, while acting within the scope of such appointment, be considered to be an employee of the Public Health Service performing medical, surgical, dental, or related functions. With respect to the participation of individuals appointed under paragraph (1) in training programs authorized by the Assistant Secretary for Emergency Preparedness or a comparable official of any Federal agency specified in subsection (b)(2)(B), acts of individuals so appointed that are within the scope of such participation shall be considered within the scope of the appointment under paragraph (1) (regardless of whether the individuals receive compensation for such participation).

''(e) CERTAIN EMPLOYMENT ISSUES REGARDING INTERMITTENT APPOINTMENTS.—

''(1) INTERMITTENT DISASTER-RESPONSE APPOINTEE.—For purposes of this subsection, the term 'intermittent disaster-response appointee' means an individual appointed by the Secretary under subsection (d).

''(2) COMPENSATION FOR WORK INJURIES.—An intermittent disaster-response appointee shall, while acting in the scope of such appointment, be considered to be an employee of the Public Health Service performing medical, surgical, dental, or related functions, and an injury sustained by such an individual shall be deemed 'in the performance of duty', for purposes of chapter 81 of title 5, United States Code, pertaining to compensation for work injuries. With respect to the participation of individuals appointed under subsection (d) in training programs authorized by the Assistant Secretary for Emergency Preparedness or a comparable official of any Federal agency specified in subsection (b)(2)(B), injuries sustained by such an individual, while acting within the scope of such participation, also shall be deemed 'in the performance of duty' for purposes of chapter 81 of title 5, United States Code (regardless of whether the individuals receive compensation for such participation). In the event of an injury to such an intermittent disaster-response appointee, the Secretary of Labor shall be responsible for making determinations as to whether the claimant is entitled to compensation or other benefits in accordance with chapter 81 of title 5, United States Code.

''(3) EMPLOYMENT AND REEMPLOYMENT RIGHTS.—

''(A) IN GENERAL.—Service as an intermittent disaster-response appointee when the Secretary activates the National System or when the individual participates in a training program authorized by the Assistant Secretary for Emergency Preparedness or a comparable official of any Federal agency specified in subsection (b)(2)(B) shall be deemed 'service in the uniformed services' for purposes of chapter 43 of title 38, United States Code, pertaining to employment and reemployment rights of individuals who have performed service in the uniformed services (regardless of whether the individual receives compensation for such participation). All rights and obligations of such persons and procedures for assistance, enforcement, and investigation shall be as provided for in chapter 43 of title 38, United States Code.

''(B) NOTICE OF ABSENCE FROM POSITION OF EMPLOYMENT.—Preclusion of giving notice of service by necessity of Service as an intermittent disaster-response appointee when the Secretary activates the National System shall be deemed preclusion by 'military necessity' for purposes of section 4312(b) of title 38, United States Code, pertaining to giving notice of absence from a position of employment. A determination of such necessity shall be made by the Secretary, in consultation with the Secretary of Defense, and shall not be subject to judicial review.

''(4) LIMITATION.—An intermittent disaster-response appointee shall not be deemed an employee of the Department of Health and Human Services for purposes other than those specifically set forth in this section.

''(f) DEFINITION.—For purposes of this section, the term 'auxiliary services' includes mortuary services, veterinary services, and other services that are determined by the Secretary to be appropriate with respect to the needs referred to in subsection (b)(3)(A).

''(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of providing for the Assistant Secretary for Emergency Preparedness and the operations of the National System, other than purposes for which amounts in the Public Health Emergency Fund under section 319 are available, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2002 through 2006.''.

(b) SENSE OF CONGRESS REGARDING RESOURCES OF NATIONAL SYSTEM.—It is the sense of the Congress that the Secretary of Health and Human Services should provide sufficient resources to individuals and entities tasked to carry out the duties of the National Disaster Medical System for reimbursement of expenses, operations, purchase and maintenance of equipment, training, and other funds expended in furtherance of such National System.

SEC. 103. IMPROVING ABILITY OF CENTERS FOR DISEASE CONTROL AND PREVENTION WITH RESPECT TO BIOTERRORISM AND OTHER PUBLIC HEALTH EMERGENCIES; FACILITIES.

Section 319D of the Public Health Service Act (42 U.S.C. 247d–4) is amended to read as follows:

''SEC. 319D. REVITALIZING THE CENTERS FOR DISEASE CONTROL AND PREVENTION.

''(a) FINDINGS.—Congress finds that the Centers for Disease Control and Prevention have an essential role in defending against and combatting public health threats of the 21st century and requires secure and modern facilities, and expanded and improved capabilities related to biological threats or attacks or other public health emergencies, sufficient to enable such Centers to conduct this important mission.

''(b) IMPROVING THE CAPACITIES OF THE CENTERS FOR DISEASE CONTROL AND PREVENTION.—

''(1) IN GENERAL.—The Secretary shall expand, enhance, and improve the capabilities of the Centers for Disease Control and Prevention relating to preparedness for and responding effectively to bioterrorism and other public health emergencies. Activities that may be carried out under the preceding sentence include—

''(A) expanding or enhancing the training of personnel;

''(B) improving communications facilities and networks;

''(C) improving capabilities for public health surveillance and reporting activities;

''(D) improving laboratory facilities related to bioterrorism, including increasing the security of such facilities; and

''(E) such other activities as the Secretary determines appropriate.

''(2) IMPROVING PUBLIC HEALTH LABORATORY CAPACITY.—

''(A) IN GENERAL.—The Secretary, directly or through awards of grants, contracts, or cooperative agreements, shall provide for the

establishment of a coordinated network of public health laboratories, that may, at the discretion of the Secretary, include laboratories that serve as regional reference laboratories.

''(B) PRIORITY.—In carrying out subparagraph (A), the Secretary shall give priority to projects that include State or local government financial commitments, that seek to incorporate multiple public health and safety services or diagnostic databases into an integrated public health or regional reference laboratory, and that cover geographic areas lacking advanced diagnostic and safety-level laboratory capabilities.

''(3) NATIONAL PUBLIC HEALTH COMMUNICATIONS AND SURVEILLANCE NETWORK.—

''(A) IN GENERAL.—The Secretary, directly or through awards of grants, contracts, or cooperative agreements, shall provide for the establishment of integrated public health communications and surveillance networks between and among—

''(i) Federal, State, and local public health officials;

''(ii) public and private health-related laboratories, hospitals, and other health care facilities; and

''(iii) any other entities determined appropriate by the Secretary.

''(B) REQUIREMENTS.—The Secretary shall ensure that networks under subparagraph (A) allow for the timely sharing and discussion, in a secure manner, of essential information concerning a bioterrorist attack or other public health emergency, or recommended methods for responding to such an attack or emergency.

''(4) CONTINUITY OF EFFORT.—To the maximum extent practicable, the Secretary, in conducting activities under paragraphs (1) through (3), shall administer such activities in a manner that intensifies, expands, or enhances activities being carried out on the date of enactment of this subsection.

''(c) FACILITIES.—

''(1) IN GENERAL.—The Director of the Centers for Disease Control and Prevention may design, construct, and equip new facilities, renovate existing facilities (including laboratories, laboratory support buildings, scientific communication facilities, transshipment complexes, secured and isolated parking structures, office buildings, and other facilities and infrastructure), and upgrade security of such facilities, in order to better conduct the capacities described in section 319A, and for supporting related public health activities.

''(2) MULTIYEAR CONTRACTING AUTHORITY.—For any project of designing, constructing, equipping, or renovating any facility under paragraph (1), the Director of the Centers for Disease Control and Prevention may enter into a single contract or related contracts that collectively include the full scope of the project, and the solicitation and contract shall contain the clause 'availability of funds' found at section 52.232–18 of title 48, Code of Federal Regulations.

''(d) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—For the purposes of achieving the mission of the Centers for Disease Control and Prevention described in subsection (a), for carrying out subsection (b), for better conducting the capacities described in section 319A, and for supporting related public health activities, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2002 through 2006.

''(2) FACILITIES.—For the purpose of carrying out subsection (c), there are authorized to be appropriated $300,000,000 for each of the fiscal years 2002 and 2003, and such sums as may be necessary for each of the fiscal years 2004 through 2006.''.

SEC. 104. ADVISORY COMMITTEES AND COMMUNICATIONS.

Section 319F of the Public Health Service Act (42 U.S.C. 247d–6) is amended—

(1) by redesignating subsections (c) through (i) as subsections (e) through (k), respectively; and

(2) by inserting after subsection (b) the following subsections:

''(c) ADVICE TO THE FEDERAL GOVERNMENT.—

''(1) REQUIRED ADVISORY COMMITTEES.—In coordination with the working groups under subsections (a) and (b), the Secretary shall establish advisory committees in accordance with paragraphs (2) and (3) to provide expert recommendations to assist such working groups in carrying out their respective responsibilities under subsections (a) and (b).

''(2) NATIONAL ADVISORY COMMITTEE ON CHILDREN AND TERRORISM.—

''(A) IN GENERAL.—For purposes of paragraph (1), the Secretary shall establish an advisory committee to be known as the National Advisory Committee on Children and Terrorism (referred to in this paragraph as the 'Advisory Committee').

''(B) DUTIES.—The Advisory Committee shall provide recommendations regarding—

''(i) the preparedness of the health care (including mental health care) system to respond to bioterrorism as it relates to children;

''(ii) needed changes to the health care and emergency medical service systems and emergency medical services protocols to meet the special needs of children; and

''(iii) changes, if necessary, to the national stockpile under section 121 of the Public Health Security and Bioterrorism Response Act of 2001 to meet the special needs of children.

''(C) COMPOSITION.—The Advisory Committee shall be composed of such Federal officials as may be appropriate to address the special needs of the diverse population groups of children, and child health experts on infectious disease, environmental health, toxicology, and other relevant professional disciplines.

''(D) TERMINATION.—The Advisory Committee terminates one year after the date of the enactment of the Public Health Security and Bioterrorism Response Act of 2001.

''(3) EMERGENCY PUBLIC INFORMATION AND COMMUNICATIONS ADVISORY COMMITTEE.—

''(A) IN GENERAL.—For purposes of paragraph (1), the Secretary shall establish an advisory committee to be known as the Emergency Public Information and Communications Advisory Committee (referred to in this paragraph as the 'EPIC Advisory Committee').

''(B) DUTIES.—The EPIC Advisory Committee shall make recommendations and report on appropriate ways to communicate public-health information regarding biological attacks to the public.

''(C) COMPOSITION.—The EPIC Advisory Committee shall be composed of individuals representing a diverse group of experts in public health, communications, behavioral psychology, and other areas determined appropriate by the Secretary.

''(D) DISSEMINATION.—The Secretary shall ensure that the recommendations of the EPIC Advisory Committee are widely disseminated to the media, State and local governments, poison control centers, and others as the Secretary determines appropriate.

''(E) TERMINATION.—The EPIC Advisory Committee terminates one year after the date of the enactment of the Public Health Security and Bioterrorism Response Act of 2001.

''(d) STRATEGY FOR COMMUNICATION OF INFORMATION REGARDING BIOLOGICAL ATTACK.—In coordination with the joint interdepartmental working group under subsection (b), the Secretary, acting through the Assistant Secretary for Emergency Preparedness, shall develop a strategy for effectively communicating information regarding a biological attack, and shall develop means by which to communicate such information. The Secretary may carry out the preceding sentence directly or through grants, contracts, or cooperative agreements.''.

SEC. 105. EDUCATION OF HEALTH CARE PERSONNEL; TRAINING REGARDING PEDIATRIC ISSUES.

Section 319F(g) of the Public Health Service Act, as redesignated by section 104(1) of this Act, is amended to read as follows:

''(g) EDUCATION; TRAINING REGARDING PEDIATRIC ISSUES.—

''(1) MATERIALS; CORE CURRICULUM.—The Secretary, in collaboration with members of the working group described in subsection (b), and professional organizations and societies, shall—

''(A) develop materials for teaching the elements of a core curriculum for the recognition and identification (including proficiency testing) of potential bioweapons and other agents that may create a public health emergency, and for the care of victims of such emergencies, recognizing the special needs of children and other vulnerable populations, to public health officials, medical professionals, emergency physicians and other emergency department staff, laboratory personnel, and other personnel working in health care facilities (including poison control centers);

''(B) develop a core curriculum and materials for community-wide planning by State and local governments, hospitals and other health care facilities, emergency response units, and appropriate public and private sector entities to respond to a bioterrorist attack or other public health emergency;

''(C) provide for dissemination and teaching of the materials described in subparagraphs (A) and (B) by all appropriate means, including telemedicine, long-distance learning, or other such means; and

''(D) to the extent practicable, establish and maintain an electronic database of individuals participating in training or education programs carried out under this section, for the purpose of providing continuing education materials and information to such participants.

''(2) GRANTS.—In carrying out paragraph (1), the Secretary may award grants to, or enter into cooperative agreements with, professional organizations and societies, private accrediting organizations, or other nonprofit institutions or entities meeting criteria established by the Secretary, and may enter into interagency cooperative agreements with other Federal agencies.

''(3) HEALTH-RELATED ASSISTANCE FOR EMERGENCY RESPONSE PERSONNEL TRAINING.—The Secretary, in consultation with the Attorney General and the Director of the Federal Emergency Management Agency, may provide assistance with respect to health-related aspects of emergency response personnel training carried out by the Department of Justice and the Federal Emergency Management Agency.''.

SEC. 106. GRANTS REGARDING SHORTAGES OF CERTAIN HEALTH PROFESSIONALS.

Part B of title III of the Public Health Service Act (42 U.S.C. 243 et seq.) is amended by inserting after section 319G the following section:

''SEC. 319H. GRANTS REGARDING TRAINING AND EDUCATION OF CERTAIN HEALTH PROFESSIONALS.

''(a) IN GENERAL.—The Secretary may make awards of grants and cooperative agreements to appropriate public and nonprofit private health or educational entities,

including health professions schools and programs as defined in section 799B, for the purpose of providing low-interest loans, partial scholarships, partial fellowships, revolving loan funds, or other cost-sharing forms of assistance for the education and training of individuals in any category of health professions for which there is a shortage that the Secretary determines should be alleviated in order to prepare for or respond effectively to bioterrorism and other public health emergencies.

''(b) AUTHORITY REGARDING NON-FEDERAL CONTRIBUTIONS.—The Secretary may require as a condition of an award under subsection (a) that a grantee under such subsection provide non-Federal contributions toward the purpose described in such subsection.

''(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2002 through 2006.''.

SEC. 107. EMERGENCY SYSTEM FOR VERIFICATION OF CREDENTIALS OF HEALTH PROFESSIONS VOLUNTEERS.

Part B of title III of the Public Health Service Act, as amended by section 106 of this Act, is amended by inserting after section 319H the following section:

''SEC. 319I. EMERGENCY SYSTEM FOR VERIFICATION OF HEALTH PROFESSIONS VOLUNTEERS.

''(a) IN GENERAL.—The Secretary shall, directly or through an award of a grant, contract, or cooperative agreement, establish and maintain a system for verifying the credentials, licenses, accreditations, and hospital privileges of individuals, who during public health emergencies volunteer to serve as health professionals (referred to in this section as the 'verification system'). In carrying out the preceding sentence, the Secretary shall provide for an electronic database for the verification system.

''(b) CERTAIN CRITERIA.—The Secretary shall establish criteria regarding the verification system under subsection (a), including provisions regarding the promptness and efficiency of the system in collecting, storing, updating, and disseminating information on the credentials, licenses, accreditations, and hospital privileges of volunteers described in subsection (a).

''(c) ADVANCE REGISTRATION OF VOLUNTEERS.—In order to facilitate the availability of health professionals during a public health emergency, the Secretary shall provide for the advance registration with the system of health professionals who are willing to serve as volunteers described in subsection (a), and may carry out activities to encourage health professionals to register with the system.

''(d) OTHER ASSISTANCE.—The Secretary may make grants and provide technical assistance to States and other public or nonprofit private entities for activities relating to the verification system developed under subsection (a).

''(e) COORDINATION AMONG STATES.—The Secretary shall encourage each State to provide legal authority during a public health emergency for health professionals authorized in another State to provide certain health services to provide such health services in the State.

''(f) RULE OF CONSTRUCTION.—This section may not be construed as authorizing the Secretary to issue requirements regarding the provision by the States of credentials, licenses, accreditations, or hospital privileges.

''(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $2,000,000 for fiscal year 2002, and such sums as may be necessary for each of the fiscal years 2003 through 2006.''.

SEC. 108. ENHANCING PREPAREDNESS ACTIVITIES FOR BIOTERRORISM AND OTHER PUBLIC HEALTH EMERGENCIES.

Section 319F of the Public Health Service Act (42 U.S.C. 247d–6) is amended—

(1) by amending subsection (a) to read as follows:

''(a) WORKING GROUP ON PREPAREDNESS FOR ACTS OF BIOTERRORISM.—The Secretary, in coordination with the Secretary of Defense, the Director of the Federal Emergency Management Agency, the Attorney General, the Secretary of Veterans Affairs, the Secretary of Agriculture, the Secretary of Energy, and the Administrator of the Environmental Protection Agency shall establish a joint interdepartmental working group on preparedness and readiness for the medical and public health effects of a bioterrorist attack on the civilian population. Such joint working group shall—

''(1) coordinate and prioritize research on, and the development of countermeasures against, pathogens likely to be used in a bioterrorist attack on the civilian population;

''(2) facilitate the development, production, and regulatory review of priority countermeasures (as defined in subsection (h)(2)(C)) for a bioterrorist attack on the civilian population;

''(3) coordinate research and development into equipment to detect pathogens likely to be used in a bioterrorist attack on the civilian population and protect against infection from such pathogens;

''(4) develop shared standards for equipment to detect and to protect against infection from pathogens likely to be used in a bioterrorist attack on the civilian population; and

''(5) coordinate the development, maintenance, and procedures for the release and distribution of strategic reserves of vaccines, drugs, and medical supplies which may be needed rapidly after a bioterrorist attack upon the civilian population, including consideration of vulnerable populations (such as children, the elderly, and individuals with disabilities).'';

(2) in subsection (b)(1), by striking ''The Secretary'' and all that follows through ''shall establish'' and inserting the following: ''The Secretary, in collaboration with the Secretary of Defense, the Director of the Federal Emergency Management Agency, the Attorney General, the Secretary of Veterans Affairs, the Secretary of Agriculture, the Secretary of Labor, and the Administrator of the Environmental Protection Agency, shall establish'';

(3) in subsection (b)(2)—

(A) in subparagraph (A), by striking ''respond to a bioterrorist attack; and'' and inserting the following: ''respond to a bioterrorist attack, including the provision of appropriate safety and health training and protective measures for medical, emergency service, and other personnel responding to such attacks;'';

(B) in subparagraph (B), by striking the period and inserting ''; and''; and

(C) by adding at the end the following subparagraph:

''(C) subject to compliance with other provisions of Federal law, clarify the responsibilities among Federal officials for the investigation of suspicious outbreaks of disease, and revise the interagency plan known as the Federal response plan accordingly.'';

(4) in subsection (b)(3), by striking ''Assistant Secretary for Health'' and inserting ''Assistant Secretary for Emergency Preparedness''; and

(5) in subsection (e) (as redesignated by section 104(1) of this Act)—

(A) in paragraph (1), by striking ''The Secretary'' and all that follows and inserting the following: ''In consultation with the working group established under subsection (b), the Secretary shall, based on criteria established by the Secretary, award grants to or enter into cooperative agreements with eligible entities to increase their capacity to detect, diagnose, and respond to acts of bioterrorism upon the civilian population.'';

(B) in paragraph (2)—

(i) by striking ''or'' after ''clinic,''; and

(ii) by inserting before the period the following: '', professional organizations and societies, schools or programs that train medical laboratory personnel, private accrediting organizations, or other nonprofit institutions or entities meeting criteria established by the Secretary'';

(C) in paragraph (3)—

(i) in the matter preceding subparagraph (A), by striking ''the priorities'' and inserting ''any priorities''; and

(ii) by striking subparagraphs (A) through (D) and inserting the following:

''(A) developing community-wide plans involving the public and private health care infrastructure to respond to bioterrorism or other public health emergencies, which are coordinated with the capacities of applicable national, State, and local health agencies;

''(B) training health care professionals and public health personnel to enhance the ability of such personnel to recognize the symptoms and epidemiological characteristics of exposure to a potential bioweapon, or other agents that may cause a public health emergency;

''(C) addressing rapid and accurate identification of potential bioweapons, or other agents that may cause a public health emergency;

''(D) coordinating medical care for individuals during public health emergencies, including bioterrorism;

''(E) conducting exercises to test the capability and timeliness of public health emergency response activities;

''(F) facilitating and coordinating rapid communication of data generated from a bioterrorist attack or public health emergency among national, State, and local health agencies, emergency response personnel, and health care providers and facilities; and

''(G) purchasing or upgrading equipment, supplies, pharmaceuticals or other countermeasures to enhance preparedness for and response to bioterrorism or other public health emergencies, consistent with a plan described in subparagraph (A).''; and

(D) in paragraph (4)—

(i) in subparagraph (A), by striking ''and'' after the semicolon at the end;

(ii) in subparagraph (B), by striking the period at the end and inserting ''; and''; and

(iii) by adding at the end the following subparagraph:

''(C) coordinate grants under this subsection with grants under 319C.''.

SEC. 109. IMPROVING STATE AND LOCAL CORE PUBLIC HEALTH CAPACITIES.

Section 319C of the Public Health Service Act (42 U.S.C. 247d–3) is amended—

(1) in subsection (a), by striking ''competitive ''; and

(2) in subsection (c)—

(A) in paragraph (3), by striking ''health care providers; and'' and inserting ''health care providers, including poison control centers;'';

(B) by redesignating paragraph (4) as paragraph (7); and

(C) by inserting after paragraph (3) the following paragraphs:

''(4) purchase or upgrade equipment, supplies, pharmaceuticals or other countermeasures to enhance preparedness for and response to bioterrorism or other public health emergencies, consistent with a plan described in paragraph (3);

''(5) conduct exercises to test the capability and timeliness of public health emergency response activities;

''(6) within the meaning of part B of title XII, develop and implement the trauma care component of the State plan for the provision of emergency medical services; and'';

SEC. 110. ANTIMICROBIAL RESISTANCE PROGRAM.

Section 319E of the Public Health Service Act (42 U.S.C. 247d–5) is amended—

(1) in subsection (b)—

(A) by striking ''shall conduct and support'' and inserting ''shall directly or through awards of grants or cooperative agreements to public or private entities provide for the conduct of''; and

(B) by amending paragraph (4) to read as follows:

''(4) the sequencing of the genomes, or other appropriate DNA analysis, or other necessary comparative analysis, of priority pathogens (as determined by the Director of the National Institutes of Health in consultation with the task force established under subsection (a)), in collaboration and coordination with the activities of the Department of Defense and the Joint Genome Institute of the Department of Energy; and'';

(2) in subsection (e)(2), by inserting after ''societies,'' the following: ''schools or programs that train medical laboratory personnel,''; and

(3) in subsection (g), by striking ''and such sums'' and all that follows and inserting the following: ''$25,000,000 for each of the fiscal years 2002 and 2003, and such sums as may be necessary for each of the fiscal years 2004 through 2006.''.

SEC. 111. STUDY REGARDING COMMUNICATIONS ABILITIES OF PUBLIC HEALTH AGENCIES.

The Secretary of Health and Human Services, in consultation with the Federal Communications Commission, the National Telecommunications and Information Administration, and other appropriate Federal agencies, shall conduct a study to ensure that local public health entities have the ability to maintain communications in the event of a bioterrorist attack or other public health emergency. The study shall examine whether redundancies are required in the telecommunications system for public health entities to maintain systems operability and connectivity during such emergencies. The study shall also include recommendations to industry and public health entities about how to implement such redundancies if necessary.

SEC. 112. SUPPLIES AND SERVICES IN LIEU OF AWARD FUNDS.

Part B of title III of the Public Health Service Act, as amended by section 107 of this Act, is amended by inserting after section 319I the following section:

''SEC. 319J. SUPPLIES AND SERVICES IN LIEU OF AWARD FUNDS

''(a) IN GENERAL.—Upon the request of a recipient of an award under any of sections 319 through 319I or section 319K, the Secretary may, subject to subsection (b), provide supplies, equipment, and services for the purpose of aiding the recipient in carrying out the purposes for which the award is made and, for such purposes, may detail to the recipient any officer or employee of the Department of Health and Human Services.

''(b) CORRESPONDING REDUCTION IN PAYMENTS.—With respect to a request described in subsection (a), the Secretary shall reduce the amount of payments under the award involved by an amount equal to the costs of detailing personnel and the fair market value of any supplies, equipment, or services provided by the Secretary. The Secretary shall, for the payment of expenses incurred in complying with such request, expend the amounts withheld.''.

SEC. 113. ADDITIONAL AMENDMENTS.

Part B of title III of the Public Health Service Act (42 U.S.C. 243 et seq) is amended—

(1) in section 319A(a)(1), by striking ''10 years'' and inserting ''five years''; and

(2) in section 319B(a), in the first sentence, by striking ''10 years'' and inserting ''five years''.

SEC. 114. STUDY REGARDING LOCAL EMERGENCY RESPONSE METHODS.

The Secretary of Health and Human Services shall conduct a study of best-practices methods for the provision of emergency response services through local governments (including through contractors and volunteers of such governments) in a consistent manner in response to acts of bioterrorism or other public health emergencies. Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Congress a report describing the findings of the study.

Subtitle B—National Stockpile; Development of Priority Countermeasures

SEC. 121. NATIONAL STOCKPILE.

(a) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the ''Secretary'') shall maintain a stockpile or stockpiles of drugs, vaccines and other biological products, medical devices, and other supplies in such numbers, types, and amounts as are determined by the Secretary to be adequate to meet the health security needs of the United States, including consideration of vulnerable populations (such as children, the elderly, and individuals with disabilities), in the event of a bioterrorist attack or other public health emergency.

(b) PROCEDURES.—The Secretary, in managing the stockpile under subsection (a), shall—

(1) consult with the Director of the Federal Emergency Management Agency, the Secretary of Defense, the Secretary of Veterans Affairs, the Attorney General, the Secretary of Energy, and the Administrator of the Environmental Protection Agency;

(2) ensure that adequate procedures are followed with respect to such stockpile for inventory management and accounting, and for the physical security of the stockpile;

(3) in consultation with Federal, State, and local officials, take into consideration the timing and location of special events;

(4) review and revise, as appropriate, the contents of the stockpile on a regular basis to ensure that emerging threats, advanced technologies, and new countermeasures are adequately considered; and

(5) devise plans for the effective and timely distribution of the stockpile, in consultation with appropriate Federal, State and local agencies, and the public and private health care infrastructure.

(c) DEFINITION.—For purposes of subsection (a), the term ''stockpile'' includes—

(1) a physical accumulation (at one or more locations) of the supplies described in subsection (a); or

(2) a contractual agreement between the Secretary and a vendor or vendors under which such vendor or vendors agree to provide to the Secretary supplies described in subsection (a).

(d) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated $1,155,000,000 for fiscal year 2002, and such sums as may be necessary for each of fiscal years 2003 through 2006.

SEC. 122. ACCELERATED APPROVAL OF PRIORITY COUNTERMEASURES.

(a) IN GENERAL.—The Secretary of Health and Human Services may designate a priority countermeasure as a fast-track product pursuant to section 506 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 356). Such a designation may be made prior to the submission of—

(1) a request for designation by the sponsor; or

(2) an application for the investigation of the drug under section 505(i) of such Act or section 351(a)(3) of the Public Health Service Act. Nothing in this subsection shall be construed to prohibit a sponsor from declining such a designation.

(b) REVIEW OF PRIORITY COUNTERMEASURE NOT DESIGNATED AS FAST-TRACK PRODUCT.—A priority countermeasure shall be subject to the performance goals established by the Commissioner of Food and Drugs, unless it is designated as a fast-track product.

(c) DEFINITION.—For purposes of this section, the term ''priority countermeasure'' means a drug or biological product that is a countermeasure to treat, identify, or prevent infection by a biological agent or toxin listed pursuant to section 351A(a)(1) or harm from any other agent that may cause a public health emergency.

SEC. 123. USE OF ANIMAL TRIALS IN APPROVAL OF CERTAIN DRUGS AND BIOLOGICS; ISSUANCE OF RULE.

Not later than 180 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall complete the process of rulemaking that was commenced with the issuance of the proposed rule entitled ''New Drug and Biological Drug Products; Evidence Needed to Demonstrate Efficacy of New Drugs for Use Against Lethal or Permanently Disabling Toxic Substances When Efficacy Studies in Humans Ethically Cannot be Conducted'' published in the Federal Register on October 5, 1999 (64 Fed. Reg. 53960).

SEC. 124. SECURITY FOR COUNTERMEASURE DEVELOPMENT AND PRODUCTION.

Part B of title III of the Public Health Service Act, as amended by section 112 of this Act, is amended by inserting after section 319J the following section:

''SEC. 319K. SECURITY FOR COUNTERMEASURE DEVELOPMENT AND PRODUCTION.

''The Secretary, in consultation with the Attorney General and the Secretary of Defense, may provide technical or other assistance to provide security to persons or facilities that conduct development, production, distribution, or storage of priority countermeasures (as defined in section 319F(h)(2)(C)).''.

SEC. 125. ACCELERATED COUNTERMEASURE RESEARCH AND DEVELOPMENT.

Section 319F(h) of the Public Health Service Act, as redesignated by section 104(1) of this Act, is amended—

(1) by redesignating paragraphs (1) through (4), as subparagraphs (A) through (D), respectively;

(2) by striking ''The Secretary'' and inserting the following:

''(1) IN GENERAL.—The Secretary'';

(3) by moving each of subparagraphs (A) through (D) (as so redesignated) two ems to the right; and

(4) by adding at the end the following:

''(2) ACCELERATED COUNTERMEASURE RESEARCH AND DEVELOPMENT.—

''(A) IN GENERAL.—With respect to pathogens of potential use in a bioterrorist attack, and other agents that may cause a public health emergency, the Secretary, taking into consideration any recommendations of the working group under subsection (a), shall conduct, and award grants, contracts, or cooperative agreements for, research, investigations, experiments, demonstrations, and studies in the health sciences relating to—

''(i) the epidemiology and pathogenesis of such pathogens;

''(ii) the development of new vaccines and therapeutics for use against such pathogens and other agents;

''(iii) the development of diagnostic tests to detect such pathogens and other agents; and

''(iv) other relevant areas of research;

with consideration given to the needs of children and other vulnerable populations.

''(B) ROLE OF DEPARTMENT OF VETERANS AFFAIRS.—In carrying out subparagraph (A), the Secretary shall consider using the biomedical research and development capabilities of the Department of Veterans Affairs, in conjunction with that Department's affiliations with health-professions universities. When advantageous to the Government in furtherance of the purposes of such subparagraph, the Secretary may enter into cooperative agreements with the Secretary of Veterans Affairs to achieve such purposes.

''(C) PRIORITY COUNTERMEASURES.—For purposes of this paragraph, the term 'priority countermeasure' means a countermeasure, including a drug, medical or other technological device, biological product, or diagnostic test, to treat, identify, or prevent infection by a biological agent or toxin listed pursuant to section 351A(a)(1) or harm from any other agent that may cause a public health emergency.''.

SEC. 126. EVALUATION OF NEW AND EMERGING TECHNOLOGIES REGARDING BIOTERRORIST ATTACK AND OTHER PUBLIC HEALTH EMERGENCIES.

(a) IN GENERAL.—The Secretary of Health and Human Services (referred to in this section as the ''Secretary'') shall promptly carry out a program to evaluate new and emerging technologies that are designed to improve or enhance the ability of public health or safety officials to detect, identify, diagnose, or conduct public health surveillance activities relating to a bioterrorist attack or other public health emergency.

(b) CERTAIN ACTIVITIES.—In carrying out this subsection, the Secretary shall—

(1) survey existing technology programs funded by the Federal Government for potentially useful technologies;

(2) promptly issue a request for information from non-Federal public and private entities for ongoing activities in this area; and

(3) evaluate technologies identified under paragraphs (1) and (2) pursuant to subsection (c).

(c) CONSULTATION AND EVALUATION.—In carrying out subsection (b)(3), the Secretary shall consult with the joint interdepartmental working group under section 319F(a) of the Public Health Service Act, as well as other appropriate public, nonprofit, and private entities, to develop criteria for the evaluation of such technologies and to conduct such evaluations.

(d) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and the Committee on Health, Education, Labor, and Pensions of the Senate, a report that provides a list of priority technologies whose development or deployment or both should be accelerated, and the estimated cost of doing so.

SEC. 127. POTASSIUM IODIDE.

(a) IN GENERAL.—Through the national stockpile under section 121, the Secretary of Health and Human Services (in this section referred to as the ''Secretary''), subject to subsection (b), shall make available to State and local governments potassium iodide tablets for stockpiling and for distribution as appropriate to public facilities, such as schools and hospitals, that are within 20 miles of a nuclear power plant, in quantities sufficient to provide adequate protection for the populations within such miles.

(b) STATE AND LOCAL PLANS.—Subsection (a) applies with respect to a State or local government if the government involved meets the following conditions:

(1) Such government submits to the Secretary, and to the Director of the Federal Emergency Management Agency, a plan for the stockpiling of potassium iodide tablets, and for the distribution and utilization of potassium iodide tablets in the event of a nuclear incident.

(2) The plan is accompanied by certifications by such government that—

(A) the government has not received sufficient quantities of potassium iodide tablets from the Nuclear Regulatory Commission; and

(B) in the case of a local government, such government has submitted the plan to the State involved.

(c) GUIDELINES.—In consultation with the Director of the Federal Emergency Management Agency and with the Nuclear Regulatory Commission, the Secretary shall establish guidelines for the stockpiling of potassium iodide tablets, and for the distribution and utilization of potassium iodide tablets in the event of a nuclear incident.

(d) INFORMATION.—The Secretary shall carry out activities to inform State and local governments of the program under this section.

(e) REPORT.—Not later than six months after the date of the enactment of this Act, the Secretary shall submit to the Congress a report—

(1) on whether potassium iodide tablets have been made available under subsection (a) and the extent to which State and local governments have established stockpiles of such tablets; and

(2) the measures taken by the Secretary to implement this section.

(f) APPLICABILITY.—Subsections (a) and (d) cease to apply as requirements if the Secretary determines that there is an alternative and more effective medical treatment to address adverse thyroid conditions that may result from the release of radionuclides from nuclear power plants.

Subtitle C—Emergency Authorities; Additional Provisions

SEC. 131. EXPANDED AUTHORITY OF SECRETARY OF HEALTH AND HUMAN SERVICES TO RESPOND TO PUBLIC HEALTH EMERGENCIES.

(a) TRANSFERS OF FUNDS.—Section 319 of the Public Health Service Act (42 U.S.C. 247d) is amended by adding at the end the following:

''(d) TRANSFERS OF FUNDS BETWEEN PROGRAMS AND ACCOUNTS.—

''(1) IN GENERAL.—At any time during a public health emergency declared by the Secretary under subsection (a), the Secretary may, subject to paragraph (2), transfer funds, to the extent authorized by law, between appropriations accounts administered by the Secretary under this Act, without regard to any waiting period imposed by any other provision of law, including any provision of an appropriations Act, except as provided in paragraphs (3) and (4).

''(2) AMOUNT OF TRANSFERS.—With respect to the public health emergency involved:

''(A) The Secretary may not make a transfer under paragraph (1) in an amount exceeding a reasonable estimate by the Secretary of the amount necessary to respond to the emergency involved for a period of 60 days.

''(B) Subsequent transfers under paragraph (1) may be made by the Secretary, subject to compliance with subparagraph (A).

''(3) NOTIFICATION.—Not later than 48 hours prior to making a transfer under paragraph (1), the Secretary shall submit a notice of the intent to make such transfer to the Committee on Appropriations of the House of Representatives, the Committee on Energy and Commerce of the House of Representatives, the Committee on Appropriations of the Senate, and the Committee on Health, Education, Labor, and Pensions of the Senate.

''(4) SCOPE.—Paragraph (1) shall apply, notwithstanding any other provision of law including any provision of an appropriations Act and any Act enacted after the date of enactment of this subsection, unless such provision specifically refers to and overrides this subsection.''.

(b) REPORTING DEADLINES.—Section 319 of the Public Health Service Act (42 U.S.C. 247d), as amended by subsection (a), is further amended by adding at the end the following:

''(e) DATA SUBMITTAL AND REPORTING DEADLINES.—In any case in which the Secretary determines that, wholly or partially as a result of a public health emergency that has been declared pursuant to subsection (a), individuals or public or private entities are unable to comply with deadlines for the submission to the Secretary of data or reports required under any law administered by the Secretary, the Secretary may, notwithstanding any other provision of law, grant such extensions of such deadlines as the circumstances reasonably require, and may waive, wholly or partially, any sanctions otherwise applicable to such failure to comply. Before or promptly after granting such an extension or waiver, the Secretary shall notify the Congress of such action and publish in the Federal Register a notice of the extension or waiver.''.

SEC. 132. STREAMLINING AND CLARIFYING COMMUNICABLE DISEASE QUARANTINE PROVISIONS.

(a) ELIMINATION OF PREREQUISITE FOR NATIONAL ADVISORY HEALTH COUNCIL RECOMMENDATION BEFORE ISSUING QUARANTINE RULES.—

(1) EXECUTIVE ORDERS SPECIFYING DISEASES SUBJECT TO INDIVIDUAL DETENTIONS.—Section 361(b) of the Public Health Act (42 U.S.C. 264(b)) is amended by striking ''Executive orders of the President upon the recommendation of the National Advisory Health Council and the Surgeon General'' and inserting ''Executive orders of the President upon the recommendation of the Secretary, in consultation with the Surgeon General,''.

(2) REGULATIONS PROVIDING FOR APPREHENSION OF INDIVIDUALS.—Section 361(d) of the Public Health Act (42 U.S.C. 264(d)) is amended by striking ''On recommendation of the National Advisory Health Council, regulations'' and inserting ''Regulations''.

(3) REGULATIONS PROVIDING FOR APPREHENSION OF INDIVIDUALS IN WARTIME.—Section 363 of the Public Health Act (42 U.S.C. 266) is amended by striking ''the Surgeon General, on recommendation of the National Advisory Health Council,'' and inserting ''the Secretary, in consultation with the Surgeon General,''.

(b) APPREHENSION AUTHORITY TO APPLY IN CASES OF EXPOSURE TO DISEASE.—

(1) REGULATIONS PROVIDING FOR APPREHENSION OF INDIVIDUALS.—Section 361(d) of the Public Health Act (42 U.S.C. 264(d)), as amended by subsection (a)(2), is further amended by inserting ''or exposed to'' after ''to be infected with''.

(2) REGULATIONS PROVIDING FOR APPREHENSION OF INDIVIDUALS IN WARTIME.—Section 363 of the Public Health Act (42 U.S.C. 266), as amended by subsection (a)(3), is further amended by inserting ''or exposed to'' after ''to be infected with''.

(c) STATE AUTHORITY.—Section 361 of the Public Health Act (42 U.S.C. 264) is amended by adding at the end the following:

''(e) Nothing in this section or section 363, or the regulations promulgated under such

sections, may be construed as superseding any provision under State law (including regulations and including provisions established by political subdivisions of States), except to the extent that such a provision conflicts with an exercise of Federal authority under this section or section 363.''.

SEC. 133. EMERGENCY WAIVER OF MEDICARE, MEDICAID, AND SCHIP REQUIREMENTS.

(a) WAIVER AUTHORITY.—Title XI of the Social Security Act (42 U.S.C. 1301 et seq.) is amended by inserting after section 1134 the following new section:

''SEC. 1135. AUTHORITY TO WAIVE REQUIREMENTS DURING NATIONAL EMERGENCIES.

''(a) PURPOSE.—

''(1) IN GENERAL.—The purpose of this section is to enable the Secretary to ensure to the maximum extent feasible, in any emergency area and during an emergency period—

''(A) that sufficient health care items and services are available to meet the needs of individuals in such area enrolled in the programs under titles XVIII, XIX, and XXI; and

''(B) that health care providers (as defined in subsection (g)) that furnish such items and services in good faith, but that are unable to comply with one or more requirements described in subsection (b), may be reimbursed for such items and services and exempted from sanctions for such noncompliance, absent any determination of fraud or abuse.

''(2) EMERGENCY AREA; EMERGENCY PERIOD.—For purposes of this section, an 'emergency area' is a geographical area in which, and an 'emergency period' is the period during which, there exists—

''(A) an emergency or disaster declared by the President pursuant to the National Emergencies Act or the Robert T. Stafford Disaster Relief and Emergency Assistance Act; and

''(B) a public health emergency declared by the Secretary pursuant to section 319 of the Public Health Service Act.

''(b) SECRETARIAL AUTHORITY.—To the extent necessary to accomplish the purposes specified in subsection (a), the Secretary is authorized, subject to the provisions of this section, to temporarily waive or modify the application of, with respect to health care items and services furnished in any emergency area (or portion of such an area) during an emergency period, the requirements of titles XVIII, XIX, or XXI, or any regulation thereunder (and the requirements of this title, and regulations thereunder, insofar as they relate to such titles), pertaining to—

''(1) conditions of participation or other certification requirements for an individual health care provider or types of providers; program participation and similar requirements for an individual health care provider or types of providers; and pre-approval requirements;

''(2) requirements that physicians and other health care professionals be licensed in the State in which they provide such services, if they have equivalent licensing in another State;

''(3) sanctions under section 1867 (relating to examination and treatment for emergency medical conditions and women in labor) for a transfer of an individual who has not been stabilized in violation of subsection (c) of such section if the transfer arises out of the circumstances of the emergency;

''(4) sanctions under section 1877(g) (relating to limitations on physician referral); and

''(5) deadlines and timetables for performance of required activities, except that such deadlines and timetables may only be modified, not waived.

''(c) AUTHORITY FOR RETROACTIVE WAIVER.—A waiver or modification of requirements pursuant to this section may, at the Secretary's discretion, be made retroactive to the beginning of the emergency period or any subsequent date in such period specified by the Secretary.

''(d) NOTIFICATION OF CONGRESS.—The Secretary shall provide advance written notice to the Congress at least two days before exercising the authority under this section with respect to an emergency area. Such a notice shall include a description of the specific provisions that will be waived or modified, the health care providers to whom the waiver or modification will apply, the geographic area in which the waiver or modification will apply, and the period of time for which the waiver or modification will be in effect.

''(e) DURATION OF WAIVER.—

''(1) IN GENERAL.—A waiver or modification of requirements pursuant to this section terminates upon—

''(A) the termination of the applicable declaration of emergency or disaster described in subsection (a)(2)(B);

''(B) the termination of the applicable declaration of public health emergency described in subsection (a)(2)(B); or

''(C) subject to paragraph (2), the termination of a period of 90 days from the date the waiver or modification is first published (or, if applicable, the date of extension of the waiver or modification under paragraph (2)).

''(2) EXTENSION OF 90-DAY PERIODS.—The Secretary may, by notice, provide for an extension of a 90-day period described in paragraph (1)(C) (or an additional period provided under this paragraph) for additional period or periods (not to exceed, except as subsequently provided under this paragraph, 90 days each), but any such extension shall not affect or prevent the termination of a waiver or modification under subparagraph (A) or (B) of paragraph (1).

''(f) REPORT TO CONGRESS.—Within one year after the end of the emergency period in an emergency area in which the Secretary exercised the authority provided under this section, the Secretary shall report to the Congress regarding the approaches used to accomplish the purposes described in subsection (a), including an evaluation of the success of such approaches and recommendations for improved approaches should the need for such emergency authority arise in the future.

''(g) HEALTH CARE PROVIDER DEFINED.—For purposes of this section, the term 'health care provider' means any entity that furnishes health care items or services, and includes a hospital or other provider of services, a physician or other health care practitioner or professional, a health care facility, or a supplier of health care items or services.''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) shall be effective on and after September 11, 2001.

SEC. 134. PROVISION FOR EXPIRATION OF PUBLIC HEALTH EMERGENCIES.

Section 319(a) of the Public Health Service Act (42 U.S.C. 247d(a)), is amended by adding at the end the following new sentence: ''Any such determination of a public health emergency terminates upon the Secretary declaring that the emergency no longer exists, or upon the expiration of the 90-day period beginning on the date on which the determination is made by the Secretary, whichever occurs first. Determinations that terminate under the preceding sentence may be renewed by the Secretary (on the basis of the same or additional facts), and the preceding sentence applies to each such renewal.''.

SEC. 135. DESIGNATED STATE PUBLIC EMERGENCY ANNOUNCEMENT PLAN.

Section 613(b) of the Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5196b(b)) is amended—

(1) in paragraph (5), by striking ''and'' at the end;

(2) in paragraph (6), by striking the period and inserting ''; and''; and

(3) by adding at the end the following:

''(7) include a plan for providing information to the public in a coordinated manner.''.

SEC. 136. EXPANDED RESEARCH BY SECRETARY OF ENERGY.

(a) IN GENERAL.—In coordination with the joint interdepartmental working group under section 319F(a) of the Public Health Service Act, the Secretary of Energy and the Administrator of the National Nuclear Security Administration shall expand, enhance, and intensify research relevant to the rapid detection and identification of pathogens likely to be used in a bioterrorism attack or other agents that may cause a public health emergency.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section such sums as may be necessary for each of the fiscal years 2002 through 2006.

SEC. 137. AGENCY FOR TOXIC SUBSTANCE AND DISEASE REGISTRY.

(a) IN GENERAL.—In planning for and responding to bioterrorism and other public health emergencies, including assisting State health departments, the Secretary of Health and Human Services (in this section referred to as the ''Secretary'') shall take into account the role and expertise of the Agency for Toxic Substances and Disease Registry (in this section referred to as ''ATSDR'').

(b) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of providing resources (including increased personnel, as appropriate) for ATSDR to use authorities under section 104(i) of the Comprehensive Environmental Response, Compensation, and Liability Act of 1980 to assist the Secretary in planning for or responding to bioterrorism or other public health emergencies, there are authorized to be appropriated to the Secretary such sums as may be necessary for each of the fiscal years 2002 through 2006, in addition to any other authorizations of appropriations that are available for such purpose.

SEC. 138. EXPANDED RESEARCH ON WORKER HEALTH AND SAFETY.

The Secretary, acting through the Director of the National Institute of Occupational Safety and Health, shall enhance and expand research as deemed appropriate on the health and safety of workers who are at risk for bioterrorist threats or attacks in the workplace.

SEC. 139. TECHNOLOGY OPPORTUNITIES PROGRAM SUPPORT.

For fiscal years 2003 and 2004, all of the information infrastructure grants provided by the National Telecommunications and Information Administration (under the program also known as the Technology Opportunities Program) shall be used to provide grants to health providers to facilitate participation in the national public health communications and surveillance networks authorized under section 319D(b)(3) of the Public Health Service Act.

Subtitle D—Authorization of Appropriations

SEC. 151. AUTHORIZATION OF APPROPRIATIONS.

(a) IN GENERAL.—For the purpose of carrying out activities of the Department of Health and Human Services in accordance with the provisions referred to in subsection (b), including making awards of grants, cooperative agreements, or contracts and providing other assistance to States and other public or private entities, there are authorized to be appropriated $2,720,000,000 for fiscal year 2002, and such sums as may be necessary for each of the fiscal years 2003 through 2006.

(b) RELEVANT PROVISIONS.—For purposes of this section, the provisions referred to in this subsection are—

(1) the provisions of this title;

(2) sections 319A through 319K of the Public Health Service Act;

(3) title XXVIII of such Act; and

(4) section 301 of such Act, to the extent that such section is used as the authority of the Secretary of Health and Human Services to carry out activities to supplement the activities carried out under the provisions referred to in paragraphs (1) through (3);

except that this section does not have any applicability with respect to the use of section 301 of such Act as authority for activities of the National Institutes of Health.

(c) FISCAL YEAR 2002.—

(1) IN GENERAL.—The aggregate amount of authorizations of appropriations under this title and under the Public Health Service Act for fiscal year 2002 for the purpose described in subsection (a) does not exceed the amount specified for fiscal year 2002 in such subsection, notwithstanding other authorizations of appropriations.

(2) ALLOCATIONS OF AUTHORIZATIONS.—Of the amount that is authorized to be appropriated under subsection (a) for fiscal year 2002, the following authorizations of appropriations for such fiscal year for the purpose described in such subsection apply:

(A) For making awards of grants, cooperative agreements, or contracts and providing other assistance to States and other public or private entities, $1,000,000,000 is authorized, of which—

(i) $455,000,000 is authorized for grants under section 319C of the Public Health Service Act;

(ii) $455,000,000 is authorized for grants or cooperative agreements under section 319F of such Act; and

(iii) $40,000,000 is authorized for grants or cooperative agreements under section 319H of the Public Health Service Act, as added by section 106 of this Act (relating to shortages of certain health professionals).

(B) For the national stockpile under section 121 of this Act, other than activities of the National Institutes of Health regarding smallpox vaccine, $1,155,000,000 is authorized, of which $509,000,0000 is authorized for the acquisition of smallpox vaccine.

(C) For the Centers for Disease Control and Prevention, other than purposes to which the authorization established in subparagraph (A) applies, $450,000,000, of which $300,000,000 is authorized for facilities of such Centers for purposes described in section 399D(c) of the Public Health Service Act.

(D) For activities on antimicrobial resistance under section 319E of such Act, $25,000,000 is authorized.

TITLE II—ENHANCING CONTROLS ON DANGEROUS BIOLOGICAL AGENTS AND TOXINS

SEC. 201. REGULATION OF CERTAIN BIOLOGICAL AGENTS AND TOXINS.

(a) BIOLOGICAL AGENTS PROVISIONS OF THE ANTITERRORISM AND EFFECTIVE DEATH PENALTY ACT OF 1996; CODIFICATION IN THE PUBLIC HEALTH SERVICE ACT, WITH AMENDMENTS.—

(1) PUBLIC HEALTH SERVICE ACT.—Subpart 1 of part F of title III of the Public Health Service Act (42 U.S.C. 262 et seq.) is amended by inserting after section 351 the following:

"SEC. 351A. ENHANCED CONTROL OF DANGEROUS BIOLOGICAL AGENTS AND TOXINS.

"(a) REGULATORY CONTROL OF CERTAIN BIOLOGICAL AGENTS AND TOXINS.—

"(1) LIST OF BIOLOGICAL AGENTS AND TOXINS.—

"(A) IN GENERAL.—The Secretary shall by regulation establish and maintain a list of each biological agent and each toxin that has the potential to pose a severe threat to public health and safety.

"(B) CRITERIA.—In determining whether to include an agent or toxin on the list under subparagraph (A), the Secretary shall—

"(i) consider—

"(I) the effect on human health of exposure to the agent or toxin;

"(II) the degree of contagiousness of the agent or toxin and the methods by which the agent or toxin is transferred to humans;

"(III) the availability and effectiveness of immunizations to prevent and treatments for any illness resulting from infection by the agent or toxin; and

"(IV) any other criteria that the Secretary considers appropriate; and

"(ii) consult with scientific experts representing appropriate professional groups.

"(2) BIENNIAL PUBLICATION.—The Secretary shall publish the list under paragraph (1) biennially, or at such more frequent intervals as the Secretary determines to be appropriate. Before publishing the list, the Secretary shall review the list, and shall make such revisions as are appropriate to protect the public health and safety. In reviewing and revising the list, the Secretary shall consider the needs of vulnerable populations, including children, and shall consult with appropriate Federal agencies and State and local public health officials.

"(b) REGULATION OF TRANSFERS OF LISTED BIOLOGICAL AGENTS AND TOXINS.—The Secretary shall by regulation provide for—

"(1) the establishment and enforcement of safety procedures for the transfer of biological agents and toxins listed pursuant to subsection (a)(1), including measures to ensure—

"(A) proper training and appropriate skills to handle such agents and toxins; and

"(B) proper laboratory facilities to contain and dispose of such agents and toxins;

"(2) safeguards to prevent access to such agents and toxins for use in domestic or international terrorism or for any other criminal purpose;

"(3) the establishment of procedures to protect the public safety in the event of a transfer or potential transfer of a biological agent or toxin in violation of the safety procedures established under paragraph (1) or the safeguards established under paragraph (2); and

"(4) appropriate availability of biological agents and toxins for research, education, and other legitimate purposes.

"(c) POSSESSION AND USE OF LISTED BIOLOGICAL AGENTS AND TOXINS.—The Secretary shall by regulation provide for the establishment and enforcement of standards and procedures governing the possession and use of biological agents and toxins listed pursuant to subsection (a)(1) in order to protect the public health and safety, including the measures, safeguards, procedures, and availability of such agents and toxins described in paragraphs (1) through (4) of subsection (b), respectively.

"(d) REGISTRATION AND TRACEABILITY MECHANISMS; DATABASE.—Regulations under subsections (b) and (c) shall require registration of the possession, use, and transfer of biological agents and toxins listed pursuant to subsection (a)(1), and such registration shall include (if available to the registered person) information regarding the characterization of such biological agents and toxins to facilitate their identification and traceability. The Secretary shall maintain a national database of the location of such agents and toxins, with information regarding their characterizations.

"(e) INSPECTIONS.—The Secretary may conduct inspections to ensure that persons subject to regulations under subsection (b) or (c) are in compliance with such regulations, including provisions regarding security and restrictions on access under subsection (g).

"(f) EXEMPTIONS.—The Secretary may establish exemptions from the applicability of provisions of regulations under subsection (b) or (c) if the Secretary determines that such exemptions are consistent with protecting the public health and safety. In the case of a clinical laboratory that is in possession of a biological agent or toxin listed pursuant to subsection (a)(1), such an exemption may be provided only if such agent or toxin has been presented for diagnosis, verification, or proficiency testing, and upon identification or verification of the agent or toxin, such laboratory—

"(1) promptly notifies the Secretary or other public health authorities when required under Federal or State law; and

"(2) transfers or destroys the agent or toxin in accordance with such regulations.

"(g) SECURITY REQUIREMENTS FOR REGISTERED PERSONS.—

"(1) IN GENERAL.—In carrying out the provisions of subsections (b) and (c) that relate to safeguards, the Secretary, in consultation with the Attorney General, shall by regulation establish appropriate security requirements for persons possessing, using, or transferring biological agents or toxins listed pursuant to subsection (a)(1), and ensure compliance with such requirements as a condition of registration under subsection (b) or (c).

"(2) LIMITING ACCESS TO LISTED AGENTS AND TOXINS.—

"(A) IN GENERAL.—Regulations issued under subsections (b) and (c) shall include provisions—

"(i) to restrict access to biological agents and toxins listed pursuant to subsection (a)(1) to only those individuals who have a legitimate need for access, as determined according to the purposes for which the registration under such regulations is provided; and

"(ii) to ensure that individuals granted such access are not—

"(I) restricted persons, as defined in section 175b of title 18, United States Code;

"(II) named in a warrant issued to a Federal or State law enforcement agency for participation in any domestic or international act of terrorism or other act of violence;

"(III) under investigation for involvement with a domestic or international terrorist or criminal organization by any Federal law enforcement or intelligence agency; or

"(IV) suspected by any Federal law enforcement or intelligence agency of seeking to obtain covertly information relating to biological agents or toxins on behalf of the intelligence or military operations of a foreign nation.

"(B) SCREENING PROTOCOL.—To carry out subparagraph (A), the Secretary shall require that registered persons promptly submit the names and other identifying information for individuals described in subparagraph (A)(i) to the Secretary and the Attorney General, with which information the Attorney General shall promptly use criminal, immigration, and national security databases available to the Federal Government to identify whether such individuals satisfy the conditions for access under subparagraph (A)(ii). The Secretary, in consultation with the Attorney General and other Federal agencies, shall periodically review and as appropriate revise the protocol for screening individuals for purposes of subparagraph (A), and may require by regulation additional screening measures if determined necessary to achieve the purposes of this section.

"(3) ASSISTANCE FOR CERTAIN ENTITIES.—The Secretary, in consultation with the Attorney General, may make awards of grants, contracts, or cooperative agreements to public and nonprofit private entities (other than Federal agencies), and may provide technical assistance to such entities, to improve security of the facilities of registered persons.

''(h) DISCLOSURE OF INFORMATION.—

''(1) IN GENERAL.—Any information in the possession of any Federal agency that identifies a person, or the geographic location of a person, who is registered pursuant to regulations under this section (including regulations promulgated before the effective date of this subsection), and any site-specific information relating to the type, quantity, or identity of a biological agent or toxin listed pursuant to subsection (a)(1) or the site-specific security mechanisms in place to protect such agents and toxins, shall not be disclosed under section 552(a) of title 5, United States Code.

''(2) DISCLOSURES FOR PUBLIC HEALTH AND SAFETY; CONGRESS.—Nothing in this section may be construed as preventing the head of any Federal agency—

''(A) from making disclosures of information described in paragraph (1) for purposes of protecting the public health and safety; or

''(B) from making disclosures of such information to any committee or subcommittee of the Congress with appropriate jurisdiction, upon request.

''(i) CIVIL MONEY PENALTY.—

''(1) IN GENERAL.—In addition to any other penalties that may apply under law, any person who violates any provision of regulations under subsection (b) or (c) shall be subject to the United States for a civil money penalty in an amount not exceeding $250,000 in the case of an individual and $500,000 in the case of any other person.

''(2) APPLICABILITY OF CERTAIN PROVISIONS.—The provisions of section 1128A of the Social Security Act (other than subsections (a), (b), (h), and (i), the first sentence of subsection (c), and paragraphs (1) and (2) of subsection (f)) shall apply to a civil money penalty under paragraph (1) in the same manner as such provisions apply to a penalty or proceeding under section 1128A(a) of such Act. The Secretary may delegate authority under this subsection in the same manner as provided in section 1128A(j)(2) of the Social Security Act, and such authority shall include all powers as contained in section 6 of the Inspector General Act of 1978.

''(j) COORDINATION WITH REGULATIONS UNDER VIRUS-SERUM-TOXIN ACT.—

''(1) IN GENERAL.—In establishing and enforcing regulations under subsections (b) and (c), the Secretary shall consult with the Secretary of Agriculture to ensure that such activities are coordinated, to the greatest extent practicable, with regulations governing certain biological agents and toxins listed pursuant to subsection (a)(1) issued by the Secretary of Agriculture under the Act commonly known as the Virus-Serum-Toxin Act (the eighth paragraph under the heading 'Bureau of Animal Industry' in the Act of March 4, 1913; 21 U.S.C. 151-159) (in this subsection referred to as the 'VST Act'). The purpose of such coordination shall be—

''(A) to minimize any conflicts between the regulations issued by, or the activities of, the Secretary of Health and Human Services and the Secretary of Agriculture with respect to such agents and toxins;

''(B) to minimize the administrative burden on persons subject to regulations under both this section and the VST Act;

''(C) to ensure the appropriate availability of such agents and toxins for legitimate agricultural or veterinary research, education, or other such purposes; and

''(D) to ensure the establishment of a national database of such agents or toxins pursuant to subsection (d).

''(2) PERSONS REGULATED BY DEPARTMENT OF AGRICULTURE.—With respect to persons possessing or using biological agents or toxins listed pursuant to subsection (a)(1) who, as of the date of enactment of the Public Health Security and Bioterrorism Response Act of 2001, possess an unexpired, unrevoked, and unsuspended permit or license from the Department of Agriculture for such possession or use, such persons may, for purposes of registration under subsection (b) or (c), submit to the Secretary of Health and Human Services the same information previously provided to the Secretary of Agriculture to obtain such permit or license, provided that the information so submitted is accurate as of the time of submittal to the Secretary of Health and Human Services, and provided further that such Secretary may, after review of such submission, request such additional information as the Secretary determines to be necessary to achieve the purposes of this section.

''(3) SAVINGS PROVISION.—Nothing in this section shall be construed as limiting any authority of the Secretary of Agriculture under the VST Act or any regulations issued thereunder.

''(k) DEFINITIONS.—For purposes of this section:

''(1) The terms 'biological agent' and 'toxin' have the meanings given such terms in section 178 of title 18, United States Code.

''(2) The term 'registered person' means a person registered under regulations under subsection (b) or (c).

''(l) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2002 through 2006.''.

(2) RELATION TO OTHER LAWS.—

(A) RULE OF CONSTRUCTION.—Regulations promulgated by the Secretary of Health and Human Services under section 511 of the Antiterrorism and Effective Death Penalty Act of 1996 are deemed to have been promulgated under section 351A of the Public Health Service Act, as added by paragraph (1) of this subsection. Such regulations, including the list under subsection (d)(1) of such section 511, that were in effect on the day before the date of the enactment of this Act remain in effect until modified by the Secretary (including any revisions required under subsection (a)(2) of such section 351A).

(B) CONFORMING AMENDMENT.—Subsections (d), (e), (f), and (g) of section 511 of the Antiterrorism and Effective Death Penalty Act of 1996 (42 U.S.C. 262 note) are repealed.

(3) DATE CERTAIN FOR PROMULGATION OF CERTAIN REGULATIONS; EFFECTIVE DATE REGARDING CRIMINAL AND CIVIL PENALTIES.—With respect to section 351A of the Public Health Service Act (as added by paragraph (1) of this subsection):

(A) Not later than 30 days after the date of the enactment of this Act, the Secretary of Health and Human Services shall promulgate an interim final rule requiring all persons in possession of biological agents or toxins listed pursuant to subsection (a)(1) of such section (unless exempt under subsection (e) of such section) to provide notice to the Secretary of such possession, and to include in the notice such additional information as the Secretary may require for compliance with subsection (d) of such section or any other provision of such section, by not later than 30 days after the date on which such rule is promulgated. Such interim final rule takes effect on the date on which the rule is promulgated, except as follows:

(i) For purposes of section 175b(c) of title 18, United States Code (relating to criminal penalties), as added by subsection (a)(1)(E) of this section, the rule takes effect 60 days after the date on which the rule is promulgated.

(ii) For purposes of subsection (i) of such section 351A (relating to civil penalties), the rule takes effect 60 days after the date on which the rule is promulgated.

(B) Not later than 120 days after the date of enactment of this Act, such Secretary shall promulgate an interim final rule for carrying out subsections (b) and (c) of such section 351A. Such interim final rule takes effect 60 days after the date on which the rule is promulgated.

(4) EFFECTIVE DATE REGARDING DISCLOSURE OF INFORMATION.—Subsection (h) of section 351A of the Public Health Service Act, as added by paragraph (1) of this subsection, is deemed to have taken effect on the effective date of the Antiterrorism and Effective Death Penalty Act of 1996.

(b) CRIMINAL PENALTIES REGARDING SELECT AGENTS.—

(1) IN GENERAL.—Section 175b of title 18, United States Code, as added by section 817 of Public Law 107–56, is amended—

(A) by striking ''(a)'' and inserting ''(a)(1)'';

(B) by transferring subsection (c) from the current placement of the subsection and inserting the subsection before subsection (b);

(C) by striking ''(c)'' and inserting ''(2);

(D) by redesignating subsection (b) as subsection (d); and

(E) by inserting before subsection (d) (as so redesignated) the following subsections:

''(b) TRANSFER TO UNREGISTERED PERSON.—Whoever knowingly transfers a select agent to a person without first verifying with the Secretary of Health and Human Services that the person has obtained a registration required by regulations under subsection (b) or (c) of section 351A of the Public Health Service Act shall be fined under this title, or imprisoned for not more than 5 years, or both.

''(c) UNREGISTERED FOR POSSESSION.—Whoever knowingly possesses a biological agent or toxin where such agent or toxin is a select agent for which such person has not obtained a registration required by regulations under section 351A(c) of the Public Health Service Act shall be fined under this title, or imprisoned for not more than 5 years, or both.''.

(2) CONFORMING AMENDMENTS.—Chapter 10 of title 18, United States Code, is amended—

(A) in section 175b (as added by section 817 of Public Law 107–56 and amended by paragraph (1) of this subsection)—

(i) in subsection (d)(1), by striking ''The term'' and all that follows through ''does not include'' and inserting the following: ''The term 'select agent' means a biological agent or toxin to which subsection (a) applies. Such term (including for purposes of subsection (a)) does not include''; and

(ii) in the heading for the section, by striking ''**Possession by restricted persons**'' and inserting ''**Select agents**''; and

(B) in the chapter analysis, in the item relating to section 175b, by striking ''Possession by restricted persons.'' and inserting ''Select agents.''.

(3) TECHNICAL CORRECTIONS.—Chapter 10 of title 18, United States Code, as amended by section 817 of Public Law 107–56 and paragraphs (1) and (2) of this subsection, is amended—

(A) in section 175—

(i) in subsection (a), in the second sentence, by striking ''this section'' and inserting ''this subsection''; and

(ii) in subsection (c), by striking ''protective'' and all that follows and inserting ''protective, bona fide research, or other peaceful purposes.'';

(B) in section 175b—

(i) in subsection (a)(1), by striking ''described in subsection (b)'' and all that follows and inserting the following: ''shall ship or transport in or affecting interstate or foreign commerce, or possess in or affecting interstate or foreign commerce, any biological agent or toxin, or receive any biological agent or toxin that has been shipped or

transported in interstate or foreign commerce, if the biological agent or toxin is listed as a select agent in Appendix A of part 72 of title 42, Code of Federal Regulations, pursuant to section 351A of the Public Health Service Act, and is not exempted under subsection (h) of section 72.6, or Appendix A of part 72, of title 42, Code of Federal Regulations.''; and

(ii) in subsection (d)(3), by striking ''section 1010(a)(3)'' and inserting ''section 101(a)(3)'';

(C) in section 176(a)(1)(A), by striking ''exists by reason of'' and inserting ''pertains to''; and

(D) in section 178—

(i) in paragraph (1), by striking ''means any micro-organism'' and all that follows through ''product, capable of'' and inserting the following: ''means any microorganism (including, but not limited to, bacteria, viruses, fungi, rickettsiae or protozoa), or infectious substance, or any naturally occurring, bioengineered or synthesized component of any such microorganism or infectious substance, capable of'';

(ii) in paragraph (2), by striking ''means the toxic'' and all that follows through ''including—'' and inserting the following: ''means the toxic material or product of plants, animals, microorganisms (including, but not limited to, bacteria, viruses, fungi, rickettsiae or protozoa), or infectious substances, or a recombinant or synthesized molecule, whatever their origin and method of production, and includes—''; and

(iii) in paragraph (4), by striking ''recombinant molecule,'' and all that follows through ''biotechnology,'' and inserting ''recombinant or synthesized molecule,''.

(4) ADDITIONAL TECHNICAL CORRECTION.—Section 2332a of title 18, United States Code, is amended—

(A) in subsection (a), in the matter preceding paragraph (1), by striking ''section 229F)'' and all that follows through ''section 178)—'' and inserting ''section 229F)—''; and

(B) in subsection (c)(2)(C), by striking ''a disease organism'' and inserting ''a biological agent, toxin, or vector (as those terms are defined in section 178 of this title)''.

(c) SECURITY UPGRADES AT THE DEPARTMENT OF HEALTH AND HUMAN SERVICES.—For the purpose of enabling the Secretary of Health and Human Services to secure existing facilities of the Department of Health and Human Services where biological agents or toxins listed under section 351A(a)(1) of the Public Health Service Act are housed or researched, or where vaccines are housed or researched, there are authorized to be appropriated such sums as may be necessary for fiscal year 2002 and each subsequent fiscal year.

(d) REPORT TO CONGRESS.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Health and Human Services, after consultation with other appropriate Federal agencies, shall submit to the Congress a report that—

(1) describes the extent to which there has been compliance by governmental and private entities with applicable regulations under section 351A of the Public Health Service Act (as added by subsection (a) of this section), including the extent of compliance before the date of the enactment of this Act, and including the extent of compliance with regulations promulgated after such date of enactment;

(2) describes the actions to date and future plans of the Secretary for updating the list of biological agents and toxins under such section 351A;

(3) describes the actions to date and future plans of the Secretary for determining compliance with regulations under such section 351A and for taking appropriate enforcement actions; and

(4) provides any recommendations of the Secretary for administrative or legislative initiatives regarding such section 351A.

TITLE III-AMENDMENTS TO FEDERAL FOOD, DRUG, AND COSMETIC ACT

Subtitle A—Protection of Food Supply

SEC. 301. PROTECTION AGAINST INTENTIONAL ADULTERATION OF FOOD.

(a) INCREASING INSPECTIONS FOR DETECTION OF INTENTIONAL ADULTERATION OF FOOD.—Section 801 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381) is amended by adding at the end the following subsection:

''(h)(1) The Secretary shall give high priority to increasing the number of inspections under this section for the purpose of enabling the Secretary to inspect food offered for import at ports of entry into the United States, with the greatest priority given to inspections to detect the intentional adulteration of food.''.

(b) IMPROVEMENTS TO INFORMATION MANAGEMENT SYSTEMS.—Section 801(h) of the Federal Food, Drug, and Cosmetic Act, as added by subsection (a) of this section, is amended by adding at the end the following paragraphs:

''(2) The Secretary shall give high priority to making necessary improvements to the information management systems of the Food and Drug Administration that contain information related to foods imported or offered for import into the United States for purposes of improving the ability of the Secretary to allocate resources, detect the intentional adulteration of food, and facilitate the importation of food that is in compliance with this Act.

''(3) The Secretary shall submit to the Committee on Energy and Commerce of the House of Representatives, and the Committee on Health, Education, Labor, and Pensions of the Senate, periodic reports describing the activities of the Secretary under paragraphs (1) and (2).''.

(c) TESTING FOR RAPID DETECTION OF INTENTIONAL ADULTERATION OF FOOD.—Section 801 of the Federal Food, Drug, and Cosmetic Act, as amended by subsection (a) of this section, is amended by adding at the end the following:

''(i)(1) For use in inspections of food under this section, the Secretary shall provide for research on the development of tests and sampling methodologies—

''(A) whose purpose is to test food in order to rapidly detect the adulteration of the food, with the greatest priority given to detect the intentional adulteration of food; and

''(B) whose results offer significant improvements over the available technology in terms of accuracy, timing, or costs.

''(2) In providing for research under paragraph (1), the Secretary shall give priority to conducting research on the development of tests that are suitable for inspections of food at ports of entry into the United States.

''(3) In providing for research under paragraph (1), the Secretary shall as appropriate coordinate with the Director of the Centers for Disease Control and Prevention, the Director of the National Institutes of Health, the Administrator of the Environmental Protection Agency, and the Secretary of Agriculture.

''(4) The Secretary shall annually submit to the Committee on Energy and Commerce of the House of Representatives, and the Committee on Health, Education, Labor, and Pensions of the Senate, a report describing the progress made in research under paragraph (1), including progress regarding paragraph (2).''.

(d) ASSESSMENT OF THREAT OF INTENTIONAL ADULTERATION OF FOOD.—The Secretary of Health and Human Services, acting through the Commissioner of Food and Drugs, shall ensure that, not later than six months after the date of the enactment of this Act—

(1) the assessment that (as of such date of enactment) is being conducted on the threat of the intentional adulteration of food is completed; and

(2) a report describing the findings of the assessment is submitted to the Committee on Energy and Commerce of the House of Representatives and to the Committee on Health, Education, Labor, and Pensions of the Senate.

(e) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section and the amendments made by this section, there are authorized to be appropriated $100,000,000 for fiscal year 2002, and such sums as may be necessary for each of the fiscal years 2003 through 2006, in addition to other authorizations of appropriations that are available for such purpose.

SEC. 302. ADMINISTRATIVE DETENTION.

(a) EXPANDED AUTHORITY.—Section 304 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 334) is amended by adding at the end the following subsection:

''(h) ADMINISTRATIVE DETENTION OF FOODS.—

''(1) DETENTION AUTHORITY.—

''(A) IN GENERAL.—An officer or qualified employee of the Food and Drug Administration may order the detention, in accordance with this subsection, of any article of food that is found during an inspection, examination, or investigation under this Act conducted by such officer or qualified employee, if the officer or qualified employee has credible evidence or information indicating that such article presents a threat of serious adverse health consequences or death to humans or animals.

''(B) SECRETARY'S APPROVAL.—An article of food may be ordered detained under subparagraph (A) only if the Secretary or an official designated by the Secretary approves the order. An official may not be so designated unless the official is the director of the district under this Act in which the article involved is located, or is an official senior to such director.

''(2) PERIOD OF DETENTION.—An article of food may be detained under paragraph (1) for a reasonable period, not to exceed 20 days, unless a greater period, not to exceed 30 days, is necessary, to enable the Secretary to institute an action under subsection (a) or section 302. The Secretary shall by regulation provide for procedures for instituting such action on an expedited basis with respect to perishable foods.

''(3) SECURITY OF DETAINED ARTICLE.—An order under paragraph (1) with respect to an article of food may require that such article be labeled or marked as detained, and may require that the article be removed to a secure facility. An article subject to such an order shall not be transferred by any person from the place at which the article is ordered detained, or from the place to which the article is so removed, as the case may be, until released by the Secretary or until the expiration of the detention period applicable under such order, whichever occurs first.

''(4) APPEAL OF DETENTION ORDER.—With respect to an article of food ordered detained under paragraph (1), any person who would be entitled to be a claimant for such article if the article were seized under subsection (a) may appeal the order to the Secretary. Within 72 hours after such an appeal is filed, the Secretary, after providing opportunity for an informal hearing, shall confirm or terminate the order involved, and such confirmation by the Secretary shall be considered a final agency action for purposes of section 702 of

title 5, United States Code. If during such 72-hour period the Secretary fails to provide such an opportunity, or to confirm or terminate such order, the order is deemed to be terminated.''.

(b) PROHIBITED ACT.—Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331) is amended by adding at the end the following:

''(bb) The transfer of an article of food in violation of an order under section 304(h), or the removal or alteration of any mark or label required by the order to identify the article as detained.''.

(c) TEMPORARY HOLDS AT PORTS OF ENTRY.—Section 801 of the Federal Food, Drug, and Cosmetic Act, as amended by section 301(c) of this Act, is amended by adding at the end the following:

''(j)(1) If an officer or qualified employee of the Food and Drug Administration has credible evidence or information indicating that an article of food presents a threat of serious adverse health consequences or death to humans or animals, and such officer or qualified employee is unable to inspect, examine, or investigate such article upon the article being offered for import at a port of entry into the United States, the officer or qualified employee shall request the Secretary of Treasury to hold the food at the port of entry for a reasonable period of time, not to exceed 24 hours, for the purpose of enabling the Secretary to inspect, examine, or investigate the article as appropriate.

''(2) The Secretary shall request the Secretary of Treasury to remove an article held pursuant to paragraph (1) to a secure facility, as appropriate. During the period of time that such article is so held, the article shall not be transferred by any person from the port of entry into the United States for the article, or from the secure facility to which the article has been removed, as the case may be.

''(3) An officer or qualified employee of the Food and Drug Administration may make a request under paragraph (1) only if the Secretary or an official designated by the Secretary approves the request. An official may not be so designated unless the official is the director of the district under this Act in which the article involved is located, or is an official senior to such director.

''(4) With respect to an article of food for which a request under paragraph (1) is made, the Secretary, promptly after the request is made, shall notify the State in which the port of entry involved is located that the request has been made, and as applicable, that such article is being held under this subsection.''.

SEC. 303. PERMISSIVE DEBARMENT REGARDING FOOD IMPORTATION.

(a) IN GENERAL.—Section 306(b) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 335a(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A), by striking ''or'' after the comma at the end;

(B) in subparagraph (B), by striking the period at the end and inserting '', or''; and

(C) by adding at the end the following subparagraph:

''(C) a person from importing an article of food or offering such an article for import into the United States.'';

(2) in paragraph (2), in the matter preceding subparagraph (A), by inserting ''subparagraph (A) or (B) of'' before ''paragraph (1)'';

(3) by redesignating paragraph (3) as paragraph (4); and

(4) by inserting after paragraph (2) the following paragraph:

''(3) PERSONS SUBJECT TO PERMISSIVE DEBARMENT; FOOD IMPORTATION.—A person is subject to debarment under paragraph (1)(C) if—

''(A) the person has been convicted of a felony for conduct relating to the importation into the United States of any article of food; or

''(B)(i) the person has repeatedly imported or offered for import adulterated articles of food; and

''(ii) the person knew, or should have known, that such articles were adulterated.''.

(b) CONFORMING AMENDMENTS.—Section 306 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 335a) is amended—

(1) in subsection (a), in the heading for the subsection, by striking ''MANDATORY DEBARMENT.—'' and inserting ''MANDATORY DEBARMENT; CERTAIN DRUG APPLICATIONS.—'';

(2) in subsection (b)—

(A) in the heading for the subsection, by striking ''PERMISSIVE DEBARMENT.—'' and inserting ''PERMISSIVE DEBARMENT; CERTAIN DRUG APPLICATIONS; FOOD IMPORTS.—''; and

(B) in paragraph (2), in the heading for the paragraph, by striking ''PERMISSIVE DEBARMENT.—'' and inserting ''PERMISSIVE DEBARMENT; CERTAIN DRUG APPLICATIONS.—'';

(3) in subsection (c)(2)(A)(iii), by striking ''subsection (b)(2)'' and inserting ''paragraph (2) or (3) of subsection (b)'';

(4) in subsection (d)(3)—

(A) in subparagraph (A)(i), by striking ''or (b)(2)(A)'' and inserting '' or paragraph (2)(A) or (3) of subsection (b)'';

(B) in subparagraph (A)(ii)(II), by inserting ''in applicable cases,'' before ''sufficient audits''; and

(C) in subparagraph (B), in each of clauses (i) and (ii), by inserting ''or subsection (b)(3)'' after ''subsection (b)(2)(B).

(c) EFFECTIVE DATES.—Section 306(l)(2) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 335a(l)(2)) is amended—

(1) in the first sentence—

(A) by striking ''and'' after ''subsection (b)(2)''; and

(B) by inserting '', and subsection (b)(3)'' after ''subsection (b)(2)(B)''; and

(2) in the second sentence, by inserting '', subsection (b)(3),'' after ''subsection (b)(2)(B)''.

(d) PROHIBITED ACT.—Section 301 of the Federal Food, Drug, and Cosmetic Act, as amended by section 302(b) of this Act, is amended by adding at the end the following:

''(cc) The importing or offering for import into the United States of an article of food by, with the assistance of, or at the direction of, a person debarred under section 306(b)(1)(C).''.

SEC. 304. MAINTENANCE AND INSPECTION OF RECORDS FOR FOODS.

(a) IN GENERAL.—Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341 et seq.) is amended by adding at the end the following section:

''SEC. 414. MAINTENANCE AND INSPECTION OF RECORDS.

''(a) RECORDS INSPECTION.—If the Secretary has credible evidence or information indicating that an article of food presents a threat of serious adverse health consequences or death to humans or animals, each person (excluding farms and restaurants) who manufactures, processes, packs, distributes, receives, holds, or imports such article shall, at the request of an officer or employee duly designated by the Secretary, permit such officer or employee, upon presentation of appropriate credentials and a written notice to such person, at reasonable times and within reasonable limits and in a reasonable manner, to have access to and copy all records relating to such article that are needed to assist the Secretary in investigating such credible evidence or information. The requirement under the preceding sentence applies to all records relating to the manufacture, processing, packing, distribution, receipt, holding, or importation of such article maintained by or on behalf of such person in any format (including paper and electronic formats) and at any location.

''(b) REGULATIONS CONCERNING RECORDKEEPING.—The Secretary, in consultation and coordination, as appropriate, with other Federal departments and agencies with responsibilities for regulating food safety, may by regulation establish requirements regarding the maintenance of records by persons (excluding farms and restaurants) who manufacture, process, pack, transport, distribute, receive, hold, or import food, as may be necessary to trace the source and chain of distribution of food and its packaging in order to address credible threats of serious adverse health consequences or death to humans or animals. The Secretary shall take into account the size of a business in promulgating regulations under this section.

''(c) PROTECTION OF SENSITIVE INFORMATION.—The Secretary shall take appropriate measures to ensure that there are in effect effective procedures to prevent the unauthorized disclosure of any trade secret or confidential information that is obtained by the Secretary pursuant to this section.

''(d) LIMITATIONS.—This section shall not be construed—

''(1) to limit the authority of the Secretary to inspect records or to require maintenance of records under any other provision of this Act;

''(2) to authorize the Secretary to impose any requirements with respect to a food to the extent that it is within the exclusive jurisdiction of the Secretary of Agriculture pursuant to the Federal Meat Inspection Act (21 U.S.C. 601 et seq.), the Poultry Products Inspection Act (21 U.S.C. 451 et seq.), or the Egg Products Inspection Act (21 U.S.C. 1031 et seq);

''(3) to have any legal effect on section 552 of title 5, United States Code, or section 1905 of title 18, United States Code; or

''(4) to extend to recipes for food, financial data, pricing data, personnel data, research data, or sales data (other than shipment data regarding sales).''.

(b) FACTORY INSPECTION.—Section 704(a) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 374(a)) is amended—

(1) in paragraph (1), by inserting after the first sentence the following new sentence: ''In the case of any person (excluding farms and restaurants) who manufactures, processes, packs, transports, distributes, holds, or imports foods, the inspection shall extend to all records and other information described in section 414 when the Secretary has credible evidence or information indicating that an article of food presents a threat of serious adverse health consequences or death to humans or animals, subject to the limitations established in section 414(d).''; and

(2) in paragraph (2), in the matter preceding subparagraph (A), by striking ''second sentence'' and inserting ''third sentence''.

(c) PROHIBITED ACT.—Section 301(e) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331(e)) is amended—

(1) by striking ''by section 412, 504, or 703'' and inserting ''by section 412, 414, 504, 703, or 704(a); and

(2) by striking ''under section 412'' and inserting ''under section 412, 414(b)''.

SEC. 305. REGISTRATION.

(a) IN GENERAL.—Chapter IV of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 341 et seq.), as amended by section 304 of this Act, is amended by adding at the end the following:

''SEC. 415. REGISTRATION.

''(a) REGISTRATION.—

''(1) IN GENERAL.—Any facility (excluding farms) engaged in manufacturing, processing, packing, or holding food for consumption in the United States shall be registered with the Secretary. To be registered—

''(A) for a domestic facility, the owner, operator, or agent in charge of the facility shall submit a registration to the Secretary; and

''(B) for a foreign facility, the owner, operator, or agent in charge of the facility shall submit a registration to the Secretary and shall include with the registration the name of the United States agent for the facility.

''(2) REGISTRATION.—An entity (referred to in this section as the 'registrant') shall submit a registration under paragraph (1) to the Secretary containing information necessary to notify the Secretary of the identity and address of each facility at which, and all trade names under which, the registrant conducts business and, when determined necessary by the Secretary through guidance, the general food category (as identified under section 170.3 of title 21, Code of Federal Regulations, or successor regulations) of any food manufactured, processed, packed, or held at such facility. The registrant shall notify the Secretary in a timely manner of changes to such information.

''(3) PROCEDURE.—Upon receipt of a completed registration described in paragraph (1), the Secretary shall notify the registrant of the receipt of such registration and assign a registration number to each registered facility.

''(4) LIST.—The Secretary shall compile and maintain an up-to-date list of facilities that are registered under this section. Such list and other information required to be submitted under this subsection shall not be subject to the disclosure requirements of section 552 of title 5, United States Code.

''(b) EXEMPTION.—The Secretary shall by regulation exempt types of retail establishments from the requirements of subsection (a) only if the Secretary determines that the registration of such facilities is not needed for effective enforcement of this chapter and any regulations issued under this chapter.

''(c) FACILITY.—For purposes of this section, the term 'facility' includes any factory, warehouse, or establishment (including a factory, warehouse, or establishment of an importer), that manufactures, processes, packs, or holds food. Such term does not include restaurants or other establishments in which food is served solely for immediate human consumption.

''(d) RULE OF CONSTRUCTION.—Nothing in this section shall be construed to authorize the Secretary to require an application, review, or licensing process.''.

(b) PROHIBITED ACTS.—

(1) IN GENERAL.—Section 301 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331), as amended by section 303(d) of this Act, is amended by adding at the end the following:

''(dd) The failure to register in accordance with section 415.''.

(2) MISBRANDED FOOD.—Section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343) is amended by adding at the end the following:

''(t) If it is manufactured, processed, packed, or held in a facility that is not registered in accordance with section 415.''.

(c) EFFECTIVE DATE.—The amendment made by subsection (b) shall take effect 180 days after the date of the enactment of this Act.

(d) NOTICE.—Not later than 60 days after the date of the enactment of this Act, the Secretary of Health and Human Services, after consultation with appropriate State and local officials, shall take sufficient measures to notify entities that manufacture, process, pack, or hold food for consumption in the United States of the requirement pursuant to this section that facilities be registered with the Secretary. The Secretary shall develop guidance, as needed, to identify facilities required to register under this section.

(e) ELECTRONIC FILING.—For the purpose of reducing paperwork and reporting burdens, the Secretary of Health and Human Services may provide for, and encourage the use of, electronic methods of submitting to the Secretary registrations required pursuant to this section. In providing for the electronic submission of such registrations, the Secretary shall ensure adequate authentication protocols are used to enable identification of the registrant and validation of the data as appropriate.

(f) SAVINGS CLAUSE.—This section may not be construed as authorizing the Secretary of Health and Human Services to impose any requirements with respect to a food to the extent that it is within the exclusive jurisdiction of the Secretary of Agriculture pursuant to the Federal Meat Inspection Act (21 U.S.C. 601 et seq.), the Poultry Products Inspection Act (21 U.S.C. 451 et seq.), or the Egg Products Inspection Act (21 U.S.C. 1031 et seq).

SEC. 306. PRIOR NOTICE OF IMPORTED FOOD SHIPMENTS.

(a) IN GENERAL.—Section 801 of the Federal Food, Drug, and Cosmetic Act, as amended by section 302(c) of this Act, is amended by adding at the end the following subsection:

''(k)(1) In the case of an article of food that is being imported or offered for import into the United States, the Secretary, after consultation with the Secretary of the Treasury, shall by regulation require, for the purpose of enabling such article to be inspected at ports of entry into the United States, the submission to the Secretary of a notice providing the identity of each of the following: The article; the manufacturer and shipper of the article, and if known within the specified period of time that notice is required to be provided, the grower of the article; the country from which the article originates; the country from which the article is shipped; and the anticipated port of entry for the article. An article of food imported or offered for import without submission of such notice in accordance with regulations under this paragraph shall be refused admission into the United States. Nothing in this section may be construed as a limitation on the port of entry for an article of food.

''(2)(A) Regulations under paragraph (1) shall require that a notice under such paragraph be provided by a specified period of time, not fewer than 24 hours, in advance of the time of the importation of the article of food involved or the offering of the food for import, except that the advance period so required may not exceed 72 hours.

''(B)(i) If an article of food is being imported or offered for import into the United States and a notice under paragraph (1) is not provided in advance in accordance with subparagraph (A), such article shall be held at the port of entry for the article, and may not be delivered to the importer, owner, or consignee of the article, until such notice is submitted to the Secretary, and the Secretary examines the notice and determines that the notice is in accordance with regulations under paragraph (1). The preceding sentence may not be construed as authorizing such delivery pursuant to the execution of a bond, pending such a determination by the Secretary.

''(ii) In carrying out clause (i) with respect to an article of food, the Secretary shall determine whether there is in the possession of the Secretary any credible evidence or information indicating that such article presents a threat of serious adverse health consequences or death to humans or animals.

''(3)(A) This subsection may not be construed as limiting the authority of the Secretary to obtain information under any other provision of this Act.

''(B) This subsection may not be construed as authorizing the Secretary to impose any requirements with respect to a food to the extent that it is within the exclusive jurisdiction of the Secretary of Agriculture pursuant to the Federal Meat Inspection Act (21 U.S.C. 601 et seq.), the Poultry Products Inspection Act (21 U.S.C. 451 et seq.), or the Egg Products Inspection Act (21 U.S.C. 1031 et seq).''.

(b) PROHIBITED ACT.—Section 301 of the Federal Food, Drug, and Cosmetic Act, as amended by section 305(b)(1) of this Act, is amended by adding at the end the following:

''(ee) The importing or offering for import into the United States of an article of food in violation of regulations under section 801(k).''.

SEC. 307. AUTHORITY TO MARK ARTICLES REFUSED ADMISSION INTO UNITED STATES.

(a) IN GENERAL.—Section 801 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381(a)), as amended by section 306(a) of this Act, is amended by adding at the end the following:

''(l)(1) If a food has been refused admission under subsection (a), other than such a food that is required to be destroyed, and the Secretary determines that the food presents a threat of serious adverse health consequences or death to humans or animals, the Secretary may require the owner or consignee of the food to affix to the container of the food a label that clearly and conspicuously bears the statement: 'UNITED STATES: REFUSED ENTRY'.

''(2) All expenses in connection with affixing a label under paragraph (1) shall be paid by the owner or consignee of the food involved, and in default of such payment, shall constitute a lien against future importations made by such owner or consignee.

''(3) A requirement under paragraph (1) remains in effect until the Secretary determines that the food involved has been brought into compliance with this Act.''.

(b) MISBRANDED FOODS.—Section 403 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 343), as amended by section 305(b)(2) of this Act, is amended by adding at the end the following:

''(u) If it fails to bear a label required by the Secretary under section 801(l)(1) (relating to food refused admission into the United States).''.

(c) RULE OF CONSTRUCTION.—With respect to articles of food that are imported or offered for import into the United States, nothing in this section shall be construed to limit the authority of the Secretary of Health and Human Services or the Secretary of the Treasury to require the marking of refused articles of food under any other provision of law.

SEC. 308. PROHIBITION AGAINST PORT SHOPPING FOR IMPORTATION.

Section 402 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 342) is amended by adding at the end the following:

''(h) If it is an article of food imported or offered for import into the United States and such article has previously been refused admission under section 801(a), unless the person reoffering the article affirmatively establishes, at the expense of the owner or consignee of the article, that the article is not adulterated, as determined by the Secretary.''.

SEC. 309. NOTICES TO STATES REGARDING IMPORTED FOOD.

Chapter IX of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 391 et seq.) is amended by adding at the end the following new section:

"SEC. 908. NOTICES TO STATES REGARDING IMPORTED FOOD.

''(a) IN GENERAL.—If the Secretary has credible evidence or information indicating that a shipment of imported food or portion thereof presents a threat of serious adverse health consequences or death to humans or animals, the Secretary shall provide notice regarding such threat to the States in which the food is held or will be held, and to the States in which the manufacturer, packer, or distributor of the food is located, to the extent that the Secretary has knowledge of which States are so involved. In providing the notice to a State, the Secretary shall request the State to take such action as the State considers appropriate, if any, to protect the public health regarding the food involved.

''(b) RULE OF CONSTRUCTION.—Subsection (a) may not be construed as limiting the authority of the Secretary with respect to adulterated food under any other provision of this Act.''.

SEC. 310. GRANTS TO STATES FOR INSPECTIONS; RESPONSE TO NOTICE REGARDING ADULTERATED IMPORTED FOOD.

Chapter IX of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 391 et seq.), as amended by section 309 of this Act, is amended by adding at the end the following new section:

"SEC. 909. GRANTS TO STATES REGARDING FOOD INSPECTIONS.

''(a) IN GENERAL.—The Secretary may make grants to States and Territories for the purpose of conducting with respect to food examinations, inspections, investigations, and related activities under section 702 through individuals who, under subsection (a) of such section, are duly commissioned by the Secretary as officers of the Department.

''(b) NOTICES REGARDING ADULTERATED IMPORTED FOOD.—The Secretary may make grants to the States for the purpose of assisting the States with the costs of taking appropriate action to protect the public health in response to notices under section 908, including planning and otherwise preparing to take such action.

''(c) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2002 through 2006.''.

Subtitle B—Protection of Drug Supply

SEC. 311. ANNUAL REGISTRATION OF FOREIGN MANUFACTURERS; SHIPPING INFORMATION; DRUG AND DEVICE LISTING.

(a) ANNUAL REGISTRATION; LISTING.—

(1) IN GENERAL.—Section 510 of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 360) is amended—

(A) in subsection (i)(1)—

(i) by striking ''Any establishment'' and inserting ''On or before December 31 of each year, any establishment'';

(ii) by striking ''establishment and the name'' and inserting ''establishment, the name''; and

(iii) by inserting before the period the following: '', the name of each importer of such drug or device in the United States that is known to the establishment, and the name of each carrier used by the establishment in transporting such drug or device to the United States for purposes of importation''; and

(B) in subsection (j)(1), in the first sentence, by striking ''or (d)'' and inserting ''(d), or (i)''.

(2) MISBRANDING.—Section 502(o) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 352(o)) is amended by striking ''in any State''.

(b) IMPORTATION; STATEMENT REGARDING REGISTRATION OF MANUFACTURER.—

(1) IN GENERAL.—Section 801 of the Federal Food, Drug, and Cosmetic Act, as amended by section 307(a) of this Act, is amended by adding at the end the following subsection:

''(m) A drug or device that is imported or offered for import into the United States may be refused admission if the importer of the drug or device does not, at the time of offering the drug or device for import, submit to the Secretary a statement that identifies the registration under section 510(i) of each establishment that with respect to such drug or device is required under such section to register with the Secretary.''.

(2) PROHIBITED ACT.—Section 301 of the Federal Food, Drug, and Cosmetic Act, as amended by section 306(b) of this Act, is amended by adding at the end the following:

''(ff) The importing or offering for import into the United States of a drug or device with respect to which there is a failure to comply with an order of the Secretary to submit to the Secretary a statement under section 801(m).''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect upon the expiration of the 180-day period beginning on the date of the enactment of this Act.

SEC. 312. REQUIREMENT OF ADDITIONAL INFORMATION REGARDING IMPORT COMPONENTS INTENDED FOR USE IN EXPORT PRODUCTS.

(a) IN GENERAL.—Section 801(d)(3) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 381(d)(3)) is amended to read as follows:

''(3)(A) Subject to subparagraph (B), no component of a drug, no component part or accessory of a device, or other article of device requiring further processing, which is ready or suitable for use for health-related purposes, and no article of a food additive, color additive, or dietary supplement, including a product in bulk form, shall be excluded from importation into the United States under subsection (a) if each of the following conditions is met:

''(i) The importer of such article of a drug or device or importer of such article of a food additive, color additive, or dietary supplement submits to the Secretary, at the time of initial importation, a statement in accordance with the following:

''(I) Such statement provides that such article is intended to be further processed by the initial owner or consignee, or incorporated by the initial owner or consignee, into a drug, biological product, device, food, food additive, color additive, or dietary supplement that will be exported by the initial owner or consignee from the United States in accordance with subsection (e) or section 802, or with section 351(h) of the Public Health Service Act.

''(II) The statement identifies the manufacturer of such article and each processor, packer, distributor, carrier, or other entity that had possession of the article in the chain of possession of the article from the manufacturer to such importer of the article.

''(ii) If such article is known to be, or to contain or bear, any chemical substance or biological substance, the statement under clause (i) is accompanied by such certificates of analysis as are necessary to identify each such substance.

''(iii) At the time of initial importation and before the delivery of such article to the importer or the initial owner or consignee, such owner or consignee executes a good and sufficient bond providing for the payment of such liquidated damages in the event of default as may be required pursuant to regulations of the Secretary of the Treasury.

''(iv) Such article is used and exported by the initial owner or consignee in accordance with the intent described under clause (i)(I), except for any portions of the article that are destroyed.

''(v) The initial owner or consignee maintains records on the use or destruction of such article or portions thereof, as the case may be, and submits to the Secretary any such records requested by the Secretary.

''(vi) Upon request of the Secretary, the initial owner or consignee submits a report that provides an accounting of the exportation or destruction of such article or portions thereof, and the manner in which such owner or consignee complied with the requirements of this subparagraph.

''(B) Subparagraph (A) does not apply to the import or offering for import into the United States of an article if the Secretary determines that there is credible evidence or information indicating that such article presents a threat of serious adverse health consequences or death to humans or animals.

''(C) This section may not be construed as affecting the responsibility of the Secretary to ensure that articles imported into the United States under authority of subparagraph (A) meet each of the conditions established in such subparagraph for importation.''.

(b) PROHIBITED ACT.—Section 301(w) of the Federal Food, Drug, and Cosmetic Act (21 U.S.C. 331(w)) is amended to read as follows:

''(w) The making of a knowingly false statement in any statement, certificate of analysis, record, or report required or requested under section 801(d)(3); the failure to submit a certificate of analysis as required under such section; the failure to maintain records or to submit records or reports as required by such section; the release into interstate commerce of any article or portion thereof imported into the United States under such section or any finished product made from such article or portion, except for export in accordance with section 801(e) or 802, or with section 351(h) of the Public Health Service Act; or the failure to so export or to destroy such an article or portions thereof, or such a finished product.''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect upon the expiration of the 90-day period beginning on the date of the enactment of this Act.

TITLE IV–DRINKING WATER SECURITY AND SAFETY

SEC. 401. AMENDMENT OF THE SAFE DRINKING WATER ACT.

The Safe Drinking Water Act (title XIV of the Public Health Service Act) is amended as follows:

(1) By inserting the following new sections after section 1432:

"SEC. 1433. TERRORIST AND OTHER INTENTIONAL ACTS.

''(a) VULNERABILITY ASSESSMENTS.—(1) Each community water system serving a population of greater than 3,300 persons shall conduct an assessment of the vulnerability of its system to a terrorist attack or other intentional acts intended to substantially disrupt the ability of the system to provide a safe and reliable supply of drinking water. The vulnerability assessment shall include, but not be limited to, a review of pipes and constructed conveyances, physical barriers, water collection, pretreatment, treatment, storage and distribution facilities, electronic, computer or other automated systems which are utilized by the public water system, the use, storage, or handling of various chemicals, and the operation and maintenance of such system. The Administrator, not later than March 1, 2002, after consultation with appropriate departments and agencies of the Federal Government and with State and local governments, shall provide baseline information to community water systems required to conduct vulnerability

assessments regarding which kinds of terrorist attacks or other intentional acts are the probable threats to—

''(A) substantially disrupt the ability of the system to provide a safe and reliable supply of drinking water; or

''(B) otherwise present significant public health concerns.

''(2) Each community water system referred to in paragraph (1) shall certify to the Administrator that the system has conducted an assessment complying with paragraph (1) prior to:

''(A) December 31, 2002, in the case of systems serving a population of 100,000 or more.

''(B) June 30, 2003, in the case of systems serving a population of 50,000 or more but less than 100,000.

''(C) December 31, 2003, in the case of systems serving a population greater than 3,300 but less than 50,000.

''(b) EMERGENCY RESPONSE PLAN.—Each community water system serving a population greater than 3,300 shall prepare or revise, where necessary, an emergency response plan that incorporates the results of vulnerability assessments that have been completed. Each such community water system shall certify to the Administrator, as soon as reasonably possible after the enactment of this section, but not later than 6 months after the completion of the vulnerability assessment under subsection (a), that the system has completed such plan. The emergency response plan shall include, but not be limited to, plans, procedures, and identification of equipment that can be implemented or utilized in the event of a terrorist or other intentional attack on the public water system. The emergency response plan shall also include actions, procedures, and identification of equipment which can obviate or significantly lessen the impact of terrorist attacks or other intentional actions on the public health and the safety and supply of drinking water provided to communities and individuals. Community water systems shall, to the extent possible, coordinate with existing Local Emergency Planning Committees established under the Emergency Planning and Community Right-to-Know Act (42 U.S.C. 11001, et seq.) when preparing or revising an emergency response plan under this subsection.

''(c) GUIDANCE TO SMALL PUBLIC WATER SYSTEMS.—The Administrator shall provide guidance to community water systems serving a population of less than 3,300 persons on how to conduct vulnerability assessments, prepare emergency response plans, and address threats from terrorist attacks or other intentional actions designed to disrupt the provision of safe drinking water or significantly affect the public health or significantly affect the safety or supply or drinking water provided to communities and individuals.

''(d) FUNDING.—There are authorized to be appropriated to carry out this section not more than $120,000,000 for the fiscal year 2002 and such sums as may be necessary for fiscal year 2003 and fiscal year 2004. The Administrator, in coordination with State and local governments, may provide financial assistance to community water systems for purposes of compliance with the requirements of subsections (a) and (b) and to community water systems for expenses and contracts designed to address basic security enhancements of critical importance and significant threats to public health and the supply of drinking water as determined by a vulnerability assessment under subsection (a).

''SEC. 1434. CONTAMINANT PREVENTION, DETECTION AND RESPONSE.

''(a) IN GENERAL.—The Administrator, in consultation with the Centers for Disease Control and, after consultation with appropriate departments and agencies of the Federal Government and with State and local governments, shall review (or enter into contracts or cooperative agreements to provide for a review of) current and future methods to prevent, detect and respond to the intentional introduction of chemical, biological or radiological contaminants into community water systems and source water for community water systems, including each of the following:

''(1) Methods, means and equipment designed to monitor and detect chemical, biological, and radiological contaminants and reduce the likelihood that such contaminants can be successfully introduced into water supplies intended to be used for drinking water.

''(2) Methods and means to provide sufficient notice to operators of public water systems, and individuals served by such systems, of the introduction of chemical, biological or radiological contaminants and the possible effect of such introduction on public health and the safety and supply of drinking water.

''(3) Procedures and equipment necessary to prevent the flow of contaminated drinking water to individuals served by public water systems.

''(4) Methods, means, and equipment which could negate or mitigate deleterious effects on public health and the safety and supply caused by the introduction of contaminants into water intended to be used for drinking water, including an examination of the effectiveness of various drinking water technologies in removing, inactivating, or neutralizing biological, chemical, and radiological contaminants.

''(5) Biomedical research into the short-term and long-term impact on public health of various chemical, biological and radiological contaminants that may be introduced into public water systems through terrorist of other intentional acts.

''(b) FUNDING.—For the authorization of appropriations to carry out this section, see section 1435(c).

''SEC. 1435. SUPPLY DISRUPTION PREVENTION, DETECTION AND RESPONSE.

''(a) DISRUPTION OF SUPPLY OR SAFETY.—The Administrator, in coordination with the appropriate departments and agencies of the Federal Government, shall review (or enter into contracts or cooperative agreements to provide for a review of) methods and means by which terrorists or other individuals or groups could disrupt the supply of safe drinking water or take other actions against water collection, pretreatment, treatment, storage and distribution facilities which could render such water significantly less safe for human consumption, including each of the following:

''(1) Methods and means by which pipes and other constructed conveyances utilized in public water systems could be destroyed or otherwise prevented from providing adequate supplies of drinking water meeting applicable public health standards.

''(2) Methods and means by which collection, pretreatment, treatment, storage and distribution facilities utilized or used in connection with public water systems and collection and pretreatment storage facilities used in connection with public water systems could be destroyed or otherwise prevented from providing adequate supplies of drinking water meeting applicable public health standards.

''(3) Methods and means by which pipes, constructed conveyances, collection, pretreatment, treatment, storage and distribution systems that are utilized in connection with public water systems could be altered or affected so as to be subject to cross-contamination of drinking water supplies.

''(4) Methods and means by which pipes, constructed conveyances, collection, pretreatment, treatment, storage and distribution systems that are utilized in connection with public water systems could be reasonably protected from terrorist attacks or other acts intended to disrupt the supply or affect the safety of drinking water.

''(b) ALTERNATIVE SOURCES.—the review under this section shall also include a review of the methods and means by which alternative supplies of drinking water could be provided in the event of the destruction, impairment or contamination of public water systems.

''(c) FUNDING.—There are authorized to be appropriated to carry out this section and section 1434 not more than $15,000,000 for the fiscal year 2002 and such sums as may be necessary for fiscal year 2003 and fiscal year 2004.''.

(2) Section 1414(i)(1) is amended by inserting ''1433'' after ''1417''.

(3) Section 1431 is amended by inserting in the first sentence after ''drinking water'' the following: '', or that there is a threatened or potential terrorist attack (or other intentional act designed to disrupt the provision of safe drinking water or to impact adversely the safety of drinking water supplied to communities and individuals), which''.

(4) Section 1432 is amended as follows:

(A) By striking ''5 years'' in subsection (a) and inserting ''20 years''.

(B) By striking ''3 years'' in subsection (b) and inserting ''10 years''.

(C) By striking ''$50,000'' in subsection (c) and inserting ''$1,000,000''.

(D) By striking ''$20,000'' in subsection (c) and inserting ''$100,000''.

(5) Section 1442 is amended as follows:

(A) By striking ''this subparagraph'' in subsection (b) and inserting ''this subsection''.

(B) By amending subsection (d) to read as follows:

''(d) There are authorized to be appropriated to carry out subsection (b) not more than $35,000,000 for the fiscal year 2002 and such sums as may be necessary for each fiscal year thereafter.''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Michigan (Mr. DINGELL) each will control 20 minutes.

The Chair recognizes the gentleman from Louisiana (Mr. Tauzin).

GENERAL LEAVE

Mr. TAUZIN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to insert extraneous material on the bill.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Louisiana?

There was no objection.

Mr. TAUZIN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of the Public Health Security and Bioterrorism Response Act of 2001 which I have introduced with my good friend, the gentleman from Michigan (Mr. DINGELL) the ranking member of the Committee on Energy and Commerce and a strong bipartisan list of co-sponsors. This may be the last piece of legislation we consider tonight, Mr. Speaker,

but it is, by far, the most serious one and the most important one, and we will be asking for a recorded vote tomorrow on this important legislation.

The legislation is all about safety and security of American families and of our country. Today we are stepping up to the profound threats of terrorism and other public health emergencies. And we do so by combining smart and innovative policy with additional resources to prepare the country for bioterrorist threats and to improve our abilities to respond quickly and effectively to such threats when they arise.

Mr. Speaker, let me be very specific about the important investments that this legislation will make and the dramatic range of issues it will address.

First, Title I of the bill significantly steps up our preparedness and our capacity to identify and respond to threats. This Title will improve communications between and among the levels of government, public health officials, the first responders and health care providers and the health care facilities during emergencies.

Our bill authorizes $1 billion in FY 2002 in grants to States, local governments, and other public and private health care facilities and other entities to improve planning and preparedness activities, to enhance laboratory capacity, and to educate and train the health personnel that will take care of folks who are subject to any kinds of such threats.

We specifically authorized $40 million in FY 2002 for training grants to relieve shortages in critical health care professions. The Department of Health and Human Services will have a new focus, an improved coordination and accountability through a new assistant secretary of emergency preparedness. The legislation also authorizes the national disaster medical system, new planning and reporting provision, health professional verification systems during emergencies, the training exercises, and improved communication strategies. The bill further authorizes $450 million in FY 2002 for the Centers for Disease Control and Prevention to upgrade its capacity to deal with public health threats, to renovate its facilities and to improve its securities.

H.R. 3448 will also ensure that we have sufficient drugs, vaccines and other supplies for our Nation's health security. Title I, for example, authorizes more than $1.1 billion for the Secretary of Health and Human Services to expand our current National stockpiles of medicines and other supplies, including the purchase of smallpox vaccines, will encourage and expand research and develop of drugs of vaccines and devices to combat bioterrorism and other potential disease outbreaks in our country. The bill also will enhance controls on deadly biological agents in order to help prevent bioterrorism and establish a national database of dangerous pathogens.

Title II imposes new registration requirements on all possessors of the 36 most dangerous biological agents and toxins. It mandates tough new safety and security requirements to ensure that only legitimate scientists working in appropriate laboratory facilities can gain access to these potential weapons of mass destruction.

Title II also enhances criminal penalties for those caught in possession of those agents or transferring them without proper registration. And Title III of the bill will help protect American safety in their food and drug supplies. We are increasing by $100 million the Food and Drug Administration's resources to hire more inspectors at the border, to develop new methods to detect contaminated foods. In addition, we are providing the Secretary the additional regulatory authority he requested for the FDA to detain food and to investigate credible evidence of contamination and improve access to records and recordkeeping to assist the Secretary in investigating any threats to our food supply. This title also improves our enforcement and inspection capabilities for those drug supplies. The new resources and authorities will substantially improve our country's ability to ensure the safety confidence in both our food and our drug supplies.

□ 2230

Title 4 of the legislation will ensure that drinking water systems across the country assess their vulnerability to terrorist attack and develop emergency plans to prepare for and respond to those attacks. This title also requires a comprehensive review of the ways to detect and respond to chemical, biological, and radiological contamination of drinking water, as well as way to prevent and mitigate the effects of physical attacks. In addition, existing criminal penalties and fines for tampering with drinking water systems are substantially increased. A total of $170 million in fiscal year 2002 is authorized for these important efforts.

Americans deserve to know that we are taking concerted action today to protect the water they drink every single day. Title IV will lay the groundwork for developing the necessary information, and emergency planning and response efforts that are needed to address this new threat.

Mr. Speaker, this legislation builds on the tremendous work and leadership of our President, President Bush, and his administration, over the last 3 months. Importantly, it builds on existing programs rather than creating new ones that will only delay the distribution of monies to the front lines. We have spent time to integrate programs and to make sure our national efforts are focused and better coordinated. We have worked closely with the administration to achieve this result, and I am frankly very confident the President will sign this bill.

I want to thank the gentleman from Michigan (Mr. DINGELL) and the other members of the committee on both sides of the aisle for their tireless and extraordinarily good-faith efforts to produce a great bill. This is remarkable legislation, Mr. Speaker, for remarkable times. The House can be very proud not only of this product but also of a country that is responding in such a unified way as exemplified by the bipartisan spirit in which we bring this legislation to the floor.

America, I think, will be proud of our commitment made in this bill to the right investments and the smart policy choices to meet the challenges and protect our Nation's public health. I urge all my colleagues to support this very landmark legislation.

Mr. Speaker, I submit for the RECORD letters to and from the Chairman of the Committee on Science and myself regarding this legislation.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON ENERGY AND COMMERCE,
Washington, DC, December 11, 2001.

Hon. SHERWOOD L. BOEHLERT,
Chairman, Committee on Science, House of Representatives, Rayburn House Office Building, Washington, DC.

DEAR CHAIRMAN BOEHLERT: Thank you for your letter regarding H.R. ____, the Public Health Security and Bioterrorism Response Act of 2001.

I appreciate your willingness not to seek a referral of the bill. I agree that your decision to forgo action on the bill will not prejudice the Committee on Science with respect to its jurisdictional prerogatives on this or similar legislation. Further, I recognize your right to request conferees on those provisions within the Committee on Science's jurisdiction should they be the subject of a House-Senate conference.

I will include your letter and this response in the Congressional Record when the bill is considered on the Floor.

Sincerely,

W.J. "BILLY" TAUZIN,
Chairman.

HOUSE OF REPRESENTATIVES,
COMMITTEE ON SCIENCE,
Washington, DC, December 11, 2001.

Hon. W.J. TAUZIN,
Chairman, Committee on Energy and Commerce, Rayburn HOB, Washington, DC.

DEAR MR. CHAIRMAN: Earlier today you and your colleagues introduced the "Public Health Security and Bioterrorism Response Act of 2001." Knowing of your interest in moving the legislation through the House as quickly as possible, I am prepared not to seek a sequential referral of the bill's provisions that affect the jurisdiction of the Science Committee. Despite waiving the right to seek a referral, the Science Committee does not waive its jurisdiction over the bill. Additionally, the Science Committee expressly reserves its authority to seek conferees on any provisions that are within its jurisdiction during any House-Senate conference that may be convened on this legislation or like provisions in the bill or similar legislation which falls within the Science Committee's jurisdiction. I ask for your commitment to support any request by the Science Committee for conferees on the bill, as well as any similar or related legislation.

Based on a quick review, here are some of the provisions I believe affect the Science Committee's jurisdiction:

Section 108 (Working Group on Preparedness). New subsections (a)(1)–(3) require a joint working group, including DOE and EPA, to coordinate and prioritize research,

facilitate the development of countermeasures, and coordinate research and development.

Section 108 (Working Group on Preparedness). New subsection (a)(4) requires the Working Group, including DOE and EPA, to develop shared standards for equipment.

Section 126 (Evaluation of New and Emerging Technologies). Subsection (b) requires the Secretary of HHS to survey existing technology programs funded by the Federal Government for potentially useful technologies and, in consultation with an interagency working group that includes DOE and EPA, to evaluate technologies.

Section 137 (Expanded Research by Secretary of Energy). This authorizes DOE research related to bioterrorist attacks.

Section 401 (Drinking Water Security and Safety). This reauthorizes an existing environmental research and development program in the Safe Drinking Water Act. Section 401 also authorizes two new programs, in proposed sections 1434 and 1435 of the SDWA, that direct EPA to ''review current and future methods and means'' relating to contamination and physical disruption of water systems. These provisions are similar to provisions in the Science Committee's bill, H.R. 3178.

H.R. 3178 passed the Science Committee on November 15. It authorizes EPA research related activities to develop anti-terrorism tools for water and wastewater agencies. Since our markup of H.R. 3178, my staff has worked with your staff to clarify the text of H.R. 3178 to prevent or reduce any jurisdictional issues. I look forward to the continued cooperation between our two Committees on both H.R. 3178 and the ''Public Health Security and Bioterrorism Response Act of 2001.''

I request that you include this exchange of letters in the Congressional Record as part of the Floor debate on the bill.

Thank you again for your consideration and attention regarding these matters.

Sincerely,

SHERWOOD BOEHLERT,
Chairman.

Mr. Speaker, I reserve the balance of my time.

Mr. DINGELL. Mr. Speaker, I yield myself 3 minutes.

(Mr. DINGELL asked and was given permission to revise and extend his remarks.)

Mr. DINGELL. Mr. Speaker, today we are considering bipartisan legislation on a matter of utmost national importance, our preparedness against terrorism. I want to begin by commending my good friend, the chairman of the committee, the gentleman from Louisiana (Mr. TAUZIN), the gentleman from Florida (Mr. BILIRAKIS), and the gentleman from Iowa (Mr. GANSKE), as well as my colleagues, the gentleman from Ohio (Mr. BROWN), the gentleman from New Jersey (Mr. MENENDEZ), and the gentleman from New Jersey (Mr. PALLONE), the gentleman from Florida (Mr. Deutsch), who worked so hard on this, and the gentlewoman from California (Ms. HARMAN).

This bill was put together in the best bipartisan traditions of the way the Committee on Energy and Commerce has always worked, and it resolves in the best possible way the questions that concern us with regard to preparedness and protection of our people against bioterrorism.

There are many excellent provisions in the legislation, including improvement and protection of drinking water supply, tighter controls on dangerous biological agents, and a number of other things, including putting support where it needs to be put to help our people to address the problems which they have on the local level and to improve Federal-local cooperation in these matters. It also does something very important, and that is it improves inspection resources for imported food.

These are only a downpayment on what will ultimately be necessary, but nonetheless they are an enormous increase over the way things are done at this particular time.

Mr. Speaker, I urge my colleagues, without exception, to support it. It is bipartisan, it is good, it is in the public interest; and I again commend my colleagues, including our chairman, for the fine work which has been done on this very difficult and very important piece of legislation.

In addition, Mr. Speaker, I include for the RECORD a detailed explanation of the bill:

Title III, Subtitle A—Protection of Food Supply, addresses existing deficiencies in the Nation's food safety infrastructure and takes appropriate steps to protect the Nation's food supply from new threats of terrorism. In particular, it authorizes new powers and $100 million to the Food and Drug Administration (FDA) so it can increase and improve inspections of imported food at the 307 different U.S. ports of entry. With the additional funds and authorities in this bill, FDA should be equipped to inspect about 2 percent of all imported food shipments. While this remains significantly less than FDA's recommendation to inspect 10 percent of all imported food shipments, this legislation is an important downpayment.

The subtitle also provides for permissive debarment of scofflaw food importers, requires prior notice of shipments, provides administrative detention authority, requires registration and recordkeeping, and bars port shopping. Vigorous and targeted use of these new authorities should enable the Secretary to mitigate problems caused by too few inspectors.

For example, under this subtitle the Secretary must possess credible evidence or information indicating that a specific shipment or article of food presents a serious health threat to exercise his full detention authority. However, the bill establishes a broader, less-stringent standard for the Secretary to exercise a more limited temporary hold authority. Under the temporary hold provision, the Secretary need only have credible evidence or information indicating that an article of food, not a specific article of food, presents a serious health threat. If, for example, the FDA is in possession of credible evidence or information indicating that a category of food or food from a certain geographical region presents such a threat, the Secretary may use this authority to temporarily hold shipments or articles of food (up to 24 hours) based on that information. This will enable the Secretary to appropriately dispatch FDA resources to gather credible evidence or information (based upon FDA inspection, examination or investigation) about specific shipments or articles of food. Once FDA has such evidence or information, the Secretary may then detain any such shipments or articles of food under the detention authority (up to 30 days). The temporary hold authority is intended to function as an investigative tool that enables FDA to use its detention authority, and its resources, more effectively. Accordingly, the circumstances under which temporary hold authority can be invoked are broader than those under which detention authority can be invoked.

Title III, Subtitle B—Protection of Drug Supply, includes Section 312, which requires additional information regarding import components intended for use in export products. This section does not change any definitions of regulated articles or the scope of regulation of those articles as set forth in the Federal Food, Drug, and Cosmetic Act (FFDCA) and its implementing regulations. Further, it is not the intent of this section for the Secretary of Treasury to engage in a new rulemaking to determine the requirement for bonds for goods imported under section 801(d)(3) of the FFDCA. Existing requirements for the bonding of goods imported for further processing and export should be applied. Finally, certificates of analysis are not required if the only chemical or biological component of the good imported under 801(d)(3) is de minimus, incidental, and poses no danger to human or animal health.

Title IV—Drinking Water Security and Safety, adds a new section 1433 to the Safe Drinking Water Act that requires community water systems to conduct assessments of the vulnerability of its system to a terrorist attack. Sandia National Laboratories, under a contract with the Environmental Protection Agency (EPA), has developed a new methodology for assessing and improving the security of drinking water systems. Under Section 1433 vulnerability assessments should include comprehensive site characterizations, a determination of the consequences of intentional acts or terrorist attacks, and an analysis of the use, storage, or handling of various chemicals to see whether a substitution to less dangerous chemicals will enhance the safety and health of the public in the case of an attack. For example, many drinking water systems are switching away from liquid chlorine to other chemicals that minimize the risk of an airborne toxic plume in case of a tank explosion. Further, the term ''physical barriers'' should be interpreted to include ''buffer zones'' to a physical attack.

Section 1433 also requires that emergency response plans be prepared or revised by community water systems after the vulnerability assessments. In FY 2002, the bill authorizes $120 million to assist water systems in conducting vulnerability assessments and preparing emergency response plans. This funding is available to also provide financial assistance to water systems for basic security enhancements and to address significant threats to public health. Basic security enhancements of critical importance include management systems, operating procedures, re-keying locks, buffer zones, cameras, fencing, hardening of storage tanks, equipment for back flow monitoring, security screening of contractor support services, and intrusion alert systems.

The bill charges the EPA, working with other agencies such as CDC and the FBI, to provide water systems with a consistent definition of the range of threats facing a system. This will help ensure that quality vulnerability assessments are conducted.

Title IV also contains amendments to Section 1432 of the Safe Drinking Water Act to increase the criminal penalties for tampering or threatening to tamper with a public drinking water system.

Finally, the bill amends Section 1431 of the Safe Drinking Water Act to provide new authority to the Administrator to take actions to assure the safety of the public and protect supplies of drinking water in circumstances

of a threatened or potential terrorist attack at a community water system which may present an imminent and substantial endangerment to the health of persons.

The term ''potential terrorist attack'' should be interpreted in the context of the President's announcements that the United States is engaged in a war against terrorism and faces ''continuing and immediate threats of further attacks.'' Senior government officials have repeatedly warned that critical infrastructure facilities should remain on a high state of alert due to the possibility of a terrorist attack. Critical infrastructure protection is an issue of importance to economic and national security. Presidential Decision Directive 63 released in May 1998 identified water supply as one of the 12 areas critical to the functioning of the country.

The Government has a responsibility to protect our citizens, and that responsibility begins with homeland security. Where the Administrator receives information that critical community water system infrastructures, such as a utility pumping system or chemical storage tanks, are vulnerable to potential terrorist attack that may present an imminent and substantial endangerment he or she may use the authority provided by Section 1431 to protect the health and safety of the public or prevent the disruption of drinking water supplies.

Mr. Speaker, I reserve the balance of my time.

Mr. TAUZIN. Mr. Speaker, I am pleased to yield 3 minutes to the gentleman from Florida (Mr. BILIRAKIS), the chairman of the Subcommittee on Health of the Committee on Energy and Commerce.

Mr. BILIRAKIS. Mr. Speaker, I thank the gentleman for yielding me this time, and I too rise in support of this bill.

As we know, today is the 3-month anniversary of the worst terrorist attack on American soil in history. Our thoughts and prayers are with the victims and their families today and every day. I share the concerns, we all share the concerns of all Americans who are worried about future terrorist activities, including bioterrorist attacks. With the recent anthrax outbreak, bioterrorism of course has become a reality.

Bioterrorism is an issue that has been explored by the Committee on Energy and Commerce and my Subcommittee on Health for several years. Because we cannot know when or how a public health threat might occur, we must be prepared to combat any biological agent in any form. I am pleased that we were able to work on a bipartisan, underline bipartisan, basis to craft this reasonable and responsible legislative package.

State and local governments will be the first to respond to a bioterrorist attack. This legislation requires the Secretary of Health and Human Services to work with local governments to develop bioterrorist preparedness plans. This legislation requires the CDC to enhance training of personnel, improve their communications network and intensify security to protect important research and dangerous pathogens.

Since health care providers will be the first to respond to a public health emergency, it is essential that we have health professionals ready to deal with health care needs in the event of a bioterrorist attack. This legislation begins to address shortages in areas such as medical technologists and pharmacists by providing grants to train and educate individuals in areas of the greatest need.

As vice chairman of the House Committee on Veterans' Affairs, I also believe it is essential that we fully utilize all of our Federal resources in our fight against bioterrorism. This legislation requires the Department of Health and Human Services to work with the Department of Veterans Affairs and the Department of Defense in developing our national response. These agencies have significant resources and expertise and are crucial to our efforts.

In addition, this legislation increases the protection of the Nation's food supply. In the past, too few resources have been dedicated to food security, and this legislation is a great improvement. Secretary of Health and Human Services Tommy Thompson recently testified before the committee that the Food and Drug Administration must increase the number of inspectors at the borders.

I would like in closing, Mr. Speaker, to thank the staff, who dedicated many long hours to developing this legislation. For the majority, that includes Nandan Kenkeremath, Tom DiLenge, Amit Sachdev, Brent DelMonte, Bob Meyers, and Pat Morrisey. From the minority, that includes John Ford, Edith Holleman, and Bruce Gwinn. And I would also like to extend a special thank you to legislative counsel Pete Goodloe, who was instrumental in drafting this legislation. All of the staff, all of them, spent countless hours, especially over the Thanksgiving holiday, to prepare this vital legislation.

I too urge our colleagues to join us in supporting this bill. It is important that we act this year to increase our readiness and our safety.

Mr. DINGELL. Mr. Speaker, I yield 3 minutes to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Speaker, I thank the gentleman for yielding me this time; and I am pleased to join my colleagues, the gentleman from Michigan (Mr. DINGELL), the gentleman from Louisiana (Mr. TAUZIN), the gentleman from Florida (Mr. BILIRAKIS), the gentleman from New Jersey (Mr. PALLONE), and the gentleman from Florida (Mr. DEUTSCH), in offering this bipartisan bioterrorism preparedness bill.

I want to thank the Committee on Energy and Commerce staff, who worked so hard on this bill, as mentioned by the gentleman from Florida (Mr. BILIRAKIS), including Ann Esposito, John Ford, Dave Nelson, Edith Holleman, and Bruce Gwinn. Also, legislative counsel Pete Goodloe, who worked so very hard on all of this.

The events of September 11 and the recent spate of anthrax attacks have significantly underscored the importance, to be sure, of our Nation's public health infrastructure. We need to pay far more attention to the first responders to a public health emergency, to the key health agencies charged with addressing and preventing these emergencies, and to the safeguards needed to minimize threats in the future.

We must have sufficient antibiotic and vaccine stockpiles, we must have the ability to rapidly distribute medical supplies and deploy medical personnel, and we must cultivate the expertise and technology necessary to identify and eliminate threats before they become public health crises.

This bill was written to provide new authority to Food and Drug Administration border inspectors in terms of food safety, to require the development of rapid testing techniques, and to authorize $100 million of new found for all of FDA's border inspection activities. These provisions will increase FDA's presence at the border and allow for the inspection of a greater percentage of our imported foods, making our food supplies safer from bioterrorists.

Eight years ago, before budget cuts in this Congress, 8 percent of food was inspected at the border. Today, it is about one-tenth of that. It is less than 1 percent. The safety of imported foods and the need for greater enhanced inspection resources at the border have long been a concern of many of us on this side of the aisle, a fact highlighted by the imported food safety bills I have introduced with the gentleman from Michigan (Mr. STUPAK), the gentleman from New Jersey (Mr. PALLONE), and the gentleman from Michigan (Mr. DINGELL), and others during the past several sessions of Congress.

The food safety provisions of this bill are a good downpayment on improving our food safety inspection system, but they do not obviate the need for passage of a more substantial food safety reform like the one we introduced in October.

I am pleased that a provision to equip State and local health departments to rapidly identify antibiotic resistant strains of illness was in fact included in the bill. Because antibiotic resistant microbes can be difficult to treat, even under normal circumstances, they pose a significant threat to public health. We know that antibiotic-resistant strains of anthrax and other agents can, in fact, have been engineered for the purposes of bioterrorism. A new or unexpected antibiotic-resistant strain of illness is a red flag. It could signal a bioterrorist attack. So the sooner we identify it, the sooner we can deploy the resources needed to treat it.

The ability to monitor antibiotic resistance becomes even more critical over the longer term. Whether the goal is bioterrorism preparedness or simply maintaining our ability to combat everyday illnesses and infectious disease, a major, major function of the Centers for Disease Control, we simply cannot

assess the adequacy of our antibiotic supply over time as long as antibiotic resistance remains a variable.

This bill is not the last word on bioterrorism, but it is a solid first step; and I am proud to be one of its chief cosponsors.

Mr. TAUZIN. Mr. Speaker, I am proud to yield 2 minutes to the gentleman from North Carolina (Mr. BURR), the vice chairman of the Committee on Energy and Commerce and the chairman of the task force which helped produce this bill.

Mr. BURR of North Carolina. Mr. Speaker, I thank the chairman for yielding me this time, I also thank the ranking member; but more importantly, I thank all the members of the Committee on Energy and Commerce because traditionally we do not get things done as quickly in the body as we have on this bill.

I want to take this opportunity to personally thank the staff on both sides of the aisle, many of whom are here tonight, and many who spent tens, if not hundreds, of hours on this bill, and much of it over the Thanksgiving break.

Mr. Speaker, 3 months ago, we were attacked in a savage way. Over these 3 months, we have seen what is good about America; the response of the American people, in many cases to individuals they did not know. What we have seen good about this institution is its ability to throw down the partisanship that sometimes overtakes us and for Democrats and Republicans to work together on an initiative that America needs today.

We have come a long way in restructuring our public health agencies in this country. This is only the first step, though. We have a long way to go to reach a point that communities deserve for us to have in place. Through this legislation we strengthen our Federal disaster response efforts by authorizing in law the National Disaster Medical System.

This legislation provides for the much-needed resources to improve the Centers for Disease Control, not only the facilities upgrade that is needed in Atlanta, but also an additional $150 million in the first year to make sure that the overuse of laboratories, the space needs, everything that they need to respond to a threat that we clearly do not fully understand today are in fact in place.

We send money directly to States and to local public health agencies in order for them to build out their core capacity to deal with bioterrorism and other public health threats.

Mr. Speaker, in this, we update and strengthen the pharmaceutical stockpiles, and we establish a core educational curriculum to train health care professionals for public health emergencies.

I urge all of my colleagues to support this legislation today, but we cannot quit until the public health network in the U.S. is trained, equipped, and prepared to handle all responses and all threats in the future.

Mr. DINGELL. Mr. Speaker, I yield 3 minutes to the gentleman from New Jersey (Mr. PALLONE).

Mr. PALLONE. Mr. Speaker, I come to the House floor also to offer my support for this crucial piece of legislation; and again I want to thank our ranking member, the gentleman from Michigan (Mr. DINGELL), and the ranking member of the subcommittee, the gentleman from Ohio (Mr. BROWN), and the gentleman from Florida (Mr. DEUTSCH), and all the staff that I see here tonight who worked so hard on this bill, and stress the importance of the bill.

□ 2245

When the terrorist attacks against the World Trade Center and the Pentagon took place on September 11, I know that my constituents in particular and all Americans were concerned about possible threats from biological and chemical warfare that might follow. On September 28, the General Accounting Office published a report that stated, in fact, our health departments are ill-equipped, that we are vulnerable to bioterrorism and underfunded on the Federal, State and local level.

Mr. Speaker, I believe that this bill will remedy this problem in a crucial way. I want to discuss briefly the water security component of the bill. With the strong leadership of the gentleman from Louisiana (Mr. TAUZIN) and ranking member, the gentleman from Michigan (Mr. DINGELL), we were able to include language requiring large water systems serving more than 3,300 persons to conduct a vulnerability assessment and prepare or update emergency response plans within 6 months after the completion of the vulnerability assessment. In the process of completing this assessment, serious consideration would be given to the potential consequences of attack.

For example, what would happen if the on-site chlorine tanks are attacked with explosives? Should safer substitutes for liquid chlorine be used? What are the health risks to the public if we are faced with an air-borne toxic chlorine cloud?

These are the types of questions that need to be evaluated and answered in a vulnerability assessment.

In addition to the assessment, I was pleased that funding was authorized in the bill to provide for technical assistance grants from EPA and funding for publicly owned water systems in an emergency situation. I do not have to explain the importance of protecting the public from potential disruption of water service or biological-chemical contamination of drinking water supplies. Water security has got to be a top priority in any bioterrorism bill that Congress considers.

On September 12, President Bush made a comment. He said America is going forward, and as we do so, we must remain keenly aware of the threats to our country. Those in authority should take appropriate precautions to protect our citizens. And according to this bill, Mr. Speaker, the EPA will have that authority that the President referred to if an assessment is completed and there is sign of significant vulnerability, it is a relief to know that the EPA, using its emergency powers, will be able to work with the community water systems to promptly correct the inadequacies.

I know that the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Michigan (Mr. DINGELL) worked hard to make sure that this safe drinking water component is in the bill. I think it is very important that it is in the bill, and I congratulate them and the staff again for making sure that this is a part of the bioterrorism response.

Mr. TAUZIN. Mr. Speaker, I yield 2 minutes to the gentleman from Iowa (Mr. GANSKE), a distinguished member of our committee.

Mr. GANSKE. Mr. Speaker, I am pleased to support this bill. My congratulations to the chairman of the committee and to the ranking member. This is probably one of the more significant public health pieces of legislation that Congress has done in a long time and we need to do it. As a physician, I can tell Members this country is not able to handle an epidemic. There are very few hospitals, if any, in this country that can handle an epidemic, and that includes Johns Hopkins or the University of Iowa Hospital.

This bill provides funding to begin to bolster our public health response to a bioterrorist attack. We need to provide more funds for medicines and vaccines. We need to bolster the CDC. We need to facilitate communications between the Federal Government, the State governments, local governments. Those things are handled in this bill.

There is a lot in this bill that is very necessary and important. The one thing that was a concern earlier in the discussion on this bill was whether Members provide block grants or grants back to the States. I introduced, along with the gentleman from Arkansas (Mr. BERRY) a few weeks ago. We had about a billion dollars for that. We think that is important because a lot of States are strapped for cash, and they need some help. That is in this bill as well. I very much appreciate the efforts of the chairman and the ranking member, the staff, for this bill.

In essence, the bill that I introduced a couple of weeks ago and this bill are very similar. This is a bipartisan bill. It is a bicameral bill. It is my understanding that the administration is in favor of this bill. This bill should move. I encourage all Members of the House to vote for the bill, and for the Senate to do the same so we can move it to the President's desk.

Mr. DINGELL. Mr. Speaker, I yield 3 minutes to the gentleman from Florida (Mr. DEUTSCH).

Mr. DEUTSCH. Mr. Speaker, I join my colleagues in thanking the chairman of the full committee and the ranking member as well, as well as our excellent staff on both sides.

This bill is a product of the entire House, and particularly the Committee on Energy and Commerce can be very proud of. This legislation very well might go down as the very most important piece of legislation that this Congress passes in this session. It has not gotten the most attention at this point in time, and I hope what it tries to prevent does not get as much attention because in a sense that would mean a success.

But I highlight some of the issues that we are facing, and really the world obviously changed, each of our lives changed, America changed on September 11. This bill is a step towards dealing with some of those changes. The budgeting that we had in the past, literally in the past year, in last year's fiscal year, amounted to approximately $100 million towards bioterrorism. This bill now raises that level to effectively about $3 billion. Obviously, an incredibly dramatic increase.

I think there have been Members who have expressed a viewpoint, and in a sense I share it, maybe that number should even be larger. Even $30 billion, an order of magnitude different than hopefully what we will appropriate and authorize in this legislation. But as we work towards that, it is a question whether or not the agencies could even deal with this large of an increase, but to that other level I am not sure it would be possible.

Let me focus on one of the areas where this bill is going to have a very significant effect, and that is the threat of biological terrorism in the United States. The bill specifically authorizes $450 million for smallpox vaccine, requires the Secretary to devise a plan for the distribution of the national stockpile, including the smallpox vaccine. The Secretary can designate priority countermeasures as fast track products for FDA approval. It requires the FDA to issue a final rule allowing for animal studies to prove efficacy of certain vaccines and drug countermeasures, and the secretary can award grants or contracts for research to develop new vaccines, treatments or therapies to counteract bioterrorist agents.

Mr. Speaker, we have shifted the emphasis far greater and far more than we had in the past, and this is exactly the response we should be doing. Along with many of my colleagues, I have visited CDC since September 11. They cry out for the need that this bill specifically is addressing. Mr. Speaker, I urge my colleagues to support adoption of the legislation.

Mr. TAUZIN. Mr. Speaker, I yield 2 minutes to the gentlewoman from New Mexico (Mrs. WILSON).

Mrs. WILSON. Mr. Speaker, I commend the chairman and ranking member for their work on this bill. Sometimes we do things quickly and quietly in this House and get important things done; and probably in the last 3 months, this legislation will stand the test of time as one of the most important pieces of legislation that we do in this House during this session.

What it is about is protecting Americans from getting sick or dying from a disease spread intentionally by people who want to destroy us. It is a very new world, and we have to change the way that we do things because the world has changed, and be better prepared so we can detect disease sooner, we can respond sooner and more effectively, and we can develop new cures for diseases that are now being genetically engineered by people who have evil intent.

Mr. Speaker, in the last 3 months, we have learned that our laboratory system is fragile and can be easily overwhelmed by two relatively small but frightening anthrax attacks here on the East Coast; and that the Centers for Disease Control are not large enough and need to be modernized. We need to expand and integrate that national network of capacity in our laboratories and our research institutions. We need to invest in research and development to develop new ways to detect pathogens in the air, in the water, in food, and detect them quickly without having to wait for someone to get sick before we act.

We do not have a register of the dangerous pathogens in this country. We did not know which laboratories have this particular strain of Ames anthrax. We need to register them, and also have cultures of them so that we know the DNA of each pathogen that is being used in the United States for research. This is a very good bill, Mr. Speaker. I am proud to support it, and I look forward to its prompt passage in this House and in the United States Senate.

Mr. DINGELL. Mr. Speaker, I reserve the balance of my time.

Mr. TAUZIN. Mr. Speaker, I yield 2 minutes to the gentleman from Georgia (Mr. LINDER), who was the principal sponsor of a separate piece of legislation to expand and improve upon the capacities of the CDC.

(Mr. LINDER asked and was given permission to revise and extend his remarks.)

Mr. LINDER. Mr. Speaker, this is a remarkable feat to move a piece of legislation so important so fast and so well done, and I congratulate the gentlemen. I particularly thank the gentleman from North Carolina (Mr. BURR) who headed up the task force to ensure that my bill, H.R. 3219, wound up in this bill.

My bill reauthorized the rebuilding of the CDC $300 million for 2 years in a row and multiyear contracting. Let me tell Members about the CDC. It is a 55-year-old institution, the largest institution of the Federal Government not located in the metro area here. It is a world class intellectual community in a third world facility. Many Members have visited it.

The CDC facility needs to be upgraded, particularly the security around it. We have dangerous bugs and viruses there that are being stored three stories above the loading dock. We need to do this. I am grateful for Members' response, and I am sure that the Senate will respond equally. The Secretary of HHS is in favor of this bill. It is not common in my 27 years in public life that we can introduce a bill on November 1 and have it voted on December 11. I am grateful for this bill.

Mr. TAUZIN. Mr. Speaker, I yield 2 minutes to the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Speaker, I rise in strong support of H.R. 3448. As chairman of the Committee on Veterans Affairs, I am pleased that the legislation recognizes the vital role that the Department of Veterans Affairs can and should play in helping our Nation prepare for future biological attacks.

As many Members know, the VA owns and operates the largest integrated health care network in the world, consisting of 172 medical centers, over 800 outpatient clinics, and 90 major research programs and are ideally suited to try to work, in collaboration with other agencies of government, on trying to respond to one of these terrorist attacks.

I would also point out to Members that the anthrax letters originated in my district in Trenton and Hamilton Township, New Jersey. And as all of the different bodies came together, CDC, Department of Health and the others, the VA stood ready and was able to provide, if it was necessary, Cipro and other antibiotics, because they are a major stockpiling of those pharmaceutical assets. I am happy that the chairman include in section 101(c) a requirement for the Secretary of Health and Human Services to evaluate the feasibility of using biomedical research and development capabilities of the VA in developing a comprehensive national response to bioterrorist attacks.

□ 2300

Again, the VA is ideally suited for this. I have introduced a number of bills that would try to further that. I think we really need to make sure that they have a very prominent seat at the table.

Mr. DINGELL. Mr. Speaker, I yield myself such time as I may consume.

All the Democrats have agreed with me this is a superb piece of legislation and they have all gone home to bed so that they could vote on it tomorrow.

Mr. Speaker, I yield back the balance of my time.

Mr. TAUZIN. Mr. Speaker, I yield myself such time as I may consume.

Let me conclude by thanking my dear friend, the gentleman from Michigan (Mr. DINGELL), for the extraordinary cooperation shown on this bill. Speakers have said this before, but I want to emphasize this: this may be

the most important thing we conclude in terms of important legislation for our country's sake as we wind down this session before Christmas. It is our intent to take a vote on this tomorrow and hopefully ask the other body to move on it very quickly.

Ms. JACKSON-LEE of Texas. Mr. Speaker, I would also like to thank House Energy and Commerce Committee Chairman BILLY TAUZIN and Ranking Member JOHN DINGELL for this important bi-partisan legislation, H.R. 3448, so that we can fulfill our promise to the American people in terms of preparedness against bioterrorism.

For weeks, the House Energy and Commerce Committee worked tirelessly to strengthen our public health infrastructure at the national, state and local levels to better protect our Nation and our people. This legislation is the fruit of those efforts.

As a Member of the Homeland Security Task Force and as Vice-Chair of the Domestic Law Enforcement Working Group, I fully appreciate and respect the legislative effort before us. This balanced legislation, while by no means a complete fix to our problem of bioterrorism and homeland security, is an excellent beginning.

The Act broadly authorizes funds for planning, preparation, and response, and places particular emphasis on the state and local level. Importantly, the resources provided in this Act will go directly to those in the front lines who need them the most.

Specifically, the Act authorizes more than $1 billion in grants to states, local governments, and other public and private health care facilities and other entities to improve planning and preparedness activities, enhance laboratory capacity, educate and train health care personnel, and to develop new drugs, therapies, and vaccines.

The Act authorizes $450 million for the Centers for Disease Control and Prevention to upgrade their own capacities to deal with public health threats, to renovate their facilities and to improve their security. It also authorizes more than $1 billion for the Secretary of Health and Human Services to expand our current national stockpiles of medicines and other supplies, including the purchase of additional smallpox vaccines.

The Act also establishes a national database of dangerous pathogens, and imposes new registration requirements on all possessors of the 36 most deadly biological agents and toxins and mandates tough new safety and security requirements.

Furthermore, the Act contains new protections for our Nation's food supply by increasing by $100 million FDA resources to enable the Secretary to hire more inspectors at our borders and develop new methods to detect contaminated foods.

Finally, the Act provides greater protections against chemical, biological or radiological attacks on our drinking water by authorizing over $100 million for the development of vulnerability analyses and emergency response plans for our drinking water systems.

This legislation is greatly needed now. As Members of Congress, entrusted with the security of our great Nation, our greatest responsibility is to provide the tools needed to get the job done. This legislation does that.

I urge my colleagues to support it.

Mrs. MCCARTHY of Missouri. Mr. Speaker, I rise in favor of the Public Health Security and Bioterrorism Response Act of 2001. In the three months since September 11, Congress has passed important legislation, including an Emergency Supplemental Appropriations package, an airline safety bill, and the war powers resolution to assist in the recovery, rebuilding, and protection of our homeland. The Public Health Security and Bioterrorism Response Act will contribute to the protection of our country and is critical to preparing the first responders for biological and chemical events.

This fall, I have held two conversations with the community in Kansas City. More than 250 citizens, including police, fire, emergency medical, public health, and government officials exchanged important ideas on how to secure proper communication systems for emergency response action in the event of a crisis. These first responders expressed that the current public health resources are not sufficient to protect the city in the face of a bioterrorist attack. The Public Health Security and Bioterrorism Response Act of 2001 authorizes $2.69 billion for national, state, and local efforts to be prepared for bioterrorism and other public health emergencies. This bill will provide money to the local communities and will give them the flexibility they desire in determining its use. Section 106, amending Section 319H (a), page 33, states that ''the Secretary may make awards of grants and cooperative agreements to appropriate public and nonprofit private health or education entities . . . for the purpose of providing low-interest loans, partial scholarships, partial fellowships, revolving loan funds, or other cost-sharing forms of assistance for the education and training of individuals in any category of health professions for which there is a shortage that the Secretary determines should be alleviated in order to prepare for or respond effectively to bioterrorism and other public health emergencies.''

This legislation is specifically designed for the first responders. As it states in Section 108, this law will protect those who ''Respond to a bioterrorist attack, including the provision of appropriate safety and health training and protective measures for medical, emergency service, and other personnel responding to such attacks.

In a bistate community such as the metropolitan Kansas City Area a community wide response is needed to protect our citizens. Fortunately in my community, the Mid America Regional Council's Metropolitan Medical Response System (MMRS) is a role model for our nation to follow. In light of the horrific attacks on our country and the ongoing biological and chemical threats facing our citizens this bill addresses the needs of a metropolitan area through Sec. 108, page 40, line 6, ''(A) developing community wide plans involving the public and private health care infrastructure to respond to bioterrorism or other public health emergencies, which are coordinated with the capacities of applicable national, State, and local health agencies.''

These resources are essential in building our public health infrastructure and will allow for not only the upgrading of the Centers of Disease Control and Prevention and the purchase of the smallpox vaccine, but also grants for local communities to develop and implement emergency plans, the education of health care personnel, and the continuation of state and local preparedness activities. Due to this legislation, local governments across the country will receive increased funds and will be better prepared to meet their communities' public health needs.

Protection of the food supply and the security and safety of our drinking water are national concerns that are also addressed in this comprehensive bill. These include assessments of the threats to the food and water supplies, increased inspection of imported food, improved information management systems, and the development of rapid detection inspection methods. The Public Health Security and Bioterrorism Response Act of 2001 once implemented by our local public health and safety authorities will help to alleviate the fears of contamination of our food and water supplies.

Thank you Chairman TAUZIN and Ranking Member, Mr. DINGELL, for constructing this bipartisan bill. I fully support the passage of this legislation and am confident that it will contribute to the amplification of the public health infrastructure and local bioterrorism preparedness.

Mr. MARKEY. Mr. Speaker, I rise in support of the Public Health Security and Bioterrorism Response Act of 2001. This strong bipartisan effort increases funding for important public health response in the event of a bioterrorist attacks, and ultimately will help thousands of lives beyond those potentially threatened by bioterrorism. Today bioterrorism calls us to arms—but let us not forget that improving the public health system serves to protect against the more common but equally devastating threat of infectious disease—these illnesses end the lives of thousands of Americans daily and continue to be the third leading cause of death in the United States. This bill is a positive step forward in addressing this ongoing problem by improving our currently underfunded public health system.

I am especially pleased that the bill includes provisions aimed at increasing stockpiles of potassium iodide as a public health response in the event of a successful terrorist attack on or accident at a nuclear power plant as well as provisions establishing new registration requirements and new rules limiting access to, and improving usage procedures for ''select agents.''

Potassium iodide is to radiation exposure of the thyroid what Cipro is to Anthrax. Since potassium iodide must be taken within a few hours of exposure to radioactive iodine to be effective, it needs to be easily obtained by the people who live close to a nuclear reactor. While this provision doesn't go as far as I would personally prefer, it represents a good first step towards distributing stockpiles of this substance to local public health officials without requiring a formal request from the States. I look forward to improving this provision as this bill moves through the legislative process.

Under the compromise provision I worked out with the sponsors of this bill, the Secretary of Health and Human Services would be required to make potassium iodide available to State and local governments for stockpiling and distribution to public facilities, such as schools and hospitals, within 20 miles of every nuclear power plant in the United States. Potassium iodide has been proven to protect the thyroid gland from diseases caused by exposure to radioactive iodine released during a nuclear catastrophe. Children are most vulnerable to radiation-induced thyroid diseases because their thyroid glands are very active. To receive the drug, State and local governments

must submit a plan for distribution and utilization of the tablets in the event of a nuclear incident. While I personally would like to see much larger stockpiles that would cover populations even further from the reactor, funding limitations and other factors did not make that possible at this juncture. I remain hopeful, however, that we can build on this first step so that we have a strong, public-health based program in place that assures that all citizens that may need potassium iodide in a crisis will be able to get it in a timely fashion.

I also applaud the inclusion of other provisions amending a 1996 bioterrorism law I had co-authored which required facilities that transfer potentially lethal biologic agents to register with the Centers for Disease Control (CDC). Today's bill expands the requirements for registration with the CDC by requiring all facilities that possess any one of a series of select agents to register with the CDC and establishes new criminal offenses involving the handling of these agents.

The Public Health Security and Bioterrorism Act of 2001 is a strong, bipartisan step towards protecting the public from the threat of bioterrorism or nuclear terrorism. I urge your support of this bill.

Mr. BUYER. Mr. Speaker, I rise in support of the Public Health Security and Bioterrorism Response Act. This legislation will strengthen our ability to conduct a war against terrorism, whether with biological, chemical, or radiological agents.

I am particularly pleased that this legislation contains a version of legislation I introduced to provide health professionals with access to the very best information we have for treatment of injuries or diseases from weapons of mass destruction or natural disasters. Our health care professionals are not resourced or trained with the proper tools to detect, diagnose, and treat casualties in the face of biological, chemical and radiological weapons.

The very best information we have for medical treatment of injuries or diseases as a result of these weapons currently resides with the Department of Defense and the Department of Veterans Affairs. There is no need to reinvent the wheel with regard to medical knowledge on weapons of mass destruction. It currently resides with the federal government. We have an obligation to get this information into the hands of all medical professionals who need it.

Section 105 of this bill directs the Secretary of Health and Human Services to develop and provide educational material to health professionals for the response to weapons of mass destruction. The Department of Defense and Department of Veterans Affairs have seats at the table with the Secretary in this program.

It is my intent with this Section that the educational material and curriculum that already exist within DOD and VA be adapted and provided to health professionals in civilian settings. We cannot afford to assume that our country will never have to experience a massive biological, chemical, or radiological attack. The combination of DOD's expertise in the field of treating casualties resulting from an unconventional attack and the VA's infrastructure of 171 medical centers, 800 clinics, satellite broadcasting capabilities and a preexisting affiliation with 107 medical schools should enable current and future medical professions in this entire country to become knowledgeable and medically competent in the treatment of casualties of weapons of mass destruction.

Health care providers all across the country are not looking for anthrax, botulism, smallpox, and other such diseases. You do not diagnose what you have not been training to see. Now medical professionals will be trained to see and treat injuries or diseases from unconventional sources.

Let me also take a moment to explain what this provision does not do. It does not establish a federal curriculum for medical schools. It does not mandate that medical schools teach particular educational material. It does not set any new community standard with regard to health care and practice.

What I am interested in doing is sharing the information that is readily available through DOD and the VA with the civilian health care community. Our civilian health care system must develop effective, practical responses to these deadly weapons. It must do this through planning, training, preparation for future terrorist attacks. Section 105 will help.

Mr. Speaker, I would also like to briefly express my view regarding Title III of this bill, which addresses the security of our food, especially imported food. While I am pleased that this legislation pays special attention to the security of our food sources, let me be clear that I will encourage the Secretary of HHS to exempt small businesses, and farms from the registration or the recordkeeping requirements of Title III. While I understand the bill exempts farms from recordkeeping, I do think that it is not necessary for American farmers to register with the Secretary of HHS as suppliers of food. Furthermore, I do not think that small retail food establishments, those in smaller rural communities, or those that serve a particular niche in a larger community should be required to register. To me, this is common sense, and I will be urging this approach to the Secretary.

This is a good measure that the Committee has worked very hard to produce and I urge the passage of the bill.

Mr. GILLMOR. Mr. Speaker, I rise in support of this anti-terror legislation and urge all my colleagues to vote in support of it.

Three months ago, to the date, our country was reminded that freedom is not free. It is a painful lesson, but one from which we have learned in the past and one we should never forget.

On one of the buildings here in Washington lies the inscription of John Philpot Curran's famous quote: ''Eternal vigilance is the price of liberty.'' The legislation before us establishes the first down payment on securing our borders. I want to congratulate Chairman TAUZIN and the distinguished Ranking Member, JOHN DINGELL, for their vision on this project, as well as all the other subcommittee chairs, their ranking members and the committee staff for its hard work.

As Chairman of the House Subcommittee on Environment and Hazardous Materials, which has jurisdiction over hazardous chemicals and drinking water, I am particularly pleased with many of the sections in this bill. Our committee has been researching and evaluating over the last couple of months to come up with a reasoned and responsible approach. We have worked hard to encourage improvement in places that needed it and avoided either slowing or punishing those who have taken pro-active steps to secure our public's health and its environment.

For starters, Title II of this bill closes current reporting loopholes for those people either receiving or transporting select, dangerous toxic agents. Now, not only will there be an established screening process to keep suspected criminals or terrorists away from these chemicals, but all people who possess these chemicals must report that they have them to the Federal government.

In addition, Title III of our legislation provides new procedures to assess and detect efforts to intentionally harm our food and its delivery system. The legislation calls for advance notice of food coming into the country, extra maintenance of shipping records, and grants new authorities and money to the Federal government to commission food inspectors to handle any manpower shortages.

Finally, Title IV addresses the crucial issue of protecting our nation's drinking water. It encourages water systems to assess their vulnerabilities, come up with a response plan, and take any necessary actions to secure their facilities. Next, it calls for a review of current methods to diminish threats as well as for biomedical research on chemical, biological, and radiological contaminants. And on the issue of unfunded mandates, this title provides the funding to communities to make requirements become realities.

Mr. Speaker, again, I thank you for this time to speak in favor of this bill and I urge all my colleagues to support it. As I mentioned at the beginning of my remarks, freedom is not free. We can take the step of learning from September 11 and prepare for the future. Or, we can hold our breath and ''wait for the other shoe to drop.'' I hope we will all decide to be vigilant.

Ms. SLAUGHTER. Mr. Speaker, I rise today in strong support of the Public Health Security and Bioterrorism Response Act.

Three months ago, our Nation was the victim of a vicious and unprincipled terrorist attack. Thousands of innocent Americans perished in New York, Virginia, and Pennsylvania. We owe it to the victims, survivors, and their families to ensure that this terrible tragedy cannot be repeated.

The Public Health Security and Bioterrorism Response Act is an important step toward guaranteeing the safety and security of all our citizens. This bill will make major strides in protecting our food supply and our water supply. It will allow the government to track the movement of deadly biological agents and toxins, such an anthrax. And perhaps most importantly, it will significantly upgrade our public health infrastructure to allow for coordination, information sharing, and dissemination of crucial data.

I would like to extend my personal gratitude to Commerce Committee Chairman BILLY TAUZIN and Ranking Member JOHN DINGELL for including in this package numerous provisions from by bill, H.R. 3106, the Protecting America's Children Against Terrorism Act. I was proud to sponsor this bill along with my colleague from New York, Senator HILLARY RODHAM CLINTON. Significant portions of this legislation were also included in the Senate's bioterrorism package, S. 1756.

The Public Health Security and Bioterrorism Response Act includes portions of H.R. 3106 addressing: The establishment of an advisory committee on children and terrorism; Training for health care personnel to meet the needs of children in the event of a public health emergency; Increased research on issues such as

the proper dosages of vaccines and antidotes for children; and The inclusion of pediatric supplies and equipment in the National Pharmaceutical Stockpile Program.

These provisions are crucial to ensure that our nation is prepared to care for children in the event of any type of public health emergency. The events of September 11 revealed to us the gaps in our systems for dealing with such an emergency; it is our duty to address those needs before we are called upon to respond again.

Mr. Speaker, I fully support the Public Health Security and Bioterrorism Response Act and urge my colleagues to do the same.

Mr. UPTON. Mr. Speaker, I rise in strong support of the Public Health Security and Bioterrorism Response Act. Just as the horrendous terrorist attacks of September 11th brought home to Americans the cruel face of hate, fanaticism, and outright evil and the need to wage war on international terrorism, so the anthrax attacks have brought home to us our vulnerability to bioterrorism attacks on our homefront.

What was perhaps an abstract concern has become very, very real. I have traveled home to my district every week since September 11th, and I have heard the real fear in mothers' and fathers' voices and in the questions children ask me when I visit with them in their schools. Will we be ready should our communities suffer anthrax or smallpox attacks? Will we have the vaccines and antibiotics we need? Will emergency response teams and emergency medical services be ready to swing quickly into action? Will our health professionals be trained to recognize symptoms and quickly communicate suspicious outbreaks?

While home in Michigan, I have also met with emergency response teams at the local and state levels. While they are doing their best to prepare coordinated responses to worst-case scenarios, they need better tools—better weapons in their armories—to meet the threat of bioterrorist attacks.

Enacting the comprehensive, bipartisan bill before us today will go a long way in giving my local communities, my state, and this nation the tools and infrastructure needed to assure individuals and families and communities across the nation that we will have the strongest possible defense against potential acts and the ability to respond quickly and effectively should an attack nevertheless succeed.

Specifically, this bill will provide the funds necessary to substantially upgrade the Centers for Disease Control and Prevention's laboratories, facilities and communications capacities, as well as our state and local public health department's capabilities. It will create a national stockpile of vaccines, biologics, drugs, and medical devices to meet the health security needs of our people. The bill recognizes the enormous challenges that not only the CDC, but also the Food and Drug Administration must meet if we are to be prepared with sufficient vaccines and effective antibiotics. It provides the FDA with the authorities needed to meet those challenges without compromising public health. This bill will also slam shut some gaping loopholes in our regulation of the possession of chemical and biological agents that could be used to launch attacks. And it provides comprehensive protection for our drinking water and food supplies.

I am proud, not only as a Member of Congress, but also as a husband and father and community leader to be an original cosponsor of the Public Health Security and Bioterrorism Response Act of 2001. With the passage and enactment of this bill, we can say "YES" when a parent, a student, or a local community leader asks us if we are prepared for bioterrorism.

Ms. HARMAN. Mr. Speaker, I rise in strong support of the Public Health Security and Bioterrorism Response Act of 2001, and I commend Chairman TAUZIN and Ranking Member DINGELL for their leadership in fashioning this bipartisan measure. This important piece of legislation will take the first step toward ensuring that we will be able to prevent—and better respond to—any future bioterrorist attack.

The National Commission on Terrorism, on which I served last year, concluded that it is not a matter of if a bioterrorist attack will occur, but only a question of when. We saw that expectation realized in October and November, when anthrax-laden letters caused the death of six Americans. And we will likely see it happen again.

Substantial evidence exists that al Qaeda and rogue states like Iraq have attempted to acquire biological agents, and they have certainly proven their ability to inflict mass death on the United States. the treat of bioterrorism is real, and our nation must be prepared to respond to any eventuality.

Our Government's response to the bioterrorist attacks of October was deeply flawed. We have talented people and good plans, but we have been lacking the resources and coordination to make our response effective. We must act now to improve our terrorism response, before another tragedy occurs.

This legislation improves the coordination and capacity of bioterrorism response, the security of biological agents, and the safety of our food and water supplies. It makes a substantial investment in programs that fund communications systems, laboratory improvements, and training programs across the nation.

Most important, the bill directs this investment to the state and local governments that need it most. All terrorism response is local, but in the past far too much of our counterterrorism funding has remained at the federal level. This bill will begin to correct this deficiency.

I am particularly glad that this bill includes funds to speed up the renovation of CDC's buildings and facilities. I have visited to the Centers for Disease Control and Prevention in Atlanta and seen talented people working in shabby conditions. This legislation will invest $300 million in each of the next two years to improve the security of CDC facilities and construct much-needed research facilities. Improving our bioterrorism response must begin with the basics—and that means investing in critical infrastructure and facilities.

I am proud to cosponsor this legislation, and encourage all of my colleagues to support these needed measures.

Mr. TAUZIN. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TERRY). The question is on the motion offered by the gentleman from Louisiana (Mr. TAUZIN) that the House suspend the rules and pass the bill, H.R. 3448.

The question was taken.

The SPEAKER pro tempore. In the opinion of the Chair, two-thirds of those present have voted in the affirmative.

Mr. TAUZIN. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The SPEAKER pro tempore. Pursuant to clause 8 of rule XX and the Chair's prior announcement, further proceedings on this motion will be postponed.

DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE PROGRAMS ENHANCEMENT ACT OF 2001

Mr. SMITH of New Jersey. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 3447) to amend title 38, United States Code, to enhance the authority of the Secretary of Veterans Affairs to recruit and retain qualified nurses for the Veterans Health Administration, to provide an additional basis for establishing the inability of veterans to defray expenses of necessary medical care, to enhance certain health care programs of the Department of Veterans Affairs, and for other purposes.

The Clerk read as follows:

H.R. 3447

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the "Department of Veterans Affairs Health Care Programs Enhancement Act of 2001".

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.
Sec. 2. References to title 38, United States Code.

TITLE I—ENHANCEMENT OF NURSE RECRUITMENT AND RETENTION AUTHORITIES

Subtitle A—Recruitment Authorities

Sec. 101. Enhancement of employee incentive scholarship program.
Sec. 102. Enhancement of education debt reduction program.
Sec. 103. Report on requests for waivers of pay reductions for reemployed annuitants to fill nurse positions.

Subtitle B—Retention Authorities

Sec. 121. Additional pay for Saturday tours of duty for additional health care professionals in the Veterans Health Administration.
Sec. 122. Unused sick leave included in annuity computation of registered nurses within the Veterans Health Administration.
Sec. 123. Evaluation of Department of Veterans Affairs nurse managed clinics.
Sec. 124. Staffing levels for operations of medical facilities.
Sec. 125. Annual report on use of authorities to enhance retention of experienced nurses.
Sec. 126. Report on mandatory overtime for nurses and nursing assistants in Department of Veterans Affairs facilities.

Subtitle C—Other Authorities

Sec. 131. Organizational responsibility of the Director of the Nursing Service.
Sec. 132. Computation of annuity for part-time service performed by certain health-care professionals before April 7, 1986.

Sec. 133. Modification of nurse locality pay authorities.

Subtitle D—National Commission on VA Nursing

Sec. 141. Establishment of Commission.
Sec. 142. Duties of Commission.
Sec. 143. Reports.
Sec. 144. Powers.
Sec. 145. Personnel matters.
Sec. 146. Termination of Commission.

TITLE II—OTHER MATTERS

Sec. 201. Authority for Secretary of Veterans Affairs to provide service dogs for veterans with certain disabilities.
Sec. 202. Management of health care for certain low-income veterans.
Sec. 203. Maintenance of capacity for specialized treatment and rehabilitative needs of disabled veterans.
Sec. 204. Program for provision of chiropractic care and services to veterans.
Sec. 205. Funds for field offices of the Office of Research Compliance and Assurance.
Sec. 206. Major medical facility construction.
Sec. 207. Sense of Congress on special telephone services for veterans.
Sec. 208. Recodification of bereavement counseling authority and certain other health-related authorities.
Sec. 209. Extension of expiring collections authorities.
Sec. 210. Personal emergency response system for veterans with service-connected disabilities.
Sec. 211. One-year extension of eligibility for health care of veterans who served in Southwest Asia during the Persian Gulf War.

SEC. 2. REFERENCES TO TITLE 38, UNITED STATES CODE.

Except as otherwise expressly provided, whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

TITLE I—ENHANCEMENT OF NURSE RECRUITMENT AND RETENTION AUTHORITIES

Subtitle A—Recruitment Authorities

SEC. 101. ENHANCEMENT OF EMPLOYEE INCENTIVE SCHOLARSHIP PROGRAM.

(a) PERMANENT AUTHORITY.—(1) Section 7676 is repealed.

(2) The table of sections at the beginning of chapter 76 is amended by striking the item relating to section 7676.

(b) MINIMUM PERIOD OF DEPARTMENT EMPLOYMENT FOR ELIGIBILITY.—Section 7672(b) is amended by striking ''2 years'' and inserting ''one year''.

(c) SCHOLARSHIP AMOUNT.—Subsection (b) of section 7673 is amended—

(1) in paragraph (1), by striking ''for any 1 year'' and inserting ''for the equivalent of one year of full-time coursework''; and

(2) by striking paragraph (2) and inserting the following new paragraph (2):

''(2) in the case of a participant in the Program who is a part-time student, shall bear the same ratio to the amount that would be paid under paragraph (1) if the participant were a full-time student in the course of education or training being pursued by the participant as the coursework carried by the participant to full-time coursework in that course of education or training.''.

(d) LIMITATION ON PAYMENT.—Subsection (c) of section 7673 is amended to read as follows:

''(c) LIMITATIONS ON PERIOD OF PAYMENT.—(1) The maximum number of school years for which a scholarship may be paid under subsection (a) to a participant in the Program shall be six school years.

''(2) A participant in the Program may not receive a scholarship under subsection (a) for more than the equivalent of three years of full-time coursework.''.

(e) FULL-TIME COURSEWORK.—Section 7673 is further amended by adding at the end the following new subsection:

''(e) FULL-TIME COURSEWORK.—For purposes of this section, full-time coursework shall consist of the following:

''(1) In the case of undergraduate coursework, 30 semester hours per undergraduate school year.

''(2) In the case of graduate coursework, 18 semester hours per graduate school year.''.

(f) ANNUAL ADJUSTMENT OF MAXIMUM SCHOLARSHIP AMOUNT.—Section 7631 is amended—

(1) in subsection (a)(1), by striking ''and the maximum Selected Reserve member stipend amount'' and inserting ''the maximum Selected Reserve member stipend amount, the maximum employee incentive scholarship amount,''; and

(2) in subsection (b)—

(A) by redesignating paragraph (4) as paragraph (6); and

(B) by inserting after paragraph (3) the following new paragraph (4):

''(4) The term 'maximum employee incentive scholarship amount' means the maximum amount of the scholarship payable to a participant in the Department of Veterans Affairs Employee Incentive Scholarship Program under subchapter VI of this chapter, as specified in section 7673(b)(1) of this title and as previously adjusted (if at all) in accordance with this section.''.

(g) TECHNICAL AMENDMENTS.—Section 7631(b) is further amended by striking ''this subsection'' each place it appears and inserting ''this section''.

SEC. 102. ENHANCEMENT OF EDUCATION DEBT REDUCTION PROGRAM.

(a) PERMANENT AUTHORITY.—(1) Section 7684 is repealed.

(2) The table of sections at the beginning of chapter 76 is amended by striking the item relating to section 7684.

(b) ELIGIBLE INDIVIDUALS.—Subsection (a)(1) of section 7682 is amended—

(1) by striking ''under an appointment under section 7402(b) of this title in a position'' and inserting ''in a position (as determined by the Secretary) providing direct-patient care services or services incident to direct-patient care services''; and

(2) by striking ''(as determined by the Secretary)'' and inserting ''(as so determined)''.

(c) MAXIMUM DEBT REDUCTION AMOUNT.—Section 7683(d)(1) is amended—

(1) by striking ''for a year''; and

(2) by striking ''exceed—'' and all that follows through the end of the paragraph and inserting ''exceed $44,000 over a total of five years of participation in the Program, of which not more than $10,000 of such payments may be made in each of the fourth and fifth years of participation in the Program.''.

(d) ANNUAL ADJUSTMENT OF MAXIMUM DEBT REDUCTION PAYMENTS AMOUNT.—(1) Section 7631, as amended by section 101(f) of this Act, is further amended—

(A) in subsection (a)(1), by inserting before the period at the end of the first sentence the following: ''and the maximum education debt reduction payments amount''; and

(B) in subsection (b), by inserting after paragraph (4) the following new paragraph (5):

''(5) The term 'maximum education debt reduction payments amount' means the maximum amount of education debt reduction payments payable to a participant in the Department of Veterans Affairs Education Debt Reduction Program under subchapter VII of this chapter, as specified in section 7683(d)(1) of this title and as previously adjusted (if at all) in accordance with this section.''.

(2) Notwithstanding section 7631(a)(1) of title 38, United States Code, as amended by paragraph (1), the Secretary of Veterans Affairs shall not increase the maximum education debt reduction payments amount under that section in calendar year 2002.

(e) TEMPORARY EXPANSION OF INDIVIDUALS ELIGIBLE FOR PARTICIPATION IN PROGRAM.—(1) Notwithstanding section 7682(c) of title 38, United States Code, the Secretary of Veterans Affairs may treat a covered individual as being a recently appointed employee in the Veterans Health Administration under section 7682(a) of that title for purposes of eligibility in the Education Debt Reduction Program if the Secretary determines that the participation of the individual in the Program under this subsection would further the purposes of the Program.

(2) For purposes of this subsection, a covered individual is any individual otherwise described by section 7682(a) of title 38, United States Code, as in effect on the day before the date of the enactment of this Act, who—

(A) was appointed as an employee in a position described in paragraph (1) of that section, as so in effect, between January 1, 1999, and December 31, 2001; and

(B) is an employee in such position, or in another position described in paragraph (1) of that section, as so in effect, at the time of application for treatment as a covered individual under this subsection.

(3) The Secretary shall make determinations regarding the exercise of the authority in this subsection on a case-by-case basis.

(4) The Secretary may not exercise the authority in this subsection after June 30, 2002. The expiration of the authority in this subsection shall not affect the treatment of an individual under this subsection before that date as a covered individual for purposes of eligibility in the Education Debt Reduction Program.

(5) In this subsection, the term ''Education Debt Reduction Program'' means the Department of Veterans Affairs Education Debt Reduction Program under subchapter VII of chapter 76 of title 38, United States Code.

SEC. 103. REPORT ON REQUESTS FOR WAIVERS OF PAY REDUCTIONS FOR REEMPLOYED ANNUITANTS TO FILL NURSE POSITIONS.

(a) REPORT.—Not later than March 28 of each of 2002 and 2003, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives and to the National Commission on VA Nursing established under subtitle D a report describing each request of the Secretary, during the fiscal year preceding such report, to the Director of the Office of Personnel Management for the following:

(1) A waiver under subsection (i)(1)(A) of section 8344 of title 5, United States Code, of the provisions of such section in order to meet requirements of the Department of Veterans Affairs for appointments to nurse positions in the Veterans Health Administration.

(2) A waiver under subsection (f)(1)(A) of section 8468 of title 5, United States Code, of the provisions of such section in order to meet requirements of the Department for appointments to such positions.

(3) A grant of authority under subsection (i)(1)(B) of section 8344 of title 5, United States Code, for the waiver of the provisions of such section in order to meet requirements of the Department for appointments to such positions.

(4) A grant of authority under subsection (f)(1)(B) of section 8468 of title 5, United States Code, for the waiver of the provisions of such section in order to meet requirements of the Department for appointments to such positions.

(b) INFORMATION ON RESPONSES TO REQUESTS.—The report under subsection (a) shall specify for each request covered by the report—

(1) the response of the Director to such request; and

(2) if such request was granted, whether or not the waiver or authority, as the case may be, assisted the Secretary in meeting requirements of the Department for appointments to nurse positions in the Veterans Health Administration.

Subtitle B—Retention Authorities

SEC. 121. ADDITIONAL PAY FOR SATURDAY TOURS OF DUTY FOR ADDITIONAL HEALTH CARE PROFESSIONALS IN THE VETERANS HEALTH ADMINISTRATION.

(a) IN GENERAL.—Section 7454(b) is amended—

(1) by inserting ''(1)'' after ''(b)''; and

(2) by adding at the end the following new paragraph:

''(2) Health care professionals employed in positions referred to in paragraph (1) shall be entitled to additional pay on the same basis as provided for nurses in section 7453(c) of this title.''.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply with respect to pay periods beginning on or after the date of the enactment of this Act.

SEC. 122. UNUSED SICK LEAVE INCLUDED IN ANNUITY COMPUTATION OF REGISTERED NURSES WITHIN THE VETERANS HEALTH ADMINISTRATION.

(a) ANNUITY COMPUTATION.—Section 8415 of title 5, United States Code, is amended by adding at the end the following new subsection:

''(i) In computing an annuity under this subchapter, the total service of an employee who retires from the position of a registered nurse with the Veterans Health Administration on an immediate annuity, or dies while employed in that position leaving any survivor entitled to an annuity, includes the days of unused sick leave to the credit of that employee under a formal leave system, except that such days shall not be counted in determining average pay or annuity eligibility under this subchapter.''.

(b) DEPOSIT NOT REQUIRED.—Section 8422(d) of such title is amended—

(1) by inserting ''(1)'' before ''Under such regulations''; and

(2) by adding at the end the following:

''(2) Deposit may not be required for days of unused sick leave credited under section 8415(i).''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect 60 days after the date of the enactment of this Act and shall apply to individuals who separate from service on or after that effective date.

SEC. 123. EVALUATION OF DEPARTMENT OF VETERANS AFFAIRS NURSE MANAGED CLINICS.

(a) EVALUATION.—The Secretary of Veterans Affairs shall carry out an evaluation of the efficacy of the nurse managed health care clinics of the Department of Veterans Affairs. The Secretary shall complete the evaluation not later than 18 months after the date of the enactment of this Act.

(b) CLINICS TO BE EVALUATED.—(1) In carrying out the evaluation under subsection (a), the Secretary shall consider nurse managed health care clinics, including primary care clinics and geriatric care clinics, located in three different geographic service areas of the Department.

(2) If there are not nurse managed health care clinics located in three different geographic service areas as of the commencement of the evaluation, the Secretary shall—

(A) establish nurse managed health care clinics in additional geographic service areas such that there are nurse managed health care clinics in three different geographic service areas for purposes of the evaluation; and

(B) include such clinics, as so established, in the evaluation.

(c) MATTERS TO BE EVALUATED.—In carrying out the evaluation under subsection (a), the Secretary shall address the following:

(1) Patient satisfaction.

(2) Provider experiences.

(3) Cost of care.

(4) Access to care, including waiting time for care.

(5) The functional status of patients receiving care.

(6) Any other matters the Secretary considers appropriate.

(d) REPORT.—Not later than 18 months after the date of the enactment of this Act, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives a report on the evaluation carried out under subsection (a). The report shall address the matters specified in subsection (c) and include any other information, and any recommendations, that the Secretary considers appropriate. The Secretary shall provide a copy of the report to the National Commission on VA Nursing established under subtitle D.

SEC. 124. STAFFING LEVELS FOR OPERATIONS OF MEDICAL FACILITIES.

(a) IN GENERAL.—Section 8110(a) is amended—

(1) in paragraph (1), by inserting after ''complete care of patients,'' in the fifth sentence the following: ''and in a manner consistent with the policies of the Secretary on overtime,''; and

(2) in paragraph (2)—

(A) by inserting '', including the staffing required to maintain such capacities,'' after ''all Department medical facilities'';

(B) by striking ''and to minimize'' and inserting '', to minimize''; and

(C) by inserting before the period the following: '', and to ensure that eligible veterans are provided such care and services in an appropriate manner''.

(b) NATIONWIDE POLICY ON STAFFING.—Paragraph (3) of that section is amended—

(1) in subparagraph (A), by inserting ''the adequacy of staff levels for compliance with the policy established under subparagraph (C),'' after ''regarding''; and

(2) by inserting after subparagraph (B) the following new subparagraph:

''(C) The Secretary shall, in consultation with the Under Secretary for Health, establish a nationwide policy on the staffing of Department medical facilities in order to ensure that such facilities have adequate staff for the provision to veterans of appropriate, high-quality care and services. The policy shall take into account the staffing levels and mixture of staff skills required for the range of care and services provided veterans in Department facilities.''.

SEC. 125. ANNUAL REPORT ON USE OF AUTHORITIES TO ENHANCE RETENTION OF EXPERIENCED NURSES.

(a) ANNUAL REPORT.—(1) Subchapter II of chapter 73 is amended by adding at the end the following new section:

''§ 7324. Annual report on use of authorities to enhance retention of experienced nurses

''(a) ANNUAL REPORT.—Not later than January 31 each year, the Secretary, acting through the Under Secretary for Health, shall submit to Congress a report on the use during the preceding year of authorities for purposes of retaining experienced nurses in the Veterans Health Administration, as follows:

''(1) The authorities under chapter 76 of this title.

''(2) The authority under VA Directive 5102.1, relating to the Department of Veterans Affairs nurse qualification standard, dated November 10, 1999, or any successor directive.

''(3) Any other authorities available to the Secretary for those purposes.

''(b) REPORT ELEMENTS.—Each report under subsection (a) shall specify for the period covered by such report, for each Department medical facility and for each geographic service area of the Department, the following:

''(1) The number of waivers requested under the authority referred to in subsection (a)(2), and the number of waivers granted under that authority, to promote to the Nurse II grade or Nurse III grade under the Nurse Schedule under section 7404(b)(1) of this title any nurse who has not completed a baccalaureate degree in nursing in a recognized school of nursing, set forth by age, race, and years of experience of the individuals subject to such waiver requests and waivers, as the case may be.

''(2) The programs carried out to facilitate the use of nursing education programs by experienced nurses, including programs for flexible scheduling, scholarships, salary replacement pay, and on-site classes.''.

(2) The table of sections at the beginning of chapter 73 is amended by inserting after the item relating to section 7323 the following new item:

''7324. Annual report on use of authorities to enhance retention of experienced nurses.''.

(b) INITIAL REPORT.—The initial report required under section 7324 of title 38, United States Code, as added by subsection (a), shall be submitted to the National Commission on VA Nursing established under subtitle D as well as to Congress.

SEC. 126. REPORT ON MANDATORY OVERTIME FOR NURSES AND NURSING ASSISTANTS IN DEPARTMENT OF VETERANS AFFAIRS FACILITIES.

(a) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Veterans Affairs shall submit to the Committees on Veterans' Affairs of the Senate and the House of Representatives and to the National Commission on VA Nursing established under subtitle D a report on the mandatory overtime required of licensed nurses and nursing assistants providing direct patient care at Department of Veterans Affairs medical facilities during 2001.

(b) MANDATORY OVERTIME.—For purposes of the report under subsection (a), mandatory overtime shall consist of any period in which a nurse or nursing assistant is mandated or otherwise required, whether directly or indirectly, to work or be in on-duty status in excess of—

(1) a scheduled workshift or duty period;

(2) 12 hours in any 24-hour period; or

(3) 80 hours in any period of 14 consecutive days.

(c) ELEMENTS.—The report under subsection (a) shall include the following:

(1) A description of the amount of mandatory overtime described in that subsection at each Department medical facility during the period covered by the report.

(2) A description of the mechanisms employed by the Secretary to monitor overtime of the nurses and nursing assistants referred to in that subsection.

(3) An assessment of the effects of the mandatory overtime of such nurses and nursing

assistants on patient care, including any reported association with medical errors.

(4) Recommendations regarding mechanisms for preventing mandatory overtime in other than emergency situations by such nurses and nursing assistants.

(5) Any other matters that the Secretary considers appropriate.

Subtitle C—Other Authorities

SEC. 131. ORGANIZATIONAL RESPONSIBILITY OF THE DIRECTOR OF THE NURSING SERVICE.

Section 7306(a)(5) is amended by inserting ''and report directly to,'' after ''responsible to''.

SEC. 132. COMPUTATION OF ANNUITY FOR PART-TIME SERVICE PERFORMED BY CERTAIN HEALTH-CARE PROFESSIONALS BEFORE APRIL 7, 1986.

Section 7426 is amended by adding at the end the following new subsection:

''(c) The provisions of subsection (b) shall not apply to the part-time service before April 7, 1986, of a registered nurse, physician assistant, or expanded-function dental auxiliary. In computing the annuity under the applicable provision of law specified in that subsection of an individual covered by the preceding sentence, the service described in that sentence shall be credited as full-time service.''.

SEC. 133. MODIFICATION OF NURSE LOCALITY PAY AUTHORITIES.

Section 7451 is amended—

(1) in subsection (d)(3)—

(A) in subparagraph (A), by striking ''beginning rates of'' each place it appears;

(B) in subparagraph (B), by striking ''beginning rates of'' the first place it appears; and

(C) in subparagraph (C)(i), by striking ''beginning rates of'' each place it appears;

(2) in subsection (d)(4)—

(A) by striking ''or at any other time that an adjustment in rates of pay is scheduled to take place under this subsection'' in the first sentence; and

(B) by striking the second sentence; and

(3) in subsection (e)(4)—

(A) in subparagraph (A), by striking ''grade in a'';

(B) in subparagraph (B)—

(i) by striking ''grade of a''; and

(ii) by striking ''that grade'' and inserting ''that position''; and

(C) in subparagraph (D), by striking ''grade of a''.

Subtitle D—National Commission on VA Nursing

SEC. 141. ESTABLISHMENT OF COMMISSION.

(a) ESTABLISHMENT.—There is hereby established in the Department of Veterans Affairs a commission to be known as the ''National Commission on VA Nursing'' (hereinafter in this subtitle referred to as the ''Commission'').

(b) COMPOSITION.—The Commission shall be composed of 12 members appointed by the Secretary of Veterans Affairs as follows:

(1) At least two shall be recognized representatives of employees (including nurses) of the Department of Veterans Affairs.

(2) At least one shall be a representative of professional associations of nurses of the Department or similar organizations affiliated with the Department's health care practitioners.

(3) At least one shall be a nurse from a nursing school affiliated with the Department of Veterans Affairs.

(4) At least two shall be representatives of veterans.

(5) At least one shall be an economist.

(6) The remainder shall be appointed in such manner as the Secretary considers appropriate.

(c) CHAIR OF COMMISSION.—The Secretary of Veterans Affairs shall designate one of the members of the Commission to chair the Commission.

(d) PERIOD OF APPOINTMENT; VACANCIES.—Members shall be appointed for the life of the Commission. Any vacancy in the Commission shall be filled in the same manner as the original appointment.

(e) INITIAL ORGANIZATION REQUIREMENTS.—All appointments to the Commission shall be made not later than 60 days after the date of the enactment of this Act. The Commission shall convene its first meeting not later than 60 days after the date as of which all members of the Commission have been appointed.

SEC. 142. DUTIES OF COMMISSION.

(a) ASSESSMENT.—The Commission shall—

(1) consider legislative and organizational policy changes to enhance the recruitment and retention of nurses and other nursing personnel by the Department of Veterans Affairs; and

(2) assess the future of the nursing profession within the Department.

(b) RECOMMENDATIONS.—The Commission shall recommend legislative and organizational policy changes to enhance the recruitment and retention of nurses and other nursing personnel in the Department.

SEC. 143. REPORTS.

(a) COMMISSION REPORT.—The Commission shall, not later than two years after the date of its first meeting, submit to Congress and the Secretary of Veterans Affairs a report on the Commission's findings and recommendations.

(b) SECRETARY OF VETERANS AFFAIRS REPORT.—Not later than 60 days after the date of the Commission's report under subsection (a), the Secretary shall submit to Congress a report—

(1) providing the Secretary's views on the Commission's findings and recommendations; and

(2) explaining what actions, if any, the Secretary intends to take to implement the recommendations of the Commission and the Secretary's reasons for doing so.

SEC. 144. POWERS.

(a) HEARINGS.—The Commission or, at its direction, any panel or member of the Commission, may, for the purpose of carrying out the provisions of this subtitle, hold hearings and take testimony to the extent that the Commission or any member considers advisable.

(b) INFORMATION.—The Commission may secure directly from any Federal department or agency information that the Commission considers necessary to enable the Commission to carry out its responsibilities under this subtitle.

SEC. 145. PERSONNEL MATTERS.

(a) PAY OF MEMBERS.—Members of the Commission shall serve without pay by reason of their work on the Commission.

(b) TRAVEL EXPENSES.—The members of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for employees of agencies under subchapter I of chapter 57 of title 5, United States Code, while away from their homes or regular places of business in the performance of services for the Commission.

(c) STAFF.—(1) The Secretary may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint a staff director and such additional personnel as may be necessary to enable the Commission to perform its duties.

(2) The Secretary may fix the pay of the staff director and other personnel appointed under paragraph (1) without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates, except that the rate of pay fixed under this paragraph for the staff director may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title and the rate of pay for other personnel may not exceed the maximum rate payable for grade GS–15 of the General Schedule.

(d) DETAIL OF GOVERNMENT EMPLOYEES.—Upon request of the Secretary, the head of any Federal department or agency may detail, on a nonreimbursable basis, any personnel of that department or agency to the Commission to assist it in carrying out its duties.

SEC. 146. TERMINATION OF COMMISSION.

The Commission shall terminate 90 days after the date of the submission of its report under section 143(a).

TITLE II—OTHER MATTERS

SEC. 201. AUTHORITY FOR SECRETARY OF VETERANS AFFAIRS TO PROVIDE SERVICE DOGS FOR VETERANS WITH CERTAIN DISABILITIES.

(a) AUTHORITY.—Section 1714 is amended—

(1) in subsection (b)—

(A) by striking ''seeing-eye or'' the first place it appears;

(B) by striking ''who are entitled to disability compensation'' and inserting ''who are enrolled under section 1705 of this title'';

(C) by striking '', and may pay'' and all that follows through ''such seeing-eye or guide dogs''; and

(D) by striking ''handicap'' and inserting ''disability''; and

(2) by adding at the end the following new subsections:

''(c) The Secretary may, in accordance with the priority specified in section 1705 of this title, provide—

''(1) service dogs trained for the aid of the hearing impaired to veterans who are hearing impaired and are enrolled under section 1705 of this title; and

''(2) service dogs trained for the aid of persons with spinal cord injury or dysfunction or other chronic impairment that substantially limits mobility to veterans with such injury, dysfunction, or impairment who are enrolled under section 1705 of this title.

''(d) In the case of a veteran provided a dog under subsection (b) or (c), the Secretary may pay travel and incidental expenses for that veteran under the terms and conditions set forth in section 111 of this title to and from the veteran's home for expenses incurred in becoming adjusted to the dog.''.

(b) CLERICAL AMENDMENTS.—(1) The heading for such section is amended to read as follows:

''§ 1714. Fitting and training in use of prosthetic appliances; guide dogs; service dogs''.

(2) The item relating to such section in the table of sections at the beginning of chapter 17 is amended to read as follows:

''1714. Fitting and training in use of prosthetic appliances; guide dogs; service dogs.''.

SEC. 202. MANAGEMENT OF HEALTH CARE FOR CERTAIN LOW-INCOME VETERANS.

(a) PRIORITY OF ENROLLMENT IN PATIENT ENROLLMENT SYSTEM.—Section 1705(a) is amended by striking paragraph (7) and inserting the following new paragraphs:

''(7) Veterans described in section 1710(a)(3) of this title who are eligible for treatment as a low-income family under section 3(b) of the United States Housing Act of 1937 (42 U.S.C. 1437a(b)) for the area in which such veterans reside, regardless of whether such veterans are treated as single person families under paragraph (3)(A) of such section 3(b) or as families under paragraph (3)(B) of such section 3(b).

''(8) Veterans described in section 1710(a)(3) of this title who are not covered by paragraph (7).''.

(b) REDUCED COPAYMENTS FOR CARE.—Subsection (f) of section 1710 is amended—

(1) in paragraph (1), by inserting ''or (4)'' after ''paragraph (2)'';

(2) by redesignating paragraph (4) as paragraph (5); and

(3) by inserting after paragraph (3) the following new paragraph (4):

''(4) In the case of a veteran covered by this subsection who is also described by section 1705(a)(7) of this title, the amount for which the veteran shall be liable to the United States for hospital care under this subsection shall be an amount equal to 20 percent of the total amount for which the veteran would otherwise be liable for such care under subparagraphs (2)(B) and (3)(A) but for this paragraph.''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on October 1, 2002.

SEC. 203. MAINTENANCE OF CAPACITY FOR SPECIALIZED TREATMENT AND REHABILITATIVE NEEDS OF DISABLED VETERANS.

(a) MAINTENANCE OF CAPACITY ON A GEOGRAPHIC SERVICE AREA BASIS.—Section 1706(b) is amended—

(1) in paragraph (1)—

(A) in the first sentence, by inserting ''(and each geographic service area of the Veterans Health Administration)'' after ''ensure that the Department''; and

(B) in clause (B), by inserting ''(and each geographic service area of the Veterans Health Administration)'' after ''overall capacity of the Department'';

(2) by redesignating paragraphs (2) and (3) as paragraphs (5) and (6), respectively; and

(3) by inserting after paragraph (1) the following new paragraphs;

''(2) For purposes of paragraph (1), the capacity of the Department (and each geographic service area of the Veterans Health Administration) to provide for the specialized treatment and rehabilitative needs of disabled veterans (including veterans with spinal cord dysfunction, traumatic brain injury, blindness, prosthetics and sensory aids, and mental illness) within distinct programs or facilities shall be measured for seriously mentally ill veterans as follows (with all such data to be provided by geographic service area and totaled nationally):

''(A) For mental health intensive community-based care, the number of discrete intensive care teams constituted to provide such intensive services to seriously mentally ill veterans and the number of veterans provided such care.

''(B) For opioid substitution programs, the number of patients treated annually and the amounts expended.

''(C) For dual-diagnosis patients, the number treated annually and the amounts expended.

''(D) For substance-use disorder programs—

''(i) the number of beds (whether hospital, nursing home, or other designated beds) employed and the average bed occupancy of such beds;

''(ii) the percentage of unique patients admitted directly to outpatient care during the fiscal year who had two or more additional visits to specialized outpatient care within 30 days of their first visit, with a comparison from 1996 until the date of the report;

''(iii) the percentage of unique inpatients with substance-use disorder diagnoses treated during the fiscal year who had one or more specialized clinic visits within three days of their index discharge, with a comparison from 1996 until the date of the report;

''(iv) the percentage of unique outpatients seen in a facility or geographic service area during the fiscal year who had one or more specialized clinic visits, with a comparison from 1996 until the date of the report; and

''(v) the rate of recidivism of patients at each specialized clinic in each geographic service area of the Veterans Health Administration.

''(E) For mental health programs, the number and type of staff that are available at each facility to provide specialized mental health treatment, including satellite clinics, outpatient programs, and community-based outpatient clinics, with a comparison from 1996 to the date of the report.

''(F) The number of such clinics providing mental health care, the number and type of mental health staff at each such clinic, and the type of mental health programs at each such clinic.

''(G) The total amounts expended for mental health during the fiscal year.

''(3) For purposes of paragraph (1), the capacity of the Department (and each geographic service area of the Veterans Health Administration) to provide for the specialized treatment and rehabilitative needs of disabled veterans within distinct programs or facilities shall be measured for veterans with spinal cord dysfunction, traumatic brain injury, blindness, or prosthetics and sensory aids as follows (with all such data to be provided by geographic service area and totaled nationally):

''(A) For spinal cord injury and dysfunction specialized centers and for blind rehabilitation specialized centers, the number of staffed beds and the number of full-time equivalent employees assigned to provide care at such centers.

''(B) For prosthetics and sensory aids, the annual amount expended.

''(C) For traumatic brain injury, the number of patients treated annually and the amounts expended.

''(4) In carrying out paragraph (1), the Secretary may not use patient outcome data as a substitute for, or the equivalent of, compliance with the requirement under that paragraph for maintenance of capacity.''.

(b) EXTENSION OF ANNUAL REPORT REQUIREMENT.—Paragraph (5) of such section, as so redesignated, is amended—

(1) by inserting ''(A)'' before ''Not later than'';

(2) by striking ''April 1, 1999, April 1, 2000, and April 1, 2001'' and inserting ''April 1 of each year through 2004'';

(3) by adding at the end of subparagraph (A), as designated by paragraph (1), the following new sentence: ''Each such report shall include information on recidivism rates associated with substance-use disorder treatment.''; and

(4) by adding at the end of such paragraph the following new subparagraphs:

''(B) In preparing each report under subparagraph (A), the Secretary shall use standardized data and data definitions.

''(C) Each report under subparagraph (A) shall be audited by the Inspector General of the Department, who shall submit to Congress a certification as to the accuracy of each such report.''.

SEC. 204. PROGRAM FOR PROVISION OF CHIROPRACTIC CARE AND SERVICES TO VETERANS.

(a) REQUIREMENT FOR PROGRAM.—Subject to the provisions of this section, the Secretary of Veterans Affairs shall carry out a program to provide chiropractic care and services to veterans through Department of Veterans Affairs medical centers and clinics.

(b) ELIGIBLE VETERANS.—Veterans eligible to receive chiropractic care and services under the program are veterans who are enrolled in the system of patient enrollment under section 1705 of title 38, United States Code.

(c) LOCATION OF PROGRAM.—The program shall be carried out at sites designated by the Secretary for purposes of the program. The Secretary shall designate at least one site for such program in each geographic service area of the Veterans Health Administration. The sites so designated shall be medical centers and clinics located in urban areas and in rural areas.

(d) CARE AND SERVICES AVAILABLE.—The chiropractic care and services available under the program shall include a variety of chiropractic care and services for neuro-musculoskeletal conditions, including subluxation complex.

(e) OTHER ADMINISTRATIVE MATTERS.—(1) The Secretary shall carry out the program through personal service contracts and by appointment of licensed chiropractors in Department medical centers and clinics.

(2) As part of the program, the Secretary shall provide training and materials relating to chiropractic care and services to Department health care providers assigned to primary care teams for the purpose of familiarizing such providers with the benefits of chiropractic care and services.

(f) REGULATIONS.—The Secretary shall prescribe regulations to carry out this section.

(g) CHIROPRACTIC ADVISORY COMMITTEE.—(1) The Secretary shall establish an advisory committee to provide direct assistance and advice to the Secretary in the development and implementation of the chiropractic health program.

(2) The membership of the advisory committee shall include members of the chiropractic care profession and such other members as the Secretary considers appropriate.

(3) Matters on which the advisory committee shall assist and advise the Secretary shall include the following:

(A) Protocols governing referral to chiropractors.

(B) Protocols governing direct access to chiropractic care.

(C) Protocols governing scope of practice of chiropractic practitioners.

(D) Definition of services to be provided.

(E) Such other matters the Secretary determines to be appropriate.

(4) The advisory committee shall cease to exist on December 31, 2004.

SEC. 205. FUNDS FOR FIELD OFFICES OF THE OFFICE OF RESEARCH COMPLIANCE AND ASSURANCE.

(a) IN GENERAL.—Section 7303 is amended by adding at the end the following new subsection:

''(e) Amounts for the activities of the field offices of the Office of Research Compliance and Assurance of the Department shall be derived from amounts appropriated for the Veterans Health Administration for Medical Care (rather than from amounts appropriated for the Veterans Health Administration for Medical and Prosthetic Research).''.

(b) APPLICABILITY TO FISCAL YEAR 2002.—In order to carry out subsection (e) of section 7303 of title 38, United States Code, as added by subsection (a), for fiscal year 2002, the Secretary of Veterans Affairs shall transfer such sums as necessary for that purpose from amounts appropriated for the Veterans Health Administration for Medical and Prosthetic Research for fiscal year 2002 to amounts appropriated for the Veterans Health Administration for Medical Care for that fiscal year.

SEC. 206. MAJOR MEDICAL FACILITY CONSTRUCTION.

(a) PROJECT AUTHORIZED.—The Secretary of Veterans Affairs may carry out a major medical facility project for the renovation from electrical fire of the Department of Veterans Affairs Medical Center, Miami, Florida, in an amount not to exceed $28,300,000.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the

Secretary of Veterans Affairs for the Construction, Major Projects Account, for fiscal year 2002, $28,300,000 for the project authorized by subsection (a).

(c) LIMITATION.—The project authorized by subsection (a) may only be carried out using—

(1) funds appropriated for fiscal year 2002 pursuant to the authorization of appropriations in subsection (b);

(2) funds appropriated for Construction, Major Projects, for a fiscal year before fiscal year 2002 that remain available for obligation; and

(3) funds appropriated for Construction, Major Projects, for fiscal year 2002 for a category of activity not specific to a project.

SEC. 207. SENSE OF CONGRESS ON SPECIAL TELEPHONE SERVICES FOR VETERANS.

It is the sense of Congress that the Secretary of Veterans Affairs should conduct an assessment of all special telephone services for veterans (such as help lines and hotlines) that are provided by the Department of Veterans Affairs and that any such assessment, if conducted, should include assessment of the geographical coverage, availability, utilization, effectiveness, management, coordination, staffing, and cost of those services and should include a survey of veterans to measure their satisfaction with current special telephone services and the demand for additional services.

SEC. 208. RECODIFICATION OF BEREAVEMENT COUNSELING AUTHORITY AND CERTAIN OTHER HEALTH-RELATED AUTHORITIES.

(a) STATUTORY REORGANIZATION.—Subchapter I of chapter 17 is amended—

(1) in section 1701(6)—

(A) by striking subparagraph (B) and the sentence following that subparagraph;

(B) by striking ''services—'' in the matter preceding subparagraph (A) and inserting ''services, the following:''; and

(C) by striking subparagraph (A) and inserting the following:

''(A) Surgical services.

''(B) Dental services and appliances as described in sections 1710 and 1712 of this title.

''(C) Optometric and podiatric services.

''(D) Preventive health services.

''(E) In the case of a person otherwise receiving care or services under this chapter—

''(i) wheelchairs, artificial limbs, trusses, and similar appliances;

''(ii) special clothing made necessary by the wearing of prosthetic appliances; and

''(iii) such other supplies or services as the Secretary determines to be reasonable and necessary.

''(F) Travel and incidental expenses pursuant to section 111 of this title.''; and

(2) in section 1707—

(A) by inserting ''(a)'' at the beginning of the text of the section; and

(B) by adding at the end the following:

''(b) The Secretary may furnish sensorineural aids only in accordance with guidelines prescribed by the Secretary.''.

(b) CONSOLIDATION OF PROVISIONS RELATING TO PERSONS OTHER THAN VETERANS.—Such chapter is further amended by adding at the end the following new subchapter:

''SUBCHAPTER VIII—HEALTH CARE OF PERSONS OTHER THAN VETERANS

''§ 1782. Counseling, training, and mental health services for immediate family members

''(a) COUNSELING FOR FAMILY MEMBERS OF VETERANS RECEIVING SERVICE-CONNECTED TREATMENT.—In the case of a veteran who is receiving treatment for a service-connected disability pursuant to paragraph (1) or (2) of section 1710(a) of this title, the Secretary shall provide to individuals described in subsection (c) such consultation, professional counseling, training, and mental health services as are necessary in connection with that treatment.

''(b) COUNSELING FOR FAMILY MEMBERS OF VETERANS RECEIVING NON-SERVICE-CONNECTED TREATMENT.—In the case of a veteran who is eligible to receive treatment for a non-service-connected disability under the conditions described in paragraph (1), (2), or (3) of section 1710(a) of this title, the Secretary may, in the discretion of the Secretary, provide to individuals described in subsection (c) such consultation, professional counseling, training, and mental health services as are necessary in connection with that treatment if—

''(1) those services were initiated during the veteran's hospitalization; and

''(2) the continued provision of those services on an outpatient basis is essential to permit the discharge of the veteran from the hospital.

''(c) ELIGIBLE INDIVIDUALS.—Individuals who may be provided services under this subsection are—

''(1) the members of the immediate family or the legal guardian of a veteran; or

''(2) the individual in whose household such veteran certifies an intention to live.

''(d) TRAVEL AND TRANSPORTATION AUTHORIZED.—Services provided under subsections (a) and (b) may include, under the terms and conditions set forth in section 111 of this title, travel and incidental expenses of individuals described in subsection (c) in the case of any of the following:

''(1) A veteran who is receiving care for a service-connected disability.

''(2) A dependent or survivor receiving care under the last sentence of section 1783(b) of this title.

''§ 1783. Bereavement counseling

''(a) DEATHS OF VETERANS.—In the case of an individual who was a recipient of services under section 1782 of this title at the time of the death of the veteran, the Secretary may provide bereavement counseling to that individual in the case of a death—

''(1) that was unexpected; or

''(2) that occurred while the veteran was participating in a hospice program (or a similar program) conducted by the Secretary.

''(b) DEATHS IN ACTIVE SERVICE.—The Secretary may provide bereavement counseling to an individual who is a member of the immediate family of a member of the Armed Forces who dies in the active military, naval, or air service in the line of duty and under circumstances not due to the person's own misconduct.

''(c) BEREAVEMENT COUNSELING DEFINED.—For purposes of this section, the term 'bereavement counseling' means such counseling services, for a limited period, as the Secretary determines to be reasonable and necessary to assist an individual with the emotional and psychological stress accompanying the death of another individual.

''§ 1784. Humanitarian care

''The Secretary may furnish hospital care or medical services as a humanitarian service in emergency cases, but the Secretary shall charge for such care and services at rates prescribed by the Secretary.''.

(c) TRANSFER OF CHAMPVA SECTION.—Section 1713 is—

(1) transferred to subchapter VIII of chapter 17 of title 38, United States Code, as added by subsection (b), and inserted after the subchapter heading;

(2) redesignated as section 1781; and

(3) amended by adding at the end of subsection (b) the following new sentence: ''A dependent or survivor receiving care under the preceding sentence shall be eligible for the same medical services as a veteran, including services under sections 1782 and 1783 of this title.''.

(d) REPEAL OF RECODIFIED AUTHORITY.—Section 1711 is amended by striking subsection (b).

(e) CROSS REFERENCE AMENDMENTS.—Title 38, United States Code, is further amended as follows:

(1) Section 103(d)(5)(B) is amended by striking ''1713'' and inserting ''1781''.

(2) Sections 1701(5) is amended by striking ''1713(b)'' in subparagraphs (B) and (C)(i) and inserting ''1781(b)''.

(3) Section 1712A(b) is amended—

(A) in the last sentence of paragraph (1), by striking ''section 1711(b)'' and inserting ''section 1784''; and

(A) in paragraph (2), by striking ''section 1701(6)(B)'' and inserting ''sections 1782 and 1783''.

(4) Section 1729(f) is amended by striking ''section 1711(b)'' and inserting ''section 1784''.

(5) Section 1729A(b) is amended—

(A) by redesignating paragraph (7) as paragraph (8); and

(B) by inserting after paragraph (6) the following new paragraph (7):

''(7) Section 1784 of this title.''.

(6) Section 8111(g) is amended—

(A) in paragraph (4), by inserting ''services under sections 1782 and 1783 of this title'' after ''of this title,''; and

(B) in paragraph (5), by striking ''section 1711(b) or 1713'' and inserting ''section 1782, 1783, or 1784''.

(7) Section 8111A(a)(2) is amended by inserting '', and the term 'medical services' includes services under sections 1782 and 1783 of this title'' before the period at the end.

(8) Section 8152(1) is amended by inserting ''services under sections 1782 and 1783 of this title,'' after ''of this title),''.

(9) Sections 8502(b), 8520(a), and 8521 are amended by striking ''the last sentence of section 1713(b)'' and inserting ''the penultimate sentence of section 1781(b)''.

(f) CLERICAL AMENDMENTS.—

(1) The table of sections at the beginning of such chapter is amended—

(A) by striking the item relating to section 1707 and inserting the following:

''1707. Limitations.'';

(B) by striking the item relating to section 1713; and

(C) by adding at the end the following:

''SUBCHAPTER VIII—HEALTH CARE OF PERSONS OTHER THAN VETERANS

''1781. Medical care for survivors and dependents of certain veterans.

''1782. Counseling, training, and mental health services for immediate family members.

''1783. Bereavement counseling.

''1784. Humanitarian care.''.

(2) The heading for section 1707 is amended to read as follows:

''§ 1707. Limitations''.

SEC. 209. EXTENSION OF EXPIRING COLLECTIONS AUTHORITIES.

(a) HEALTH CARE COPAYMENTS.—Section 1710(f)(2)(B) is amended by striking ''September 30, 2002'' and inserting ''September 30, 2007''.

(b) MEDICAL CARE COST RECOVERY.—Section 1729(a)(2)(E) is amended by striking ''October 1, 2002'' and inserting ''October 1, 2007''.

SEC. 210. PERSONAL EMERGENCY RESPONSE SYSTEM FOR VETERANS WITH SERVICE-CONNECTED DISABILITIES.

(a) EVALUATION AND STUDY.—The Secretary of Veterans Affairs shall carry out an evaluation and study of the feasibility and desirability of providing a personal emergency response system to veterans who have service-

connected disabilities. The evaluation and study shall be commenced not later than 60 days after the date of the enactment of this Act.

(b) REPORT.—Not later than 180 days after the date of the enactment of this Act, the Secretary shall submit to the Committees on Veterans' Affairs of the Senate and House of Representatives a report on the evaluation and study under subsection (a). The Secretary shall include in the report the Secretary's findings resulting from the evaluation and study and the Secretary's conclusion as to whether the Department of Veterans Affairs should provide a personal emergency response system to veterans with service-connected disabilities.

(c) AUTHORITY TO PROVIDE SYSTEM.—If the Secretary concludes in the report under subsection (b) that a personal emergency response system should be provided by the Department of Veterans Affairs to veterans with service-connected disabilities—

(1) the Secretary may provide such a system, without charge, to any veteran with a service-connected disability who is enrolled under section 1705 of title 38, United States Code, and who submits an application for such a system under subsection (d); and

(2) the Secretary may contract with one or more vendors to furnish such a system.

(d) APPLICATION.—A personal emergency response system may be provided to a veteran under subsection (c)(1) only upon the submission by the veteran of an application for the system. Any such application shall be in such form and manner as the Secretary may require.

(e) DEFINITION.—For purposes of this section, the term ''personal emergency response system'' means a device—

(1) that can be activated by an individual who is experiencing a medical emergency to notify appropriate emergency medical personnel that the individual is experiencing a medical emergency; and

(2) that provides the individual's location through a Global Positioning System indicator.

SEC. 211. ONE-YEAR EXTENSION OF ELIGIBILITY FOR HEALTH CARE OF VETERANS WHO SERVED IN SOUTHWEST ASIA DURING THE PERSIAN GULF WAR.

Section 1710(e)(3)(B) is amended by striking ''December 31, 2001'' and inserting ''December 31, 2002''.

The SPEAKER pro tempore. Pursuant to the rule, the gentleman from New Jersey (Mr. SMITH) and the gentleman from Illinois (Mr. Evans) each will control 20 minutes.

The Chair recognizes the gentleman from New Jersey (Mr. SMITH).

Mr. SMITH of New Jersey. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in strong support of H.R. 3447, the Department of Veterans Affairs Health Care Programs Enhancement Act of 2001. Although this bill was only recently introduced, it is the product of many months of work by both bodies. It is derived from the following bills: H.R. 2792 which passed the House on October 23; S. 1160; S. 1188; and S. 1221. The bill would accomplish improvements in health care and related services for our Nation's veterans.

The distinguished chairman of the Subcommittee on Health the gentleman from Kansas (Mr. MORAN) deserves special recognition for his original authorship of major components of this bill. I salute his leadership in formulating it for final House consideration in the first session of the 107th Congress. I also appreciate the hard work of our colleagues on the Senate Committee on Veterans' Affairs who have contributed major portions of this legislation as well.

Mr. Speaker, this bill would enhance nurse recruitment and staffing in the Department of Veterans Affairs health care system and improve VA health care for veterans. The bill would also authorize significant new veterans health care benefits, including VA chiropractic care for disabled veterans on a nationwide basis. This legislation would provide greater accountability in the conduct of VA health care programs and would give substantial relief from copayments now required of poor veterans in urban areas.

Mr. Speaker, all of these changes are good for veterans and they are good for the Nation. I anticipate that, after House passage, this bill will be taken up immediately by the Senate and passed without further amendment. It represents an agreement between the two Committees on Veterans' Affairs on these matters; and while it is a compromise on several House-authored provisions, we recommend it as sound, progressive policy.

Mr. Speaker, I want to thank our full committee ranking member the gentleman from Illinois (Mr. EVANS) for his close cooperation on this bipartisan bill. He is a valued partner as we work together to keep our great country's commitments to those men and women who have defended our precious freedoms. The gentleman from California (Mr. FILNER), the ranking member of our Subcommittee on Health, has also worked hard on this bill, in particular for the new chiropractic care services for our veterans. I thank him for his contributions as well.

The leadership on both sides of the aisle have facilitated the clearance for consideration of this bill, which the committee also deeply appreciates. I want to especially thank the majority leader, the gentleman from Texas (Mr. ARMEY), for facilitating that as well. We were able to work through this process in remarkably short order because our House leadership continues to make veterans issues a priority.

Mr. Speaker, I urge all of my colleagues to support this measure. It has broad backing and sends the right message: Congress will be attentive to the people's business and stand by those courageous men and women who have answered the call to arms.

Mr. Speaker, I reserve the balance of my time.

Mr. EVANS. Mr. Speaker, I yield myself such time as I may consume.

(Mr. EVANS asked and was given permission to revise and extend his remarks, and include extraneous material.)

Mr. EVANS. Mr. Speaker, I rise in support of this legislation. I want to thank the chairman again, the gentleman from New Jersey, who has been a long and undeterred advocate for this legislation. I want to thank the gentleman from Kansas (Mr. MORAN) and the gentleman from California (Mr. FILNER), the chairman and ranking member of the Subcommittee on Health, for their continuing work on the complex issues in this bill. I want to particularly recognize the abiding interest of the gentlewoman from California (Mrs. CAPPS) in ensuring better access to health care services for our veterans. At her urging, we have included a comprehensive study of telephone services available through the Department.

I also want to express my appreciation to members of the committee staff on both sides of the aisle for their persistence in reaching a good compromise on this bill.

For many years, I have strongly advocated the provision of chiropractic care as an alternative source of health care for veterans. Medicare, most State Medicaid programs, and the Department of Defense have developed means of reimbursing or even, in the latter case, hiring chiropractors to meet their beneficiaries' needs. VA, unfortunately, has been slower to adopt chiropractic care. As a result, the legislation requires VA to have a permanent, national chiropractic program; and I trust VA will now ensure that veterans are better able to access these important services.

The chairman mentioned the nurses that are the backbone of any health care system. We also listed them. I want to thank the gentleman from New Mexico (Mr. UDALL) for introducing H.R. 3017, which contains many of the nurse recruitment and retention provisions that have been included in this bill.

This bill recognizes that income alone is not a fair measure of a veteran's standard of living because of geographic cost-of-living differences, which can be significant. Veterans in the Chicago area, for example, may not be able to stretch their dollars as far as veterans in lower-cost areas. I am pleased that, in recognition of these differing costs of living, this bill will reduce the burden of acute hospital inpatient copayments for some veterans.

In a report I requested from the GAO last year, they said that VA could not confirm that these important but expensive programs for veterans with longer term service-connected conditions were not being eroded under fiscal pressure to treat more veterans at a lower cost per patient. I am pleased that this bill also provides a strong reporting requirement for specialized programs for disabled veterans.

Following the trend to place care in community and outpatient settings, the committee has been greatly concerned with the availability of VA health care services for seriously mentally ill veterans. Veterans' advocates, advocates of mentally ill people and even internal working groups have continually validated these concerns. The

legislation will allow the Congress to monitor these important programs and intervene if measures indicate that would be necessary.

Mr. Speaker, I am proud to support this legislation. I believe in the long run we will be able to ensure an improved health care system for our Nation's veterans.

This important measure provides a number of changes in current law that will allow VA to remain competitive in recruiting and retaining its nurse workforce. Critically, this measure retains and strengthens reporting requirements on the specialized programs for veterans with disabilities, many of which VA has perfected since the days following World War II. It will provide some relief in meeting VA copayment requirements for acute hospital inpatient care to veterans with marginal incomes. It will also address a significant deficit in the VA's care continuum by developing a permanent program for chiropractic care within the Department of Veterans Affairs.

I believe this bill moves VA in the right direction to meet new and evolving challenges and I am proud to have participated in its development. I want to thank my Committee Chairman, the gentleman from New Jersey, CHRIS SMITH, who has been a strong and undeterred advocate of this legislation. I want to thank JERRY MORAN and BOB FILNER, the Chairman and Ranking Member of the Health Subcommittee, for continuing to work on the complex range of issues this bill addresses. I also want to thank Congresswoman LOIS CAPPS for her abiding interest in ensuring better access to health care services for veterans. At her urging, we have included a comprehensive study of telephone services available through the Department. I also want to express my appreciation to members of the Committee staff from both sides of the aisle for their persistence in reaching a good compromise on this bill.

For many years, I have strongly advocated the provision of chiropractic as an alternative source of health care for veterans. Chiropractors are capable of promoting wellness and preventing illness without relying upon pharmaceutical drugs or surgical interventions. For the millions of Americans who choose to use chiropractors—often paying for their services "out-of-pocket"—the benefits of chiropractic care are clear. Gradually, the federal government has recognized the importance of the care chiropractors provide in the health care continuum—Medicare, most state Medicaid programs, and the Department of Defense have developed means or reimbursing or even, in the latter case, hiring chiropractors to meet their beneficiaries' needs. Many private insurers also reimburse care from chiropractors.

VA has been much slower to adopt chiropractic. Under the Veterans Millennium Health Care and Benefits Act, VA was directed to develop a policy on chiropractic care. Unfortunately, it appeared that the VA circled the wagons and resorted to practices that have actually reduced veterans' use of chiropractic in the last year. I called on VA and representatives of chiropractic providers to discuss opportunities for VA to develop a policy on chiropractic care as the Millennium Act had directed it to do. After several interactions with chiropractor representatives this summer, VA ultimately told me that if I and the other Members that participated in this dialogue wanted VA to increase or enhance its use of chiropractors in VA, we would have to mandate VA to do it. We have now developed an approach that requires VA to have a permanent, national chiropractic program, and I trust VA will now ensure that veterans are better able to access these important services.

This bill adjusts copayments for veterans with marginal incomes. In so doing, it recognizes that income alone is not a fair measure of a veteran's standard of living because of the often significant differences in geographic costs-of-living. Veterans in the Chicago area, for example, may not be able to stretch their dollars as far as veterans in lower cost areas. I am pleased that, in recognition of these differing "costs of living", this bill will reduce the burden of acute hospital inpatient copayments for some veterans.

The Department of Veterans Affairs Health Care Programs Enhancement Act of 2001 will allow VA to remain a competitive employer during the current scarcity of nurses in the labor market. I want to thank my friend TOM UDALL for introducing H.R. 3017, which contains many of the nurse recruitment and retention provisions that have been included in this bill.

Nurses are the backbone of any health care system and their role is no less critical within VA. Yet, it is easy to see why this profession is once again facing a crisis in developing and maintaining its workforce. My mother was a nurse so I well understand the demands and pressures of this vocation—hours are long and often unpredictable. The work takes a psychic and physical toll. In recent years, nurses complain of having more of their time devoted to administrative activities than to working with their patients—often the most satisfying part of their job. H.R. 3447 will help address some of the reasons this profession is facing its current challenges by having experts offer solutions to some of the issues that confront the profession, by providing more flexible educational tools as incentives for its current and future workforce, and by ensuring that the Department is reviewing safe staffing patterns and practices to support its dedicated workforce.

I am pleased that this bill also provides a strong reporting requirement for specialized programs for disabled veterans. Some of these programs were developed in direct response to the needs of veterans returning from war with combat-incurred disabilities, such as spinal cord injuries, blindness, or post-traumatic stress disorder, and have become unique chronic care programs in a health care world that generally seems to prefer dealing with acute illnesses. In a report I requested from the General Accounting Office last year, GAO said that VA could not assure that these important, but expensive, programs for veterans with longer-term service-connected conditions were not being eroded under fiscal pressure to treat more veterans at a lower cost per patient.

Following a new trend to place care in community and outpatient settings, this Committee has also been greatly concerned with the availability of VA services for seriously mentally ill veterans—veterans' advocates, advocates of mentally ill people and even internal working groups have continually validated these concerns. This legislation will allow Congress to monitor these important programs and intervene if measures indicate that would be necessary.

Mr. Speaker, I am proud to support this legislation. I believe that in so doing we will ensure an improved health care system for our nation's veterans.

SUMMARY—H.R. 3447—DEPARTMENT OF VETERANS AFFAIRS HEALTH CARE PROGRAMS ENHANCEMENT ACT OF 2001

H.R. 3447 would:

1. Enhance eligibility and benefits for the Employee Incentive Scholarship and Education Debt Reduction Programs by enabling VA nurses to pursue advanced degrees while continuing to care for veterans, in order to improve recruitment and retention of nurses within the VA health care system.

2. Mandate that VA provide Saturday premium pay to title 5/title 38 hybrid employees. Such hybrid-authority employees include licensed vocational nurses, pharmacists, certified or registered respiratory therapists, physical therapists, and occupational therapists.

3. Require VA to develop a nationwide policy on staffing standards to ensure that veterans are provided with safe and high quality care, taking into consideration the numbers and skill mix required of staff in specific health care settings. Require a report on the use of mandatory overtime by licensed nursing staff and nursing assistants in each VA health care facility; include in report a description of the amount of mandatory overtime used by facilities.

4. Change reporting responsibility of the Director of the Nursing Service to report to the Under Secretary for Health.

5. Recompute annuities for part-time service performed by certain health care professionals before April 7, 1986.

6. Establish a 12-member National Commission on VA Nursing that would assess legislative and organizational policy changes to enhance the recruitment and retention of nurses by the Department and the future of the nursing profession within the Department, and recommend legislative and organizational policy changes to enhance the recruitment and retention of nursing personnel in the Department.

7. Authorize service dogs to be provided by VA to a veteran suffering from spinal cord injuries or dysfunction, other diseases causing physical immobility, hearing loss or other types of disabilities susceptible to improvement or enhanced functioning in activities of daily living through employment of a service dog.

8. Modify VA's system of determining non-service-connected veterans' "ability to pay" for VA health care services by introducing (as an upper income bound contrasted with current income limits) the "Low Income Housing Limits" employed by the Department of Housing and Urban Development (HUD), used by HUD to determine family income thresholds for housing assistance. This index is adjusted for all Standard Metropolitan Statistical Areas (SMSAs), and is updated periodically by HUD to reflect economic changes within the SMSAs. Would retain current-law means test national income threshold, but reduce co-payments by 80 percent for near-poor veterans who require acute VA hospital inpatient care.

9. Strengthen the mandate for VA to maintain capacity in specialized medical programs for veterans by requiring VA and each of its Veterans Integrated Service Networks to maintain the national capacity in certain specialized health care programs for veterans (those with serious mental illness, including substance use disorders, and spinal cord, brain injured and blinded veterans; veterans who need prosthetics and sensory aids); and extend capacity reporting requirement for 3 years.

10. Establish a program of chiropractic services in each Veterans Integrated Service

Network and require VA to provide training and educational materials on chiropractic services to VA health care providers. Authorize VA to employ chiropractors as federal employees and obtain chiropractic services through contracts; create a VA advisory committee on chiropractic health care.

11. Require the Office of Research Compliance and Assurance, which conducts oversight and compliance reviews of VA research and development, be funded by the Medical Care appropriation, rather than the Medical and Prosthetic Research appropriation.

12. Authorize $28,300,000 for major medical facility construction project at the Miami, Florida VA Medical Center.

13. Require Secretary of Veterans Affairs to assess all special telephone services made available to veterans, such as ''help lines'' and ''hotlines.'' Assessment would include geographical coverage, availability, utilization, effectiveness, management, coordination, staffing, cost, and a survey of veterans to measure effectiveness of these telephone services and future needs. A report to Congress would be required within 1 year of enactment.

14. Extend expiring authorities for VA to collect proceeds from veterans' health insurance policies for care provided for non-service connected care.

15. Provide authority for the Secretary to study, and then if determined feasible, obtain personal emergency-notification and response systems for service-disabled veterans.

16. Extend VA's authority to provide health care for those who served in the Persian Gulf until December 31, 2002.

Mr. FILNER. Mr. Speaker, I rise in support of the ''Department of Veterans Affairs Health Care Programs Enhancement Act of 2001''. I want to thank Chairman CHRISTOPHER SMITH, Ranking Member LANE EVANS and Chairman JERRY MORAN of the Health Subcommittee for addressing some of the concerns I raised about earlier versions of the bill. We now have a bill to which I am pleased to lend my support.

Mr. Speaker, as a long-time advocate of chiropractic and a user of its services, I am, perhaps, most gratified that we have agreed to a comprehensive proposal to create a permanent chiropractic program within the Department of Veterans Affairs. This legislation will require VA to establish a national chiropractic program that will make chiropractic services available in each geographic service area. VA has rebuffed Congress and the chiropractic profession time and time again in an attempt to bring better access to chiropractic services under the VA's umbrella. We asked VA to develop a policy under the Veterans Millennium Health Care and Benefits Act, but leaving the policy development in VA's hands, veterans' access to chiropractic services has worsened. We simply cannot allow VA to keep barring the door to chiropractic care.

Today is a fresh start for chiropractic care in VA. While I prefer the chiropractic care version this House approved in H.R. 2792, as amended, the provision in the bill before us today ensures that chiropractic care will be available in every VA network. To ensure that this program's implementation is smooth, the conference agreement establishes a chiropractic advisory committee that will provide VA the expertise and advocacy needed to address the issues involved in hiring chiropractors and ensuring that chiropractors are able to participate in its workforce using their skills and training to their fullest potential. I believe that this bill offers the fundamentals from which VA can begin to develop a sound chiropractic program. Eventually, I believe it will be necessary for VA to establish a director of chiropractic service and for Congress to specify, in law, an established number of sites for chiropractic care. Still, for the first time, this law will ensure that veterans have a real opportunity to access this important part of the health care continuum.

In our Subcommittee hearing this Fall, we heard from many of the veterans' service organizations and animal trainers on the invaluable assistance provided by service dogs to severely disabled people. I am pleased that this bill retains this provision.

We have strengthened the requirements for VA to report to Congress on programs that serve some of our most vulnerable veterans. We have focused these reporting requirements on VA's mental health programs. I believe this will give Congress a much clearer idea about what types of valuable specialized services are eroding. I am also pleased that these reports will make geographic service areas accountable for maintaining programs under their authority. For too long, we have heard VA's central office indicate that they are helpless over controlling the activities of their field managers. Making the networks accountable for the maintenance of specialized programs to serve disabled veterans puts the responsibility where the authority lies.

Mr. Speaker, I believe thousands of veterans will benefit from a provision in this bill, strongly advocated by Chairman SMITH, that adjusts VA copayments for acute hospital inpatient care to the cost-of-living veterans experience in different areas of the country. Salaries, food, and housing costs vary greatly across this Nation. This legislation permits VA to use a widely employed index of geographic variances in cost of living—one already used by the Department of Housing and Urban Development to assess a family's ability to afford housing—to gauge veterans' ability to pay for health care services. This legislation ensures that veterans, who are eligible for low-income housing in a given geographic location, but who are not considered medically indigent under the national Department of Veterans Affairs means-test, are given a break on the acute inpatient hospital copayments they would otherwise have to make.

I want to extend a special thanks to Congresswoman LOIS CAPPS for introducing H.R. 1435. This bill raised the Committee's awareness of the need for a round-the-clock telephone crisis and referral service. We intend to have the VA investigate its current resources and recommend a strategy for enhancing its current capabilities.

This measure contains a charter for a new Commission on VA Nursing. As we know, the nursing profession, inside and outside of VA has changed and VA must be prepared to be an ''employer of choice'' in the future. This Commission can give expert advise on where VA must position itself now and in the future to attract the best nurses available to treat our veterans. In addition, it contains provisions from S. 1188, and its companion introduced in the House by TOM UDALL, H.R. 3017. These provisions will provide additional opportunities for VA to recruit and retain nurses—an invaluable component of its health care staff.

The Health Care Programs Enhancement Act is a strong measure and I urge my colleagues to support the bill.

Mr. EVANS. Mr. Speaker, I yield back the balance of my time.

□ 2310

Mr. SMITH of New Jersey. Mr. Speaker, I have no further requests for time, and I yield back the balance of my time.

The SPEAKER pro tempore (Mr. TERRY). The question is on the motion offered by the gentleman from New Jersey (Mr. SMITH) that the House suspend the rules and pass the bill, H.R. 3447.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. SMITH of New Jersey. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on H.R. 3447.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

SPECIAL ORDERS

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, and under a previous order of the House, the following Members will be recognized for 5 minutes each.

SUPPORT H.R. 3443, FAIRNESS TO ALL VIETNAM VETERANS ACT

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. HORN) is recognized for 5 minutes.

Mr. HORN. Mr. Speaker, I rise to introduce the Fairness to All Vietnam Veterans Act, H.R. 3443. This legislation directs the Secretary of Defense to report to Congress an appropriate way to recognize and honor Vietnam veterans who died in service of our Nation, but whose names are not listed on the Vietnam Veterans Memorial Wall.

Constituents began contacting my District Office regarding 74 members who died on the destroyer USS *Frank E. Evans* who are not listed on the Vietnam Veterans Memorial Wall. The names of these 74 brave Americans, and many others who have lost their lives serving the United States during the Vietnam conflict, deserve proper recognition. Some have been excluded due to technicalities. We should honor all the men and women of the Vietnam conflict who gave their lives serving our country.

The destroyer *Evans* was first launched near the end of the Second World War and was recommissioned for Korea and again for Vietnam. The *Evans* sailed from the Port of Long

Beach for the last time in the spring of 1969. After seeing serious combat off the coast of Vietnam, the *Evans* was sent to a brief training exercise called Operation Sea Spirit in the South China Sea. This operation involved over 40 ships of the Southeast Asia Treaty Organization.

On the morning of June 3, 1969, the crew of the *Evans* awoke to the sounds of the Australian carrier, *Melbourne*, splitting in half the American destroyer *Evans*. The forward half, where all 74 deaths took place, sank in 3 minutes. Although they were in the South China Sea, these sailors have been excluded from the wall because their downed vessel was just outside the designated combat zone which determines inclusion on the Vietnam Veterans Memorial Wall.

Although these men did not die in direct combat, they were instrumental in forwarding American objectives in Vietnam and participated in conflict just days before the collision that claimed their lives. The historical and personal records of the *Evans* tell a story of valor and patriotism, and, for some, the ultimate sacrifice for their country.

I believe that after examining the important role these men played in the Vietnam conflict, I hope you will agree that those who died deserve the honor of being listed on the Vietnam Veterans Memorial Wall.

Unfortunately, the case of the *Evans* does not stand alone. There are many families across the United States whose loved ones have been excluded from proper recognition.

I believe it is time for the Department of Defense to examine current policies for placement on the Vietnam Veterans Memorial Wall. H.R. 3443 asks for a complete study of the current standards and for an examination of those who died, such as those 74 on the *Evans*, that seem appropriate for inclusion on the wall.

The Fairness to All Vietnam Veterans Act has the support of the United States Ship *Frank E. Evans* Association, as well as hundreds of family members across the country, hoping to see loved ones properly recognized. I urge my colleagues to support and pass this much-needed and overdue piece of legislation.

Mr. Speaker, I include for the RECORD the bill, as well as various comments from Mr. Hennessy, a distinguished columnist of the Press Telegram in Long Beach, California.

H.R. 3443

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 ''Fairness to All Vietnam Veterans Act''.

SEC. 2. FINDINGS.

Congress finds as follows:

(1) Public Law 96–297 (94 Stat. 827) authorized the Vietnam Veterans Memorial Fund, Inc., (the ''Memorial Fund'') to construct a memorial ''in honor and recognition of the men and women of the Armed Forces of the United States who served in the Vietnam war''.

(2) The Memorial Fund determined that the most fitting tribute to those who served in the Vietnam war would be to permanently inscribe the names of the members of the Armed Forces who died during the Vietnam war, or who remained missing at the conclusion of the war, on a memorial wall.

(3) The Memorial Fund relied on the Department of Defense to compile the list of individuals whose names would be inscribed on the memorial wall and the criteria for inclusion on such list.

(4) The Memorial Fund established procedures under which mistakes and omissions in the inscription of names on the memorial wall could be corrected.

(5) Under such procedures, the Department of Defense established eligibility requirements that must be met before the Memorial Fund will make arrangements for the name of a veteran to be inscribed on the memorial wall.

(6) The Department of Defense determines the eligibility requirements and has periodically modified such requirements.

(7) As of February 1981, in order for the name of a veteran to be eligible for inscription on the memorial wall, the veteran must have—

(A) died in Vietnam between November 1, 1955, and December 31, 1960;

(B) died in a specified geographic combat zone on or after January 1, 1961;

(C) died as a result of physical wounds sustained in such combat zone; or

(D) died while participating in, or providing direct support to, a combat mission immediately en route to or returning from such combat zone.

(8) Public Law 106–214 (114 Stat. 335) authorizes the American Battle Monuments Commission to provide for the placement of a plaque within the Vietnam Veterans Memorial ''to honor those Vietnam veterans who died after their service in the Vietnam war, but as a direct result of that service, and whose names are not otherwise eligible for placement on the memorial wall''.

(9) The names of a number of veterans who died during the Vietnam war are not eligible for inscription on the memorial wall or the plaque.

(10) Examples of such names include the names of the 74 servicemembers who died aboard the USS Frank E. Evans (DD–174) on June 3, 1969, while the ship was briefly outside the combat zone participating in a training exercise.

SEC. 3. STUDY AND REPORT.

(a) STUDY.—The Secretary of Defense shall conduct a study that—

(1) identifies the veterans (as defined in section 101(2) of title 38, United States Code) who died on or after November 1, 1955, as a direct or indirect result of military operations in southeast Asia and whose names are not eligible for inscription on the memorial wall of the Vietnam Veterans Memorial;

(2) evaluates the feasibility and equitability of revising the eligibility requirements applicable to the inscription of names on the memorial wall to be more inclusive of such veterans; and

(3) evaluates the feasibility and equitability of creating an appropriate alternative means of recognition for such veterans.

(b) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Defense shall submit to Congress a report based on the study conducted under subsection (a). Such report shall include—

(1) the reasons (organized by category) that the names of the veterans identified under subsection (a)(1) are not eligible for inscription on the memorial wall under current eligibility requirements, and the number of veterans affected in each category;

(2) a list of the alternative eligibility requirements considered under subsection (a)(2);

(3) a list of the alternative means of recognition considered under subsection (a)(3); and

(4) the conclusions and recommendations of the Secretary of Defense with regard to the feasibility and equitability of each alternative considered.

(c) CONSULTATIONS.—In conducting the study under subsection (a) and preparing the report under subsection (b), the Secretary of Defense shall consult with—

(1) the Secretary of Veterans Affairs;

(2) the Secretary of the Interior;

(3) the Vietnam Veterans Memorial Fund, Inc.;

(4) the American Battle Monuments Commission;

(5) the Vietnam Women's Memorial, Inc.; and

(6) the National Capital Planning Commission.

THEY MUST BE REMEMBERED

(By Tom Hennessy)

There will be speeches this weekend; Memorial Day remembrances of heroic people and hallowed names.

But those hallowed names are not likely to include the USS Frank E. Evans. Or the 74 largely forgotten crew members who died aboard the destroyer at the height of the Vietnam War.

And whose names are not listed on the Vietnam Wall.

This is their story.

Launched near the end of World War II, recommissioned for Korea and again for Vietnam, the Evans sailed from her home port, Long Beach, in the spring of 1969. It would be her last voyage.

After combat off the coast of Vietnam, she and her 272-man crew were ordered to join ''Operation Sea Spirit,'' a training exercise involving 40-plus ships of the Southeast Asia Treaty Organization.

On the morning of June 3, she was in the South China Sea with companion ships that included the Melbourne, an Australian carrier.

''I had watched a movie the night before,'' says Tom Manley of Long Beach. ''I'd left my clothes on because I had the early morning watch and had gone to sleep about midnight.''

At 3:30 a.m., Manley and shipmates were awakened in terrifying fashion.

''The whole ship turned over on its side,'' says Manley. ''Everybody fell down. A guy came down the ladder with a flashlight and said . . . that we needed to get out.''

A boilerman 3rd class, Manley helped shipmates to their feet. One, Pete Taylor, had broken his arm. Together, he and Manley managed to reach the ship's fantail.

''A lot of guys were jumping in the water,'' says Manley. ''Pete was worried. Because of his broken arm, he couldn't swim. I said I'd try to find a life jacket in case we had to go into the water. I walked toward the front of the ship where they kept the life jackets.''

Manley was stunned by what he saw. ''There was no front of the ship. It was gone.''

HORRIFIC MESSAGE

Aboard the American carrier Kearsage, Doug Care of Santa Clarita was working the Sea Spirit radio circuit.

''I had been on the circuit about five minutes when the radio came to life with a fellow with an Australian accent and impeccable radio procedure. He gave a message I'll never forget:

''Melbourne has just collided with Evans. Envision many casualties. Request all possible assistance.''

Care thought it was ''a stupid time'' for a drill. But as he read the message back to the Melbourne, he knew it was no drill. For one thing, ''the admiral aboard the Kearsage was looking over my shoulder still in his bathrobe.''

In the forward engine room of the Evans, Roy ''Pete'' Peters also knew it was no drill. He had been standing messenger mid-watch when an order came to increase speed, followed by a second order to throttle down and stop.

We immediately stopped all forward movement and were all thrown forward and down,'' he recalls. ''All the lights went out. Steam immediately filled the compartment and made it hard to breathe.''

As Peters was slammed to the deck and burned by the steam, the ocean began entering the engine room. It was a mixed blessing.

''The cold water felt good, but I was a noqualified swimmer in boot camp and barely made it around the pool to qualify as a swimmer,'' he said

Peters began working his way toward the top of the engine room, hoping to find an air pocket.

''I felt the water rising up my chest toward my face. I knew I was going to die . . . I heard guys praying and crying. I remember hearing Terry Baughman (a shipmate) crying, 'God, please help us!'

''As the water rose, I could see the faces of my mother and father and I saw the face of my girlfriend, Karen. I promised that if I got out of there, I would go back and marry her if she would have me.''

CHAOS ABOVE

Crew member Bill Thibeault of Norwich, Conn., managed to get topside.

''There were helicopters flying around and lights all over. I didn't really realize what had happened until I got onto the ship's uppermost deck. Then I saw all the torn-up metal and pipes and everything, and I thought, 'Where's the rest of the ship?' ''

The Evans had been struck amidships, and cut in two. The forward half, where all the deaths took place, sank in three minutes. The other half would be destroyed months later in target practice.

''I give the Melbourne credit,'' says Manley. ''They turned the ship around and it was back within minutes even though it had damage to its front. They were trying to help us.''

Cargo nets were lowered on the carrier and its crew ''came down and helped some of our people.

''We assembled on the fantail of the Melbourne,'' he says. ''They must have broke out their full ration of Foster lager. There were cases all over the place.''

Manley and others were transferred to the Kearsage.

''It took three days until we got to Subic Bay (in the Philippines),'' he says. ''There was no way to tell anyone who was alive and who wasn't. My sister was calling (the Navy) every day and they wouldn't tell her anything. The Navy wouldn't release any information. When I got to Subic, I was able to call.''

In New York City, Dorothy Reilly, a Roman Catholic nun, caught the end of a newscast by Walter Cronkite. ''He immediately broke in and said that the Frank E. Evans had been sunk . . . I said out loud, 'That's by brother's ship.'

''I ran to the radio to see if there was more news. I remembered someone saying that there were two ships with almost the same name, but when I heard on the radio that the ship was from Long Beach, I knew it was the ship my brother was on as well as his 20-year-old son.''

Lawrence J. Reilly Sr. survived. His son, Lawrence Jr., did not.

There was a memorial service later for young Lawrence Reilly, who had lived in Long Beach. In the middle of it, his son, 15 months old, cried out, ''Daddy.''

''It was a heart-wrenching moment,'' says Dorothy. ''The newspapers carried that picture and even if it were not in print, it would be indelibly printed in the hearts of all who heard that cry.''

Peters, the Evans crew member who had been sure he was going to die, did not. Someone in the engine room had found a hatch leading to safety.

Peters was treated aboard the Melbourne for burns, then airlifted to the Kearsage, where he underwent surgery to remove burned skin. He was hospitalized in Subic Bay.

Of his injuries, he says, ''I am sure others had it worse.''

Yes, Peters did marry his girlfriend, Karen. They just celebrated their 31st anniversary. Peter has an insurance business in Redondo Beach.

The captain of the Evans was later reprimanded, ''but most of us survivors never felt he was guilty of anything,'' says Peters.

The Melbourne's skipper was acquitted and then resigned from the Australian Navy.

THREE IN FAMILY

Seventy-four men, including five from Long Beach, lost their lives aboard the Evans in the dark, early hours of June 3, 1969. A list appears with this column, and three names on it resonate like the script from ''Saving Private Ryan'': Gary Loren Sage, Gregory Allen Sage, Kelly Jo Sage.

They were brothers.

''They were also my cousins,'' says Gayle Pierce, of Lincoln, Neb. ''Their memorial is in Niobrara, Neb., their hometown. It is a great memorial.''

Two years ago, on Memorial Day, a ceremony was held at the Sage Memorial. Eighteen members of the USS Frank E. Evans Association (which will convene in Long Beach in 2003) showed up in Niobrara to honor the three fallen shipmates.

''I think it is just wonderful that so many persons have kept the memories of these men alive,'' Pierce says.

MISSING NAMES

But on The Vietnam Memorial wall, the nation's most visible reminder of the war, the memory of the lost Evans crew members has not been kept alive. Their names are not listed.

Why not?

''Technicalities,'' Peters says with frustration. ''I've done a lot of research on this.''

To qualify for the wall, he says, a veteran had to have been killed in the combat zone, en route to it or while returning from a combat mission.

For the 74 lost Evans men that parameter is very thin, as Peters notes.

''We'd been on the gun line for two weeks. We came off the line and rendezvoused with the other ships for Operation Sea Spirit.''

(A year earlier, appreciative Army officials had cited the Evans for ''Conspicuously outstanding gunfire support in a critical and demanding phase of the war.'')

Peters and everyone else interviewed for this column believe the names of the men belong on the wall.

''I think they should be there,'' says Manley, 54, and accounting manager. ''I had three tours in Vietnam, but I knew guys on that ship who died who had more tours than I did. It's just not right.''

His wife, Mary, agrees, but more tersely.

''It stinks,'' she says.

Thibeault, the Connecticut survivor, says the lost men should be regarded as combatants.

''They weren't killed in action. But we were there. We had fired our guns. These guys should be remembered.''

He has tried to have them remembered in another way.

''I've contacted The History Channel. I've been trying to contact some Hollywood people as well, without any success. There should be a movie about this.''

Through the years, Manley has remained somewhat tight-lipped. Mary says he has only begun to talk about it recently.

Yet, a few days ago, they note, their daughter, Jennifer, 24, asked, ''What's the Evans?''

Says Manley, ''Maybe I haven't talked about it enough.''

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. DEFAZIO) is recognized for 5 minutes.

(Mr. DEFAZIO addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

STATUS REPORT ON CURRENT SPENDING LEVELS OF ON-BUDGET SPENDING AND REVENUES FOR FY 2002 AND THE 5-YEAR PERIOD FY 2002 THROUGH FY 2006

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. NUSSLE) is recognized for 5 minutes.

Mr. NUSSLE. Mr. Speaker, to facilitate the application of sections 302 and 311 of the Congressional Budget Act and section 201 of the conference report accompanying H. Con. Res. 83, I am transmitting a status report on the current levels of on-budget spending and revenues for fiscal year 2002 and for the five-year period of fiscal years 2002 through 2006. This status report is current through December 5, 2001.

The term ''current level'' refers to the amounts of spending and revenues estimated for each fiscal year based on laws enacted or awaiting the President's signature.

The first table in the report compares the current levels of total budget authority, outlays, and revenues with the aggregate levels set forth by H. Con. Res. 83. This comparison is needed to enforce section 311(a) of the Budget Act, which creates a point of order against measures that would breach the budget resolution's aggregate levels. The table does not show budget authority and outlays for years after fiscal year 2002 because appropriations for those years have not yet been considered.

The second table compares the current levels of budget authority and outlays for discretionary action by each authorizing committee with the ''section 302(a)'' allocations made under H. Con. Res. 83 for fiscal year 2002 and fiscal years 2002 through 2006. ''Discretionary action'' refers to legislation enacted after the adoption of the budget resolution. This comparison is needed to enforce section 302(f) of the Budget Act, which creates a point of order against measures that would breach the section 302(a) discretionary action allocation of new budget authority for the committee that reported the measure. It is also needed to implement section 311(b), which exempts committees that comply with their allocations from the point of order under section 311(a).

The third table compares the current levels of discretionary appropriations for fiscal year 2002 with the ''section 302(b)'' suballocations of discretionary budget authority and outlays among Appropriations subcommittees. The comparison is also needed to enforce section 302(f) of the Budget Act because the point of order under that section equally applies to measures that would breach the applicable section 302(b) suballocation.

The fourth table gives the current level for 2003 of accounts identified for advance appropriations in the statement of managers accompanying H. Con. Res. 83. This list is needed to enforce section 201 of the budget resolution, which creates a point of order against appropriation bills that contain advance appropriations that are: (i) not identified in the statement of managers or (ii) would cause the aggregate amount of such appropriations to exceed the level specified in the resolution.

The fifth table compares discretionary appropriations to the levels provided by section 251(c) of the Balanced Budget and Emergency Deficit Control Act of 1985. If at the end of a session discretionary spending in any category exceeds the limits set forth in section 251(c) (as adjusted pursuant to section 251(b)), a sequestration of amounts within that category is automatically triggered to bring spending within the established limits. As the determination of the need for a sequestration is based on the report of the President required by section 254, this table is provided for informational purposes only. The sixth and final table gives this same comparison relative to the revised section 251(c) limits envisioned by the budget resolution.

REPORT TO THE SPEAKER FROM THE COMMITTEE ON THE BUDGET—STATUS OF THE FISCAL YEAR 2002 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 83—REFLECTING ACTION COMPLETED AS OF DECEMBER 5, 2001

[On-budget amounts, in millions of dollars]

	Fiscal year 2002	Fiscal years 2002–2006
Appropriate Level:		
Budget authority	1,666,635	n.a.
Outlays	1,615,644	n.a.
Revenues	1,638,202	8,878,506

REPORT TO THE SPEAKER FROM THE COMMITTEE ON THE BUDGET—STATUS OF THE FISCAL YEAR 2002 CONGRESSIONAL BUDGET ADOPTED IN H. CON. RES. 83—REFLECTING ACTION COMPLETED AS OF DECEMBER 5, 2001—Continued

[On-budget amounts, in millions of dollars]

	Fiscal year 2002	Fiscal years 2002–2006
Current Level:		
Budget authority	1,619,571	n.a.
Outlays	1,603,368	n.a.
Revenues	1,673,487	8,898,383
Current Level over (+) / under (−)		
Appropriate level:		
Budget authority	−47,064	n.a.
Outlays	−12,276	n.a.
Revenues	35,285	19,877

n.a.=Not applicable because annual appropriations Acts for fiscal years 2003 through 2006 will not be considered until future sessions of Congress.

BUDGET AUTHORITY

Enactment of measures providing new budget authority for FY 2002 in excess of $47,064,000,000 (if not already included in the current level estimate) would cause FY 2002 budget authority to exceed the appropriate level set by H. Con. Res. 83.

OUTLAYS

Enactment of measures providing new outlays for FY 2002 in excess of $12,276,000,000 (if not already included in the current level estimate) would cause FY 2002 outlays to exceed the appropriate level set by H. Con. Res. 83.

REVENUES

Enactment of measures that would result in revenue loss for FY 2002 in excess of $35,285,000,000 (if not already included in the current level estimate) would cause revenues to fall below the appropriate level set by H. Con. Res. 83.

Enactment of measures resulting in revenue loss for the period FY 2002 through 2006 in excess of $19,877,000,000 (if not already included in the current level estimate) would cause revenues to fall below the appropriate levels set by H. Con. Res. 83.

DIRECT SPENDING LEGISLATION—COMPARISON OF CURRENT LEVEL WITH AUTHORIZING COMMITTEE 302(a) ALLOCATIONS FOR DISCRETIONARY ACTION—REFLECTING ACTION COMPLETED AS OF DECEMBER 5, 2001

[Fiscal Years, in millions of dollars]

House Committee	2002		2002–2006 Total	
	BA	Outlays	BA	Outlays
Agriculture:				
Allocation	7,350	7,350	7,350	7,350
Current Level		2		
Difference	−7,350	−7,348	−7,350	−7,350
Armed Services:				
Allocation	146	146	398	398
Current Level				
Difference	−146	−146	−398	−398
Banking and Financial Services:				
Allocation				
Current Level	8	9	46	47
Difference	8	9	46	47
Education and the Workforce:				
Allocation	5	5	32	32
Current Level				
Difference	−5	−5	−32	−32
Commerce:				
Allocation	2,687	2,687	−6,537	−6,537
Current Level				
Difference	−2,687	−2,687	6,537	6,537
International Relations:				
Allocation				
Current Level				
Difference				
Government Reform:				
Allocation			−1,995	−1,995
Current Level			−4	−4
Difference			1,991	1,991
House Administration:				
Allocation				
Current Level				
Difference				
Resources:				
Allocation		−3	365	88
Current Level		−3		−3
Difference			−365	−91
Judiciary:				
Allocation				
Current Level	109	109	299	159
Difference	109	109	299	159
Small Business:				
Allocation				
Current Level				
Difference				
Transportation and Infrastructure:				
Allocation				
Current Level	3,000	4,200	8,600	11,300
Difference	3,000	4,200	8,600	11,300
Science:				
Allocation				
Current Level				
Difference				
Veterans; Affairs:				
Allocation	264	264	3,205	3,205
Current Level				
Difference	−264	−264	−3205	−3,205
Ways and Means:				
Allocation	1,360	900	15,409	15,069
Current Level	6,425	6,425	36,708	36,708
Difference	5,065	5,525	21,299	21,639

DISCRETIONARY APPROPRIATIONS FOR FISCAL YEAR 2002—COMPARISON OF CURRENT LEVEL WITH APPROPRIATIONS SUBCOMMITTEE 302(b) SUBALLOCATIONS

[In millions of dollars]

	Revised 302(b) suballocations as of September 20, 2001 (H.Rept. 107–208)		Current level reflecting action completed as of December 5, 2001		Current level minus suballocations	
	BA	OT	BA	OT	BA	OT
Agriculture, Rural Development	15,668	16,044	16,018	16,282	350	238
Commerce, Justice, State	38,541	38,905	38,656	38,847	115	−58
National Defense	299,860	293,941	306,697	301,120	6,837	7,179
District of Columbia	399	415	452	454	53	39
Energy & Water Development	23,705	24,218	24,596	24,770	891	552
Foreign Operations	15,167	15,087	15,957	15,720	790	633
Interior	18,941	17,800	19,120	18,017	179	217
Labor, HHS & Education	119,725	106,224	108,509	101,486	−11,216	−4,738
Legislative Branch	2,892	2,918	2,974	2,941	82	23
Military Construction	10,500	9,203	10,500	9,190		−13
Transportation[1]	14,892	53,817	15,300	53,965	408	148
Treasury-Postal Service	17,022	16,285	17,069	16,256	47	−29
VA–HUD–Independent Agencies	85,434	88,062	85,434	88,463		401
Unassigned[2]				13,397		13,397
662,746	682,919	682,919	661,282	700,908	−1,464	17,989

[1] Does not include mass transit BA.
[2] Reflects 2002 outlays for FY2001 Appropriations contained in P.L. 107–38 the Emergency Supplemental Appropriations Act in Response to Terrorist Acts on the United States.

STATEMENT OF FY2003 ADVANCE APPROPRIATIONS UNDER SECTION 201 OF H. CON. RES. 83—REFLECTING ACTION COMPLETED AS OF DECEMBER 5, 2001

[In millions of dollars]

	Budget authority
Appropriate Level	23,159
Current Level:	
Commerce, Justice, State Subcommittee:	
Patent and Trademark Office	
Legal Activities and U.S. Marshals, Antitrust Division	
U.S. Trustee System	
Federal Trade Commission	
Interior Subcommittee:	
Elk Hills	36
Labor, Health and Human Services, Education Subcommittee:	
Employment and Training Administration	
Health Resources	
Low Income Home Energy Assistance Program	
Child Care Development Block Grant	
Elementary and Secondary Education (reading excellence)	
Education for the Disadvantaged	
School Improvement	
Children and Family Services (head start)	
Special Education	
Vocational and Adult Education	
Treasury, General Government Subcommittee:	
Payment to Postal Service	48
Federal Building Fund	
Veterans, Housing and Urban Development Subcommittee:	
Section 8 Renewals	4,200
Total	4,284
Current Level over (+) under (-) Appropriate Level	−18,875

COMPARISON OF CURRENT LEVEL TO DISCRETIONARY SPENDING LEVELS SET FORTH IN SECTION 251(c) OF THE BALANCED BUDGET AND EMERGENCY DEFICIT CONTROL ACT OF 1985—REFLECTING ACTION COMPLETED AS OF DECEMBER 5, 2001

[In millions of dollars]

	Statutory cap [1]	Current level	Current level over (+) under (−) statutory cap
General Purpose:			
BA	546,945	659,524	112,579
OT	537,383	665,752	128,369
Defense: [2]			
BA	n.a.	333,047	n.a.
OT	n.a.	336,423	n.a.
Nondefense: [2]			
BA	n.a.	326,477	n.a.
OT	n.a.	329,329	n.a.
Highway Category:			
BA	n.a.	n.a.	n.a.
OT	28,489	28,489	
Mass Transit Category:			
BA	n.a.	n.a.	n.a.
OT	5,275	5,275	
Conservation Category:			
BA	1,760	1,758	−2
OT	1,232	1,392	160

n.a. = Not applicable.
[1] Established by OMB Sequestration Update Report for Fiscal Year 2002.
[2] Defense and nondefense categories are advisory rather than statutory.

COMPARISON OF CURRENT LEVEL TO DISCRETIONARY SPENDING LEVELS RECOMMENDED BY H. CON. RES. 83 REFLECTING ACTION COMPLETED AS OF DECEMBER 5, 2001

[In millions of dollars]

	Proposed statutory cap	Current level	Current level over (+)/under (−) proposed statutory cap
General Purpose:			
BA	699,687[2]	659,524	−40,163
OT	672,950[2]	665,752	−7,198
Defense:			
BA	n.a.	333,047	n.a.
OT	n.a.	336,423	n.a.
Nondefense:[1]			
BA	n.a.	326,477	n.a.
OT	n.a.	329,329	n.a.
Highway category:			
BA	n.a.	n.a.	n.a.
OT	28,489	28,489	
Mass Transit category:			
BA	n.a.	n.a.	n.a.
OT	5,275	5,275	
Conservation category:			
BA	1,760	1,758	−2
OT	1,232	1,392	160

n.a.=Not applicable
[1] Defense and nondefense categories would be advisory rather than statutory.
[2] Includes $20,001 million in BA and $9,347 million in OT for emergency-designated appropriations that are not included in the current level.

U.S. CONGRESS,
CONGRESSIONAL BUDGET OFFICE,
Washington, DC, December 6, 2001.

Hon. JIM NUSSLE,
Chairman, Committee on the Budget, House of Representatives, Washington, DC.

DEAR MR. CHAIRMAN: The enclosed report shows the effects of Congressional action on the fiscal year 2002 budget and is current through December 5, 2001. This report is submitted under section 308(b) and in aid of section 311 of the Congressional Budget Act, as amended.

The estimates of budget authority, outlays, and revenues are consistent with the technical and economic assumptions of H. Con. Res. 83, the Concurrent Resolution on the Budget for Fiscal Year 2002. The budget resolution figures incorporate revisions submitted by the Committee on the Budget to the House reflect funding for emergency requirements, disability reviews, an Earned Income Tax Credit compliance initiative, and adoption assistance. These revisions are required by section 314 of the Congressional Budget Act, as amended. In addition, section 218 of H. Con. Res. 83 provides for an allocation increase to accommodate House action on the President's revised request for defense spending.

Since my last letter dated September 6, 2001, the following legislation has been enacted into law, and has changed budget authority, outlays, and revenues for 2002:

An act to provide for the expedited payment of certain public safety officer benefits (Public Law 107–37);

Emergency supplemental appropriations for recovery and response to terrorist attacks (Public Law 107–38);

Air Transportation Safety and System Stabilization Act (Public Law 107–42);

An act to implement an agreement for a U.S.-Jordan Free Trade Area (Public Law 107–43);

A joint resolution approving the extension of nondiscriminatory treatment to products of the Socialist Republic of Vietnam (Public Law 107–52);

The U.S.A. PATRIOT Act (Public Law 107–56);

The Departments of Interior and Related Agencies Appropriations Act, 2002 (Public Law 107–63);

The Military Construction Appropriations Act, 2002 (Public Law 107–64);

The Energy and Water Development Appropriations Act, 2002 (Public Law 107–66);

The Treasury and General Government Appropriations Act, 2002 (Public Law 107–67);

The Legislative Branch Appropriations Act, 2002 (Public Law 107–68);

An act making continued appropriations, 2002 (Public Law 107–70);

The Departments of Veterans, and Housing and Urban Development and Independent Agencies Appropriations Act, 2002 (Public Law 107–73);

The Agriculture, Rural Development, Related Agencies Appropriations Act, 2002 (Public Law 107–76); and

The Departments of Commerce, Justice, and State, the Judiciary and Related Agencies Appropriations Act, 2002 (Public Law 107–77)

In addition, the Congress has cleared for the President's signature the Department of Transportation and Related Agencies Appropriations Act, 2002 (H.R. 2299).

Sincerely,

BARRY B. ANDERSON
(For Dan L. Crippen, Director).

Enclosure.

FISCAL YEAR 2002 HOUSE CURRENT LEVEL REPORT AS OF DECEMBER 5, 2001

[In millions of dollars]

	Budget authority	Outlays	Revenues
Enacted in previous sessions:			
Revenues			1,703,488
Permanents and other spending legislation	984,540	934,501	
Appropriation legislation		280,919	
Offsetting receipts	−321,790	−391,790	
Total, previously enacted	662,750	893,630	1,703,488
Enacted this session:			
An act to provide reimbursement authority to the Secretaries of Agriculture and the Interior from wildland fire management funds (P.L. 107–13)		−3	
Fallen Hero Survivor Benefit Fairness Act of 2001 (P.L. 107–15)			−7
Economic Growth and Tax Relief Reconciliation Act of 2001 (P.L. 107–16)	6,425	6,425	−31,337
An act to clarify the authority of the Department of Housing and Urban Development with respect to the use of fees (P.L. 107–18)	8	9	8
An act to authorize funding for the National 4–H Program Centennial Initiative (P.L. 107–19)		2	
Supplemental Appropriations Act, 2001 (P.L. 107–20)	65	4,576	
An act to provide for expedited payments of certain benefits (P.L. 107–37)	5	5	
Emergency supplemental appropriations for response to terrorist attacks (P.L. 107–38)		13,397	
Air Transportation Safety and System Stabilization Act (P.L. 107–42)	3,000	4,200	1,400
An act to implement an agreement for a U.S.-Jordan Free Trade Area (P.L. 107–43)			−2
A joint resolution approving the extension of nondiscriminatory treatment of products of the Socialist Republic of Vietnam (P.L. 107–52)			−33
U.S.A. PATRIOT Act (P.L. 107–56)	104	104	
Interior and Related Agencies Appropriations Act, 2002 (P.L. 107–63)	19,148	11,901	
Military Construction Appropriations Act, 2002 (P.L. 107–64)	10,500	2,678	
Energy and Water Appropriations Act, 2002 (P.L. 107–66)	24,595	15,972	
Treasury, Postal Service, General Government Appropriations Act, 2002 (P.L. 107–67)	32,137	27,936	
Legislative Branch Appropriations Act, 2002 (P.L. 107–68)	2,974	2,509	2

FISCAL YEAR 2002 HOUSE CURRENT LEVEL REPORT AS OF DECEMBER 5, 2001—Continued

[In millions of dollars]

	Budget authority	Outlays	Revenues
Veterans, HUD, and Independent Agencies Appropriations Act, 2002 (P.L. 107–73)	109,229	64,803	−32
Agriculture, Rural Development Appropriations Act, 2002 (P.L. 107–76)	75,237	41,363	
Commerce, Justice, State Appropriations Act, 2002 (P.L. 107–77)	39,223	26,608	
Total, enacted this session	322,650	222,485	−30,001
Cleared, pending signature:			
Transportation and Related Agencies Appropriations Act, 2002 (H.R. 2299)	17,505	22,021	
Continuing Resolution:			
An act making continuing appropriations, 2002 (P.L. 107–70)	412,791	243,218	
Entitlements and Mandatories:			
Budget resolution baseline estimates of appropriated entitlements and other mandatory programs not yet enacted	205,224	222,014	
Total Current Level	1,619,571	1,603,368	1,673,487
Total Budget Resolution	1,666,635	1,615,644	1,638,202
Current Level Over Budget Resolution			35,285
Current Level Under Budget Resolution	−47,064	−12,276	
Memorandum:			
Revenues, 2002–2006:			
House Current Level			8,898,383
House Budget Resolution			8,878,506
Current Level Over Budget Resolution			19,877

Source: Congressional Budget Office.

Notes: P.L. = Public Law.

Section 314 of the Congressional Budget Act, as amended, requires that the House Budget Committee revise the budget resolution to reflect funding provided in bills reported by the House for emergency requirements, disability reviews, an Earned Income tax Credit compliance initiative, and adoption assistance. In addition Sec. 218 of H. Con. Res. 83 provides for an allocation increase to accommodate House action on the President's revised request for defense spending. To date, the Budget Committee has increased the budget authority allocation in the budget resolution by $40,147 million and the outlay allocation by $25,170 million for these purposes. Of those amounts, $38,701 million in budget authority and $25,027 million in outlays are not included in current level because the funding has not yet been enacted.

For comparability purposes, current level budget authority excludes $1,349 million that was appropriated for mass transit. The budget authority for mass transit, which is exempt from the allocations made for the discretionary categories pursuant to sections 302(a)(1) and 302(b)(1) of the Congressional Budget Act, is not included in H. Con. Res. 83. Total budget authority including mass transit is $1,620,920 million.

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. BROWN) is recognized for 5 minutes.

(Mr. BROWN of Ohio addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

TRIBUTE TO DISTINGUISHED PROFESSOR DAN DAVIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. DAVIS) is recognized for 5 minutes.

Mr. DAVIS of Illinois. Mr. Speaker, there is no greater profession than that of teaching, and I rise to pay tribute to an outstanding educator who, over a 30 year span, has positively impacted the lives of thousands of people.

Dan Davis was recently selected Distinguished Professor of the Year by the faculty and staff of Malcolm X Community College in Chicago under the leadership of Dr. Wayne Watson, Chancellor of the Chicago City Colleges, and Mrs. Ziri Campbell, President of Malcolm X College.

Professor Davis graduated from Crane High School, All American, All State and All City in varsity basketball. He holds a BA degree in education, Summa Cum Laude, and a Masters Degree from Northwestern University in Health and Physical Education.

Dan and I both live in the same community and oftentimes are mistaken for each other since I, too, am sometimes called Dan Davis. I usually tell people that the difference is while Dan was scoring points in basketball, I was analyzing the game from the bench, and while he was graduating Summa Cum Laude, I was graduating ''Thank You Laude.''

Dan Davis played varsity basketball and was an All Big Ten Academic Selection in 1968–1969 from Northwestern. He has served as Athletic Director for Malcolm X College for the past 13 years, Project Administrator for the National Youth Sports Program for the past 13 years, and Illinois State Coordinator for the National Youth Sports Program for the past 9 years.

In addition to his regular teaching and directorship responsibilities, Coach Davis is an active participant in College Governance, Student Government, Local 1600 of the AFL–CIO, former Vice Chair, and the President's Scholarship Gala Committee.

In 1992, coach Davis was selected by the United States Department of State to teach and to serve as Athlete and Program Specialist in Africa. He taught and supervised sports clinics in Egypt, Uganda and Kenya. Professor Davis also served as Vice President for Personnel and Head Basketball Coach for the United States Upper Deck All Stars Professional Basketball Team, which toured Europe from 1996 to 1998.

Professor Davis has earned meritorious awards, among the top ten in the United States, from Malcolm X College for eight consecutive years.

□ 2320

In 1997, Malcolm X college won the Silver Conte Award, designating Malcolm X College's program as the best in the Nation.

Dan Davis has been instrumental in assisting more than 300 students and student athletes in acquiring scholarships as well as their college degrees. Equally important, Professor Davis is viewed by many of his professional peers as a coach, a master teacher and a mentor extraordinaire because of his high standards and unswerving commitments to his student, his community, education and his college, where he is indeed a distinguished professor.

In addition to being a distinguished professor, Dan Davis is a distinguished citizen, a good neighbor, a role model, a person who grew up in an inner city community, Crane High School, which at one time housed what is now Malcolm X College. He returned home, brought his skills and attributes and has given something back, has given something of himself on a regular basis.

Yes, I congratulate Dan Davis and his family for their outstanding citizenship. All of us who know him are proud of his accomplishments. I commend him for not only being a distinguished professor, he is indeed an outstanding citizen and a distinguished American.

The SPEAKER pro tempore (Mr. TERRY). Under a previous order of the House, the gentleman from Illinois (Mr. LIPINSKI) is recognized for 5 minutes.

(Mr. LIPINSKI addressed the House. His remarks will appear hereafter in the Extensions of Remarks.)

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from North Carolina (Mrs. CLAYTON) is recognized for 5 minutes.

(Mrs. CLAYTON addressed the House. Her remarks will appear hereafter in the Extensions of Remarks.)

IN HONOR OF THE CONSTRUCTION TRADES

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Mrs. MALONEY) is recognized for 5 minutes.

Mrs. MALONEY of New York. Mr. Speaker, on the three-month anniversary of September 11, I rise to pay tribute to the unsung heroes of the World Trade Center disaster—the thousands of volunteers from the construction trades and the New York City construction industry.

As we all know, the rescue and recovery efforts in response to the attacks on the World Trade Center involved unprecedented, selfless acts of heroism by thousands of firefighters, police officers, Emergency Medical Service workers, and ordinary citizens, who all risked their lives to save others.

But often overlooked is the heroism of thousands of men and women from the building trades who ALSO risked their lives and their

health working side-by-side uniformed rescue workers all along.

These volunteers—construction workers, iron and steel workers, and many others—toiled alongside firefighters and police officers, digging tunnels and gaining access to victims by operating cranes, burning steel, driving trucks, and moving debris by hand as part of the ''Bucket Brigade.''

Many of these individuals gave their time and labor for a week or more, giving up their salaries, families and the comforts of daily life to search for survivors around the clock.

They did so at great risk to their health as fires raged and toxic fumes emanated from the burning rubble.

Three months later, those fires are still smoldering, and the fumes are still endangering everyone working at Ground Zero.

But even as their boots melt from the heat of the fires below, hundreds of workers are persevering at the site, removing what remains of seven office buildings that once symbolized the center of the global economy.

They embrace this unprecedented and perilous challenge out of enduring determination to get New York get back on its feet and one day restore Lower Manhattan's majesty and vibrance.

Throughout this heartbreaking process, these unsung heroes have shown profound respect for the victims and their families.

The hushed silence at the site, which lasted for many days after the bombing, reflected an appreciation for the magnitude of the horror—and the fact that they were working on the surface of a mass grave.

I want to extend my deepest gratitude to the New York City Department of Construction and Design, who, at my request, preserved a segment of the ruins to be transformed into a national monument at an appropriate time in the future.

We all remember images of steel fragments from the towers that plunged upright into the pavement like arrows in the hearts of all New Yorkers, and nearby fire trucks that were partially submerged in the rubble.

Thanks to the care and respect that workers have demonstrated in dismantling and removing the wreckage, these images will be preserved in honor of those who were lost, and in remembrance of a black Tuesday that this nation must never forget.

The scores of companies, organizations and union members who have cooperated in clearing the site with extraordinary speed, efficiency and safety include, but are not limited to: a special team of the New York City Office of Emergency Management and the New York City Department of Design and Construction; with main contractors Turner Construction Co./Plaza Construction, Bovis Construction, Amec Construction and Tully Construction; and dozens of subcontractors, including Thornton-Tomasette Engineering, LZA Engineering, New York Crane, Bay Crane, Cranes Inc., Slattery Association, Grace Industries, Big Apple Demolition, Regional Scaffolding & Hoisting, Atlantic-Heydt Scaffolding, York Scaffolding, Weeks Marine, and Bechtel Corp.

In addition, many other entities worked to resolve the daily problems confronted by the Fire Department of New York, the New York City Police Department and the Port Authority Police Department in rescuing and recovering their own.

Every New York City agency, especially the New York City Department of Sanitation and the Department of Environmental Protection, was involved, as were the New York State Police, The National Guard, the Federal Emergency Management Administration, the Army Corps of Engineers, Con Edison, Verizon, and the Port Authority of New York and New Jersey.

Mr. Speaker, many Members of Congress and the Senate have come to Ground Zero. They have seen devastation, but also resilience and redemption in the work that's being done there.

I know I speak for this entire body in expressing our country's deep appreciation for the risks taken and sacrifices made by the unsung heroes at Ground Zero, who have reminded us what the American spirit is all about.

PAKISTAN TIES TO TALIBAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mr. PALLONE) is recognized for 5 minutes.

Mr. PALLONE. Mr. Speaker, I come to the House floor this evening to talk about several matters of concern regarding Pakistan.

I appreciate Pakistan's willingness to assist us in the fight against Osama bin Laden and his terrorist networks, and I know that General Musharraf continues to make a concerted effort to cooperate with the United States in our global fight against terrorism. Under the current circumstances, due to the attacks of September 11, I do feel that it is appropriate to provide economic assistance to Pakistan for General Musharraf's willingness to support the U.S. in seizing Osama bin Laden and eliminating the al Qaeda terrorist network. In fact, I also felt that it was appropriate that the economic sanctions that were in place against Pakistan were rightfully lifted by President Bush earlier this year.

However, Mr. Speaker, I stand strong in my argument against military aid to Pakistan, even under the current circumstances. I oppose the lifting of military sanctions, and I still feel the U.S. should exercise its discretion not to provide military assistance.

The Pakistani dictatorial government has in the past been directly involved in the planning and logistical support of Taliban military operations. Not only has Pakistan provided institutional support to terrorist activities by the Taliban and other groups, it has also provided weapons as a result of its irresponsible weapons export policies. Withholding military assistance to Pakistan will help pressure Musharraf to withdraw its support to terrorist groups.

Mr. Speaker, there have been several recent reports that corroborate the difficulty Pakistan has in separating itself from the Taliban. According to an article from last Saturday's New York Times, Western and Pakistani officials report that one month after the Pakistani government agreed to end its support of the Taliban, its intelligence agency was still providing safe passage for weapons and ammunition to arm them.

In September, the U.S. issued an ultimatum to Pakistan that if they wanted to join the United States in the fight against terrorism, Pakistan had to end its ties to the Taliban.

Pakistani intelligence claims that the last sanctioned delivery of weapons to the Taliban occurred about a month after the U.S. issued this ultimatum. However, it is clear that the Inter-Services Intelligence, ISI, has perpetuated military support of the Taliban. The ISI is a powerful group of military jihadi who are not representatives of the government. Nevertheless, they operate fiercely within Pakistan; and accordingly, Pakistan inevitably engages in logistical and military support of the Taliban.

My other concern at this time, Mr. Speaker, regarding Pakistan is that it is a nuclear power. A country with nuclear power that has links to the Taliban and al Qaeda is a recipe for disaster. An article reported that nuclear experts in Pakistan may, in fact, have links to al Qaeda. The fear is that nuclear experts have the knowledge and experience to provide nuclear weapons and related technology to transfer these goods to terrorists.

The article in the New York Times reports that American intelligence officials are increasingly convinced that Pakistan may become the site of a furtive struggle between those trying to keep nuclear technology secure and those looking to export it for terrorism or for profit.

Mr. Speaker, my last comment is that historically, U.S. arms exports to Pakistan have been used against India, primarily through crossborder military action in Kashmir. Since the terrifying example of terrorism in India on October 1 when a suicide car bomb exploded in front of the Kashmir State Assembly while it was in session, there have literally been murder incidents on a daily basis in Kashmir. The escalated terrorist violence in India has been horrific and left numerous civilians and military men victim to cold-blooded murder.

Last week I read that suspected terrorists shot and killed a judge in Kashmir, along with his friends and two guards. This is the first attack on the judiciary of Jammu and Kashmir state. Over the weekend I read that an Islamic militant group invaded an Indian army convoy in Kashmir and the attack left nearly 10 men dead and over 20 wounded.

These examples of murder by Pakistani-based militant groups should be evidence enough that weapons can and will fall into the hands of terrorist networks and potentially be used against India and other U.S. allies.

Mr. Speaker, I realize that the Bush administration is not proposing any major change in policy with regard to military assistance to Pakistan, but with removal of congressional sanctions, stepped up military assistance

remains a possibility. I continue to oppose that option, and I believe that the circumstances in Pakistan this weekend and over the last few weeks still do not warrant that kind of military assistance.

PUBLIC HEALTH SECURITY AND BIOTERRORISM RESPONSE ACT

The SPEAKER pro tempore. Under the Speaker's announced policy of January 3, 2001, the gentlewoman from New Mexico (Mrs. WILSON) is recognized for half of the time until midnight as the designee of the majority leader.

Mrs. WILSON. Mr. Speaker, the hour is late, at least here on the east coast, but we have just prepared for passage tomorrow morning a landmark piece of legislation to improve health security in this country, and I think it deserves some additional explanation as to what is in that bill and how it will help America to prepare for and to defend against any bioterrorist attack against American citizens here at home, and I would like to take a few minutes to explain how we came to this legislation and what it is intended to do and some of its provisions.

We expect to vote on this bill tomorrow here in the House although we debated it here on the floor about half an hour ago.

We need to be better prepared for terrorist attacks involving biological agents. There are about 36 different pathogens, or germs, that are designated by the Centers for Disease Control as extremely dangerous. They are in a list that is maintained by the Centers for Disease Control, and we have got to be better prepared against those kinds of biological toxins, because the fact is that the world has changed.

The idea of using disease as a weapon of warfare is not a new one. It has existed for a long time, and countries have developed biological warfare capabilities even in spite of the fact that there were treaties against that.

In 1979 there was an anthrax outbreak in the former Soviet Union near the town of Sverdlovsk, and it created some casualties near that site. At the time, America suspected that there was a biological warfare in Sverdlovsk, but we were able to confirm that after the end of the Cold War.

In the Gulf War and its aftermath, we knew that Iraq was developing biological warfare capability, including anthrax, and we also knew that they had used chemical warfare agents, including against their own people; and we have no illusions about the willingness of Saddam Hussein to destroy his own people or to use biological warfare against the United States or any other enemy of the Iraqi Government.

□ 2330

The use of biological warfare or serious toxins by terrorists is something that people have contemplated, but in some ways it goes into the unthinkable.

In Japan, there was use by a terrorist network of a nerve agent in the subways which kind of alerted us to the potential for using very toxic substances as a terrorist tool, but there was nothing like what we saw here on the east coast of the United States with the anthrax attack that followed on the September 11 attacks on the United States.

The fact is that terrorism has changed. It changed in a very significant way. In the 1970s and 1980s, most terrorist networks were either fighting in wars of national liberation, trying to get attention for a cause, trying to shock governments for effect, but they actually avoided mass casualties, and did not want to have a response against their cause by public opinion writ large. They did not want mass death.

But the terrorists we are dealing with now, and unfortunately, there are cells throughout the world, want to cause massive death and high numbers of casualties. The threat has changed, and America has to change with it.

In the 1970s and 1980s and certainly through the 1990s, our response to the threat of bioterrorism was largely to deal with our military. We developed a vaccine for anthrax, and while it was highly controversial and there were some problems with it, we began inoculating American military personnel against some strains of anthrax. We focused on military protection and not on homeland defense.

We also developed what are called National Guard civil support teams in about 27 States now, where there are teams of people who are designed to deal with unusual threats within the United States; but still, those were relatively small efforts, and focused on the capabilities of our military.

It was really about force protection for the military: How do we keep the American military able to continue to fight for the United States in the face of a potential biological warfare attack. We really did not deal completely with the threat of bioterrorism here at home.

The fact is that a new effort is required in the wake of the anthrax attacks and the new kind of terrorism represented by Osama bin Laden and his al-Qaeda network. What we saw in New York and in Washington, D.C. is frightening, but it is also something we have to cope with. We have seen a terrorist network that has the ability to organize and plan simultaneous attacks, rather sophisticated attacks, in the United States. They were able to maintain secrecy over a period of time within the United States. They did not come from outside, they were within us, within the United States. They had access to the money in order to carry out this very sophisticated operation, and their objective was not to shock or to win in the realm of world public opinion; their objective was mass casualties and the deaths of thousands of civilians.

In light of that, and in light of the anthrax attacks that followed on the attacks in New York and Washington, D.C., we know we have a new need that we have not faced in this country before. It is going to involve all levels of government, because it is the local fire department and the local emergency room of our hospitals that will see the first impact of any epidemic that is caused by a bioterrorist agent. We have to make sure that everybody is trained that needs to be trained.

Likewise, at the State level and at the Federal level, there are also different kinds of responsibilities. At the National Centers for Disease Control, they worked with States and other networks, but there are all levels of government involved, and it will involve also private entities.

If I am sick, I do not go to the government. If my children are sick, I do not go to the government, I go to our doctor. Our doctor has to be connected in to an early alert system, just as everyone's doctor needs to be. That will involve planning, it will involve training of people, it will involve the development of curricula and ways of communicating very quickly to medical professionals throughout this country what they should be looking for, what kinds of symptoms show up in the first hours, and how to distinguish those symptoms from other things that might not be so threatening: What is the difference between anthrax and the flu, and how as a doctor in rural New Mexico can I make that distinction so that I can care for my patients, but I do not have to frighten them unnecessarily?

The second thing we knew we needed to do was to expand the availability of vaccines and medical equipment to deal with a large crisis. That is something that the Secretary of Health and Human Services, Tommy Thompson, brought to our attention in the Committee on Energy and Commerce, that in the event of a mass outbreak, not a naturally-occurring outbreak of a disease but the intentional spreading of disease in different parts of the United States simultaneously, that we were not prepared for that kind of a man-made epidemic, and so we need to expand our stockpiles of vaccines. We need to increase the availability of smallpox vaccine. We need to make sure that we have the stockpiles of medical equipment and diagnostic equipment to be able to deal with any epidemic very quickly and effectively across the United States.

We knew that we needed to better control and know about what pathogens exist in the United States. One of the things that I think surprised a lot of people after the outbreak of anthrax here in Washington and New York and Florida was that one of the first questions the FBI asked was, well, what labs in the United States have anthrax?

The first answer was, we do not know, because there is no requirement to say what we have. The only requirement in Federal law is that one has to

report or register, as it says in the law, we have to report when we transfer a culture from one entity to another entity.

So if I am a researcher working at the University of Iowa, and I have been for 20 years, on very dangerous pathogens, I do not have to tell anybody unless I take one of my samples and send it up to another university, the University of Minnesota. I would only have to tell them that I transferred it.

That does not make any sense. We need to know, of all these 36 very toxic pathogens, these germs that can cause such havoc to our health, we need to know who has them; and even more than that, in addition to requiring that we register what we have, we need to have a sample, a culture of what germs everybody has and is doing research on in the United States.

The reason is this: We can now map the genes not only of the human being but of almost any organism. If we can have an encyclopedia, if you will, of all of these dangerous toxins within the United States and know what their DNA, their genetic code is, then if there is an outbreak of anthrax, we can tell what the parents are or who the parents are, if you will.

Then we can help law enforcement deal with any outbreak and possibly determine where that outbreak is likely to come from, or, perhaps even more importantly, be able to rule out large numbers of samples, or even rule out that the sample came from within the United States.

So the bill that we are going to vote on tomorrow requires the registration of any of these dangerous serious germs, these 36 germs that are listed by the CDC, and also providing a sample of that, and creating a national registry, a genomic registry of what the genes of these germs look like.

We know that our food systems and our water systems are vulnerable to contamination. We have 54,000 community water systems across the country, most of them serving very small villages and communities across the country. We have probably 100 or 200 very large water systems, but most of our water systems are very small. They are often run on a voluntary basis or a cooperative basis, where people get together and they have treated well water. Unfortunately, they are also vulnerable because of that. We need to make sure that our water supply and our food supply is safe, and develop ways to survey any potential contamination of them.

We also knew that we needed to do more research, not only research on countermeasures, but research to better understand these pathogens, to know what their vulnerabilities are so that our vaccines and our public health response can be much better.

We need better ways of mapping and surveying disease outbreaks, and detecting when we have hazardous germs that are present.

All of us saw in the news in the last couple of weeks the men in the white suits with their Q-tip swabs going around testing things and wiping things and putting them on Petri dishes and trying to grow something, and then putting it under a microscope, and maybe 2 or 3 days later they would know whether they had anthrax or not on that particular sample that they took from the back of a telephone somewhere in the Capitol building.

Well, that does not make any sense in this day and age. We need to be able to research, develop, and deploy the technology for real-time continuous monitoring of the air, of the water; even do portal monitoring, so if one walks through a door and there is some kind of a germ that comes in with one that is a very serious germ, we can detect it, just like walking through a metal detector at the airport, entirely passively.

We know we need better communications, and to plan communications in advance, not only between public health doctors and State health laboratories and the CDC, but between Federal officials and the public. The public needs information.

□ 2340

If there is a problem, we need to know about it so we can deal with it. And that means getting the straight scoop from Federal agencies even if they do not know everything, if they can just in a clear way tell us what they do know. We need to plan those things in advance because once there is a crisis, everybody starts working off the back of an envelope; and it is much easier to have those things thought out in advance.

Finally, we know that we need to expand our laboratory capacity and expand the Centers for Disease Control. The anthrax attacks on the eastern coast of the United States were relatively small. They were frightening. They caused sickness and they caused death. But in a way maybe it was the canary in the mine shaft. They were relatively small attacks involving four letters in three different States. But it overwhelmed our laboratory system. We do not have the capacity in our laboratory system. We do not even have a level 4, which is to deal with the most serious pathogens; we do not even have a level 4 laboratory in the United States west of the Mississippi River.

We are not prepared to be able to deal with a potential outbreak and epidemic and we need to. So in a bipartisan way in the House we came up with the Public Health Security and Bio-Terrorism Response Act. We hope to vote on it tomorrow, and it has some very important things in it. It has $1 billion authorized for planning and preparedness activities, for training, for lab capacity, to educate health care personnel and develop curriculum for health care personnel and to develop new drugs and new therapies and new vaccines against the most serious toxins that we can face in a country in a man-made epidemic.

It authorizes $450 million for the Centers for Disease Control. We are going to update and modernize the CDC, and this bill will include funds to do that. We put into the bill $1 billion for the Secretary of Health and Human Services to expand the national stock piles of vaccine and medical equipment and other supplies, to purchase more small pox vaccines, to have things ready if we need it.

I remember as a young lieutenant in the Air Force I was stationed overseas in England, and one of the things we had in England were prepositioned hospitals that were kind of stored in pallets in these old World War II hangars that were rehabilitated for this purpose so that if we ever did go to war in Europe, we would have prepositioned hospitals ready to go there in storage in the event of an emergency. It is kind of still within the project that we are talking about, making sure we have the supplies on hand to counteract any man-made epidemic.

We establish a national data base of dangerous pathogens. The CDC can update that list anytime they want to. Right now there are 36 very different dangerous diseases on that list, and we require that they be registered and that they give us a culture of that germ so that we can have a national encyclopedia of the genomes of these different samples from around the country. There is $100 million that is authorized for the Food and Drug Administration to hire more inspectors at our borders to make sure we are monitoring our food supply.

We certainly need to increase the research and development to be able to detect things remotely and give these people the tools to make this meaningful so that they can reassure us that the food supply is safe, that it has not been contaminated. And there is $100 million in the bill to develop vulnerability analyses and emergency response plans for our water systems.

Overall this is a very good bill. It sets out national policy in public health safety. It will require that the establishment within the health and human services department of an office of emergency preparedness require the development of national plans to deal with a new bioterrorist threat.

There are some things that it does not do. We do not claim that this bill includes all the things we are going to need to do to protect the public health. We know that probably next year we are going to have to do some things with the National Guard and the military to strengthen that first response that every Governor turns to when something goes wrong in their State. We do know that this really deals mostly with living things, with pathogens, with organisms and not so much with other kinds of poisons, whether they be radionuclides or chemicals. And those surveillance systems are different than those you see for disease. And we need to think differently about how we do that.

Finally, it does not include water research and development for real-time monitoring. That is in a separate bill. It is sponsored by the gentleman from New York (Mr. BOEHLERT), and we may see that come forward here possibly this week or next week to really expand our research and development on water safety and water monitoring.

This is a very good solid bill. It is a very important bill, in some ways because it has been worked quietly and in a bipartisan way here in the House; we have not talked about it much. We have not explained what is in here, and I think it is a real concern of Americans. I know it is a concern of mine of, well, what if there is something that makes my family sick; and how do we know whether someone is trying to hurt them or hurt us. What if someone were to be as organized and as ruthless as there were in the attacks on September 11; but instead of using aircraft, they used disease. They use small pox or they were more effective with anthrax or ebola or all kinds of other things that would be devastating to our families and our communities.

The Federal Government has a responsibility to step up to the challenge, to change the way we think about our health and our health security. And I think this bill goes a long way to taking us there. And I commend the gentleman from Louisiana (Mr. TAUZIN) and the gentleman from Michigan (Mr. DINGELL) for their leadership on this. And I look forward to an overwhelming vote on this tomorrow to pass the bioterrorism bill.

RECESS

The SPEAKER pro tempore (Mr. TERRY). Pursuant to clause 12 of rule I, the Chair declares the House in recess subject to the call of the Chair.

Accordingly (at 11 o'clock and 47 minutes p.m.), the House stood in recess subject to the call of the Chair.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 8 of rule XII, executive communications were taken from the Speaker's table and referred as follows:

4780. A letter from the Chief, Programs and Legislation Division, Department of the Air Force, Department of Defense, transmitting notification that the Commander of Air Force Material Command is initiating a standard cost comparison of the Aircraft Maintenance and Support Activities at Edwards Air Force Base, California, pursuant to 10 U.S.C. 2461; to the Committee on Armed Services.

4781. A letter from the Secretary, Department of Education, transmitting Final Regulations—Direct Grant Programs, pursuant to 20 U.S.C. 1232(f); to the Committee on Education and the Workforce.

4782. A letter from the Acting Assistant General Counsel for Regulatory Services, Department of Education, transmitting the Department's final rule—Direct Grant Programs (RIN: 1890–AA02) received November 29, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Education and the Workforce.

4783. A letter from the Assistant Secretary for Legislative Affairs, Department of State, transmitting a listing of gifts by the U.S. Government to foreign individuals during fiscal year 2001, pursuant to 22 U.S.C. 2694(2); to the Committee on International Relations.

4784. A letter from the Under Secretary for Export Administration, Department of Commerce, transmitting notification of certain foreign policy-based export controls which are being imposed on Liberia; to the Committee on International Relations.

4785. A letter from the Acting Assistant Secretary, Land and Minerals Management, Department of the Interior, transmitting the Department's final rule—Leasing of Sulphur or Oil and Gas in the Outer Continental Shelf—Revision of Requirements Governing Surety Bonds for Outer Continental Shelf Leases (RIN: 1010–AC68) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Resources.

4786. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety and Security Zones; Naval Force Protection, Bath Iron Works, Kennebec River, Bath, Maine [CGD01–01–175] (RIN: 2115–AA97) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4787. A letter from the Chief, Regulations and Administrative Law, USCG, Department of Transportation, transmitting the Department's final rule—Safety and Security Zones; Coast Guard Force Protection for Station Jonesport, Jonesport Maine; Coast Guard Group Southwest Harbor, Southwest Harbor, Maine; and Station Rockland, Rockland Harbor Maine [CGD01–01–164] (RIN: 2115–AA97) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4788. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Aircraft Security under General Operating and Flight Rules [Docket No. FAA–2001–10738; SFAR 91] (RIN: 2120–AH49) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4789. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Temporary Extension of Time Allowed for Certain Training and Testing [Docket No. FAA–2001–10797; SFAR 93] (RIN: 2120–AH51) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4790. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Change of Using Agency for Restricted Areas R–3008A, R–3008B, R–3008C, and R–3008D; Grand Bay Weapons Range, GA [Docket No. FAA–2001–10285; Airspace Docket No. 01–ASO–8] (RIN: 2120–AA66) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4791. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Amendment of Class D Airspace; White Plains, NY [Airspace Docket No. 01–AEA–05FR] received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4792. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Revocation of Class D Airspace, Fort Worth Carswell AFB, TX [Airspace Docket No. 2001–ASW–04] received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4793. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Establishment and Revision of Restricted Areas, ID [Airspace Docket No. 99–ANM–15] (RIN: 2120–AA66) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4794. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Revision of Class E Airspace, Farmington, NM [Airspace Docket No. 2001–ASW–08] received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4795. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Establishment of Class E Airspace; Coudersport, PA [Airspace Docket No. 01–AEA–16FR] received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4796. A letter from the Program Analyst, FAA, Department of Transportation, transmitting the Department's final rule—Airworthiness Directives; Israel Aircraft Industries, Ltd., Model 1125 Westwind Astra Series Airplanes [Docket No. 2001–NM–202–AD; Amendment 39–12362; AD 2001–15–27] (RIN: 2120–AA64) received November 16, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Transportation and Infrastructure.

4797. A letter from the Director, Office of Regulations Management, Department of Veterans' Affairs, transmitting the Department's final rule—Board of Veterans' Appeals: Rules of Practice—Notice of Appeal in Simultaneously Contested Claim (RIN: 2900–AJ73) received November 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

4798. A letter from the Director, Office of Regulations Management, Department of Veterans' Affairs, transmitting the Department's final rule—provision of Hospital and Outpatient Care to Veterans'—Enrollment Decision Level; Copayments for Inpatient Hospital Care and Outpatient Medical Care (RIN: 2900–AK50) received November 30, 2001, pursuant to 5 U.S.C. 801(a)(1)(A); to the Committee on Veterans' Affairs.

4799. A letter from the Secretary, Department of the Treasury, transmitting a request to raise the statutory debt ceiling; to the Committee on Ways and Means.

4800. A letter from the Secretary, Department of Labor, transmitting the Department's eighth report on the impact of the Andean Trade Preference Act on U.S. trade and employment from 1999 to 2000, pursuant to 19 U.S.C. 3205; to the Committee on Ways and Means.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. HANSEN: Committee on Resources. H.R. 2440. A bill to rename Wolf Trap Farm Park as ''Wolf Trap National Park for the Performing Arts'', and for the other purposes; with an amendment (Rept. 107–330). Referred to the Committee of the Whole House on the State of the Union.

Mr. REYNOLDS: Committee on Rules. House Resolution 311. Resolution providing for consideration of the bill (H.R. 3295) to establish a program to provide funds to States to replace punch card voting systems, to establish the Election Assistance Commission

to assist in the administration of Federal elections and to otherwise provide assistance with the administration of certain Federal election laws and programs, to establish minimum election administration standards for States and units of local government with responsibility for the administration of Federal elections, and for other purposes (Rept. 107–331). Referred to the House Calendar.

Mr. GOSS: Committee on Rules. House Resolution 312. Resolution waiving points of order against the conference report to accompany the bill (H.R. 2883) to authorize appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for the other purposes (Rept. 107–332). Referred to the House Calendar.

N O T I C E

Incomplete record of House proceedings.

Today's House proceedings will be continued in the next issue of the Record.

United States of America

Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, FIRST SESSION

Vol. 147 WASHINGTON, TUESDAY, DECEMBER 11, 2001 No. 171

Senate

The Senate met at 9:30 a.m. and was called to order by the Honorable JEAN CARNAHAN, a Senator from the State of Missouri.

PRAYER

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

Faithful Father, we place our trust in You. We say with the psalmist, ''In You, O Lord, I put my trust.''—Psalm 71:1. Things don't work out, You work out things. We entrust into Your care the worries and cares we may have brought to work with us today. We commit our loved ones and friends into Your protection. We pray for continued victory in the war against terrorism and pray for the safety of our men and women in the armed services. Here in the Senate family, we pray that our trust in You will make us trustworthy. Give us greater trust in one another. Free us of defensiveness and suspicion of those who may not share our party loyalties or particular persuasions. Bind us together in the oneness of a shared commitment to You, a passionate patriotism, and a loyal dedication to find Your solutions for the concerns that confront and often divide us. Bless the women and men of this Senate as they renew their ultimate trust in You and are faithful to the trust placed in them by the American people. You are our Lord and Saviour. Amen.

PLEDGE OF ALLEGIANCE

The Honorable JEAN CARNAHAN 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, December 11, 2001.

To the Senate:

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

ROBERT C. BYRD,
President pro tempore.

Mrs. CARNAHAN thereupon assumed the chair as the Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

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

SCHEDULE

Mr. REID. Madam President, this morning the Senate will conduct three successive rollcall votes. Following that, the Senate will resume consideration of the farm bill. As has been the case for many months, the Senate will recess from 12:30 to 2:15 for the weekly party conferences.

RESERVATION OF LEADER TIME

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

EXECUTIVE SESSION

NOMINATION OF JOHN D. BATES, OF MARYLAND, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF COLUMBIA

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will go into executive session and proceed to Executive Calendar Nos. 586, 587, and 591.

The clerk will report Calendar No. 586.

The bill clerk read the nomination of John D. Bates, of Maryland, to be a U.S. District Judge for the District of Columbia.

NOTICE

Effective January 1, 2002, the subscription price of the Congressional Record will be $422 per year or $211 for six months. Individual issues may be purchased for $5.00 per copy. The cost for the microfiche edition will remain $141 per year with single copies remaining $1.50 per issue. This price increase is necessary based upon the cost of printing and distribution.

Michael F. DiMario, *Public Printer*

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

Printed on recycled paper.

Mr. HATCH. Madam President, I rise to express my enthusiastic support for the three judicial nominees the Senate is about to consider. All three are extremely well-qualified nominees who have distinguished themselves with hard work and great intellect. I think they will do great service for the citizens of our country.

One of the nominees we are considering today is John Bates. Mr. Bates has compiled an impressive resume during his 25-year legal career, having masterfully handled complex litigation in both the public and private sectors. He began his career with a federal district court clerkship, then joined the highly regarded Washington, D.C. firm of Steptoe & Johnson as an associate. In 1980, he left private practice to became an Assistant United States Attorney here in D.C. He developed a specialization in handling complex civil cases, eventually rising to become chief of the office's civil division.

After 15 years at the U.S. Attorney's Office and a detail to the Office of the Independent Counsel investigating Whitewater, Mr. Bates returned to the private sector in 1998, joining the D.C. firm of Miller & Chevalier as a member. Despite the demands of his legal practice, he has demonstrated a true commitment to his community through his service on the Board of Directors of the Washington Lawyers' Committee on Civil Rights and Urban Affairs. The breadth and depth of Mr. Bates's legal career will serve him well as a federal district court judge here in the District of Columbia.

Another one of our district court nominees is Kurt Engelhardt, who has been nominated to be a federal district judge in the Eastern District of Louisiana. During his 15-year legal career, Mr. Engelhardt has handled a wide array of civil litigation cases, including commercial litigation, bankruptcy, and casualty and professional malpractice defense work.

In 1995, the Conference of the Louisiana Court of Appeal Judges nominated Mr. Engelhardt to serve on the Judiciary Commission of Louisiana, which is the body of the Louisiana Supreme Court responsible for hearing allegations of ethical violations by state judges and making disciplinary recommendations. This appointment reflects the high esteem in which Louisiana's judges hold Mr. Engelhardt. I am confident that his demonstrated exercise of sound judgment will bring honor and fairness to the federal bench.

Julie A. Robinson has been nominated for the federal bench in the District of Kansas. She graduated from the University of Kansas School of Law and then went to work as a law clerk to the Chief Bankruptcy Judge for the District of Kansas. She must have liked that clerkship for the last six years, she has been sitting as a Bankruptcy Judge on that very same court, and also currently serves as a Judge on the Tenth Circuit Bankruptcy Appellate Panel. In between, Judge Robinson gained a wealth of both criminal and civil experience as an Assistant U.S. Attorney in the District of Kansas. Judge Robinson is a Fellow of the American Bar Foundation and sits on many committees as a member of the National Conference of Bankruptcy Judges, the Kansas Bar Association, and as a past president of the Board of Governors for the University of Kansas School of Law. She is currently a Master of the Sam Crow Inn of Court. Judge Robinson's obvious skills, work ethic, and devotion to her profession make it clear that the people of Kansas will be well served with her on the District Court bench.

It is a pleasure to speak on behalf of these nominees prior to their votes. I encourage my colleagues to vote for their confirmation.

The ACTING PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the nomination of John D. Bates, of Maryland, to be a U.S. District Judge for the District of Columbia? On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The bill clerk called the roll.

Mr. NICKLES. I announce that the Senator from Ohio (Mr. VOINOVICH), the Senator from Nebraska (Mr. HAGEL), and the Senator from Oklahoma (Mr. INHOFE) are necessarily absent.

I further announce that if present and voting the Senator from Oklahoma (Mr. INHOFE) would vote ''yea.''

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

The result was announced—yeas 97, nays 0, as follows:

[Rollcall Vote No. 361 Ex.]

YEAS—97

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

NOT VOTING—3

Hagel	Inhofe	Voinovich

The nomination was confirmed.

The ACTING PRESIDENT pro tempore. The Senator from Vermont.

Mr. LEAHY. Madam President, I am about to make a unanimous consent request on these judges. I want people to know the three judicial nominations before us today fill vacancies in the District of Columbia, the eastern district of Louisiana, and Kansas. When we act favorably on these nominations, we will have confirmed 24 Federal judges since July, including 6 to the courts of appeals.

I mention that because when I became chairman of the Judiciary Committee in July, Federal court vacancies were rising to 111. Since July, we have worked very hard. The Senate has been cooperative. We have confirmed two dozen judges. We are lowering the number of vacancies. In fact, since I became chairman, we have had 19 additional vacancies arise. But we have not only outpaced this high level of attrition, we have lowered the vacancies to under 100. Of course, we would not have had nearly as many vacancies had the Senate confirmed the judges nominated by President Clinton.

We have made progress and outpaced attrition. We have filled vacancies. We are moving forward. I thank Senators on both sides of the aisle who have helped so much on this, who have worked with us even when we had to move out of the Senate office buildings because of anthrax attacks and the September 11 attacks. We have kept going. Contrary to what one person said on TV, inaccurately, and I assume by mistake, this weekend about not keeping up with attrition, we not only have kept up with attrition, we have outpaced attrition.

We will try to keep that number moving in the right direction. In spite of the upheavals we have experienced this year with the shifts in chairmanship, the delay in reorganizing the Senate and assigning Members to the committees, the vacancies that have arisen since this summer, the need to focus our attention on responsible action in the fight against international terrorism and the threats and dislocations of the anthrax attacks, we are making progress.

Far from taking a ''time out,'' as Republicans were suggesting, this Committee has been in overdrive since July and we redoubled our efforts after September 11, 2001.

During the last 6½ years when a Republican majority controlled the process, the vacancies rose from 65 to at least 103, an increase of almost 60 percent.

Since July, we have been making strides to reverse that record and have worked hard to reduce vacancies below the 111 vacancies that existed in July.

In addition to the three nominations being considered by the Senate today, another three nominations to vacancies on the District Courts in New Mexico, Arizona and Georgia are on the Senate Executive Calendar, and another five nominations were included in a hearing last Wednesday.

If the Committee is able to report those nominations and the Senate acts favorably on them before recessing for

the year, we will have confirmed 32 judges since July and 28 since the August recess. This is more judges than were confirmed after the August recess in any of the last 6½ years. It would be more judges than were confirmed in the first year of the Clinton administration and include twice as many judges to the Courts of Appeals as were confirmed that year.

It would be more than twice as many judges as were confirmed in the first year of the first Bush administration, including more judges to the Courts of Appeals.

The President has yet to send nominations to fill more than half of the current vacancies. This is a particular problem with the 71 District Court vacancies, for which 50—more than—70 percent—do not have nominations pending.

We have been able to reduce vacancies over the last 6 months through hard work and a rapid pace of scheduling hearings. Until I became Chairman of the Judiciary Committee, no judicial nominees had been given hearings this year. No judicial nominees had been considered by the Judiciary Committee or been voted upon by the Senate.

After almost a month's delay in the reorganization of the Senate in June while Republicans sought leverage to change the way judicial nominations had traditionally been considered and abruptly abandoned the practices that they had employed for the last 6½ years, I noticed our first hearing on judicial nominees within 10 minutes of the reorganization resolution being adopted by the Senate.

I have previously noted that during the 6½ years that the Republican majority most recently controlled the confirmation process, in 34 of those months they held no confirmations for any judicial nominees at all, and in 30 other months they conducted only a single confirmation hearing involving judicial nominees.

Since the Committee was assigned its members in early July, 2001, we have held confirmation hearings every month, including two in July, two during the August recess, two during December and three hearings during October. Only once during the previous 6½ years has the Committee held as many as three hearings in a single month.

On the other hand, on at least three occasions during the past 6½ years the Committee had gone more than five months without holding a single hearing on a pending judicial nominee. We have held more hearings involving judicial nominees since July 11, 2001 than our Republican predecessors held in all of 1996, 1997, 1999 or 2000. In the last six months of this extraordinarily challenging year, the Committee has held 11 hearings involving judicial nominees.

Last week the Committee held its tenth hearing on judicial nominations and yesterday I chaired our eleventh since the Committee was assigned its membership on July 10, 2001. During the three months since September 11, the Judiciary Committee has held seven judicial confirmation hearings—the same number that the Republican majority held in all of 1999 and one more than they held in all of 1996. Since July we have held hearings on 34 judicial nominees, including seven to the Courts of Appeals.

Since September 11 we have held hearings on 27 judicial nominees, including four to the Courts of Appeals.

Working with the Majority Leader and the Deputy Leader, I have adopted a practice for the second half of this year of working with all Senators and with the Administration to try to fill an many judicial vacancies as possible. To date we have succeeded in confirming 24 judges.

We have persevered through extraordinary circumstances during which the Senate building housing the Judiciary Committee hearing room was closed, as were the buildings housing the offices of all the Senators on the Committee. We persevered through a partisan filibuster preventing action on the bill that funds our nation's foreign policy initiatives and provides funds to help build the international coalition against terrorism.

We showed patience and resolve when at our November hearing a family member of one of the nominees grew faint and required medical attention. That hearing was completed after attending to those medical needs.

We have accomplished more, and at a faster pace, than in years past. Even with the time needed by the FBI to follow up on the allegations that arose regarding Judge Wooten in connection with his confirmation hearing, we have proceeded much more quickly than at any time during the last 6½ years. Thus, while the average time from nomination to confirmation grew to well over 200 days for the last several years, we have considered nominees much more promptly.

Measured from receipt of their ABA peer reviews, we have confirmed the judges this year, including the Court of Appeals nominees, on average in less than 60 days. So, we are working harder and faster than previously on judicial nominations, despite the difficulties being faced by the nation and the Senate.

We have also completed work on a number of judicial nominations in a more open manner than ever before.

For the first time, this Committee is making public the ''blue slips'' sent to home State Senators. Until my chairmanship, these matters were treated as confidential materials and restricted from public view. We have moved nominees with less time from hearings to the Committee's business meeting agenda, and then out to the floor, where nominees have received timely roll call votes and confirmations.

The past practices of extended unexplained anonymous holds on nominees after a hearing have not been evident in the last six months of this year as they were in the past. Indeed over the past 6½ years at least eight judicial nominees who completed a confirmation hearing were never considered by the Committee but left without action.

Likewise, the extended, unexplained, anonymous holds on the Senate Executive Calendar that characterized so much of the last 6½ years have not slowed the confirmation process this year. Majority Leader DASCHLE has moved swiftly on judicial nominees reported to the calendar.

Once those judicial nominees have been afforded a timely rollcall vote, the record shows that the only vote against any of President Bush's nominees to the federal courts to date was cast by the Republican Leader.

With respect to law enforcement, I have noted that the administration was quite slow in making United States Attorney nominations, although it had called for the resignations of United States Attorneys early in the year.

Since we began receiving nominations just before the August recess, we have been able to report, and the Senate has confirmed, 57 of these nominations. We have only a few more United States Attorney nominations received in November and December, and await approximately 30 nominations from the Administration. These are the President's nominees based on the standards that he and the Attorney General have devised.

I note, again, that it is most unfortunate that we still have not received even a single nomination for any of the United States Marshal positions. United States Marshals are often the top federal law enforcement officer in their district. They are an important front-line component in homeland security efforts across the country. We are near the end of the legislative year without a single nomination for these 94 critical law enforcement positions.

It will likely be impossible to confirm any United States Marshals this year having not received any nominations in the first 11 and one-half months of the year.

In the wake of the terrorist attacks on September 11, some of us have been seeking to join together in a bipartisan effort in the best interests of the country.

For those on the Committee who have helped in those efforts and assisted in the hard work to review and consider the scores of nominations we have reported this year, I thank them. As the facts establish and as our actions today and all year demonstrate, we are moving ahead to fill judicial vacancies with nominees who have strong bipartisan support. These include a number of very conservative nominees.

The nominations before the Senate today are John Bates for the District of Columbia, Julie Robinson for the District Court in Kansas, and Kurt Engelhardt for the District Court in the Eastern District of Louisiana.

Before I became Chairman, the last confirmation to the District Court for the District of Columbia was that of Judge Ellen Huvelle. Despite being a distinguished judge in the D.C. Superior Court for nearly a decade, her nomination was pending for almost seven months before she received a hearing. Judge Colleen Kollar-Kotelly had similar credentials and suffered even worse delays. Judge Kollar-Kotelly also served as a distinguished local judge. Her confirmation, nonetheless, required two nominations over two years before she was finally confirmed in 1997. She was not confirmed for eight months after her confirmation hearing. Of course, she has now replaced Judge Jackson as the judge in charge of proceedings on the government suit and proposed settlement of that legal action against Microsoft.

Despite nominees for vacancies on the District Court for the District of Columbia over the past several years, no nomination to this District Court had received a hearing in over two years. Things changed this July. First, we moved expeditiously to consider the nomination of Judge Reggie Walton to one of those longstanding vacancies. I chaired an unprecedented August recess hearing for Judge Walton and he was confirmed in September. Now we are proceeding, with the support of Representative Norton, to fill a second longstanding vacancy on the District Court for the District of Columbia. John Bates will be the second confirmation to the United States District Court for the District of Columbia in the last three months, after years of inaction.

The vacancy that is being filled by Judge Robinson is one that existed before I became chairman. Indeed, last year the President had nominated Keith Gary Sebelius in anticipation of that vacancy.

In the last 6 months of last year Mr. Sebelius was not included in a hearing and his nomination died without Committee action and without Senate action when it was returned to the White House last December. Last year the Republican majority held only two hearings involving only seven District Court nominees in July and no hearings for any other judicial nominees in August, September, October, November or December, in spite of the vacancies and pending judicial nominations to fill them. This year, during the same time frame, the Committee has held 11 hearings involving 34 judicial nominations of which 27 have already been reported favorably to the Senate.

With respect to the vacancy in Kansas, Senators ROBERTS and BROWNBACK wrote to me in October enclosing a letter from the Chief Judge of that District indicating that the vacancy combined with medical leave for a senior Judge had created a serious problem in that District. Chief Judge Lungstrum noted in his letter to Senator ROBERTS that the District in Kansas was without an active judge it its Topeka division. Just as we responded quickly to the Chief Judge of the District Court in Montana and the Chief Judge of the District Court in the Eastern District of Kentucky, we have responded to Chief Judge Lungstrum. Judge Robinson was included in a hearing on November 7 and reported by the Committee last month.

With respect to the vacancy on the Eastern District of Louisiana, that vacancy predated my chairmanship, as well. I recall the nomination in 1997 of Judge Lemelle to a vacancy on that court, the hearing held on his nominations more than 11 months later and his confirmation later still that year. I am glad to work with Senators BREAUX and LANDRIEU to help fill another vacancy on that important court and to be able to do so within one-third the time it took to confirm the last judge to this District.

I am proud of the work the Committee has done on nominations, and I am proud that by the end of today we will have confirmed 24 judges. I hope that by the end of this session that total will rise to about 30 as the Committee continues its work on the nominations heard last week and the Senate confirms the additional three nominees previously reported by the Committee.

Mr. HATCH. Madam President, I wish to respond to remarks by my good friend and colleague, the distinguished Senator from Vermont, about the pace of moving judicial nominees. Now, at the outset, I should say I am pleased that we are moving the few judges we have moved to date. However, despite the confirmation of three Federal judges today, the number of vacancies in the Federal judiciary remains at nearly 100—not far from where it has hovered ever since the Democrats assumed control of the Judiciary Committee. This is no victory—the vacancy rate still stands at a staggering 11.3 percent.

In 1997, Senator LEAHY remarked:

> For the past several months I have spoken about the crisis being created by the almost 100 vacancies that are being perpetuated on the Federal courts around the country and the failure of the Senate to carry out its constitutional responsibilities to advise and consent to judicial confirmations. . . . Confirming Federal judges should not be a partisan issue. The administration of justice is not a political issue. Working together, the Senate should do our constitutionally mandated job and proceed to confirm the judges we need for the Federal system.

I couldn't agree more with these sentiments. One hundred vacancies in the Federal judiciary is nothing to brag about, especially when there are 40 nominees waiting to fill these gaps. Some of these nominees have been waiting for hearings as long as seven months, and it is evident that most, if not all, of them will not get a hearing and vote this year.

Maybe some of my colleagues forget that earlier in the year when we attempted to move the first of President Bush's judicial nominees, some on the other side of the aisle objected that we were moving too fast either they wanted the ABA to do an evaluation before they would allow us to move or it was a fight over the now infamous blue-slip process. I say this in response to claims that somehow it is the Republicans' fault for not confirming judges earlier this year.

I am not the only one who has noticed that the Committee is making slow work of its job this year. In a November 30 editorial, the Washington Post declared that the Committee should hold more judicial confirmation hearings, concluding that ''[f]ailing to hold them in a timely fashion damages the judiciary, disrespects the president's power to name judges and is grossly unfair to often well-qualified nominees.''

As chairman of the Judiciary Committee during 6 years of the Clinton Administration, I responded to the vacancies in the Federal judiciary by holding hearings and votes on judges. As a result, 377 Clinton appointees are sitting on the Federal bench today. So, in contrast to the claims I have heard today, the present vacancy rate is not the result of any failure to confirm Clinton nominees. Instead, it is a direct result of the failure to confirm Bush nominees.

What is important to note is that at the end of the 106th Congress, there were only 67 vacancies in the federal judiciary for which there was a total of 41 nominees—some of whom were not nominated until very late in the year. Today, of course, there are nearly 100 vacancies, but the Senate has confirmed only 24 judges. So I believe it's fair to say that the pace of confirmations has not kept up with attrition.

I am pleased that we are taking these steps with the confirmation of three federal district judges. There are three more judicial nominees awaiting floor votes, and seven more judicial nominees awaiting a Committee vote, including one circuit judge. I urge my Democratic colleagues to act to confirm at least these nominees before the end of the session, and work with us to move the roadblocks they have erected in the confirmation process of all the other nominees, particularly those circuit court nominees who have been pending since May.

I yield the floor.

Mr. LEAHY. Madam President, if nobody has any objection, I ask unanimous consent that we vacate the yeas and nays on the next two nominations and that the Chair put the question of each one of them separately to the body on a voice vote.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. BYRD. Madam President, what was the request?

Mr. LEAHY. If I could respond to the distinguished Senator from West Virginia, my request is that we vacate the yeas and nays on the next two nominations and that we bring them up separately now and that the body be allowed to vote on them by voice vote.

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

NOMINATION OF KURT D. ENGELHARDT, OF LOUISIANA, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF LOUISIANA

The ACTING PRESIDENT pro tempore. The Senate will proceed to the nomination of Kurt D. Engelhardt, of Louisiana, which the clerk will report.

The bill clerk read the nomination of Kurt D. Engelhardt, of Louisiana, to be United States District Judge for the Eastern District of Louisiana.

Mr. LEAHY. Madam President, I understand both of the Senators from Louisiana have returned blue slips in support of this nominee and I support the nominee.

The ACTING PRESIDENT pro tempore. The question is, Will the Senate advise and consent to the nomination of Kurt D. Engelhardt, of Louisiana, to be United States District Judge for the Eastern District of Louisiana?

The nomination was confirmed.

Mr. LEAHY. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

NOMINATION OF JULIE A. ROBINSON, OF KANSAS, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF KANSAS

The ACTING PRESIDENT pro tempore. The Senate will proceed to the nomination of Julie A. Robinson, of Kansas, which the clerk will report.

The bill clerk read the nomination of Julie A. Robinson, of Kansas, to be United States District Judge for the District of Kansas.

The ACTING PRESIDENT pro tempore. The Senator from Vermont.

Mr. LEAHY. Madam President, both of the distinguished Senators from Kansas have returned blue slips indicating their support for this nominee. The nominee is extraordinarily well qualified. And with their support, I also support the nominee and urge the Senate to confirm her.

The ACTING PRESIDENT pro tempore. The Senator from Kansas.

Mr. BROWNBACK. Madam President, Julie Robinson is extraordinarily well qualified. She is the right person for the job. She has served as a bankruptcy judge. I have known of her and her work for a long period of time. Her family even years ago came to Kansas as Exodusters, freed slaves. So she really has had an extraordinary life. She is going to be an extraordinary judge.

I urge all my colleagues to support her nomination.

Thank you.

The ACTING PRESIDENT pro tempore. Is there further debate?

If not, the question is, Will the Senate advise and consent to the nomination of Julie A. Robinson, of Kansas, to be United States District Judge for the District of Kansas?

The nomination was confirmed.

Mr. LEAHY. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

LEGISLATIVE SESSION

The PRESIDING OFFICER (Ms. CANTWELL). Under the previous order, the Senate will now return to legislative session.

Under the previous order, the Senate will now resume consideration of S. 1731, which the clerk will report.

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

The assistant legislative clerk proceeded to call the roll.

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

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

UNANIMOUS-CONSENT REQUEST—S. 1499

Mr. KERRY. Madam President, I ask unanimous consent that the majority leader, following consultation with the Republican leader, may, at any time, at his selection, in conjunction with the minority leader, move to the consideration of Calendar No. 186, S. 1499; and that the bill would then be considered under limitations to be established in consultation between the two leaders.

The PRESIDING OFFICER. Is there objection?

Mr. KYL. I object.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. KYL. I object.

The PRESIDING OFFICER. Objection is heard.

The Senator from Massachusetts.

Mr. KERRY. Madam President, I ask to be permitted to proceed for a moment to discuss the unanimous-consent request I just made.

Mr. KYL. Madam President, may I ask the Senator to withhold until I propound a unanimous-consent request.

Mr. KERRY. Madam President, I understand the Senator is asking me if I would simply yield for the purpose of his propounding a unanimous-consent request.

Mr. KYL. That is correct.

Mr. KERRY. I am happy to do so.

The PRESIDING OFFICER. The Senator from Arizona.

UNANIMOUS-CONSENT REQUEST—EXECUTIVE CALENDAR

Mr. KYL. Madam President, as in executive session, I ask unanimous consent that the majority leader, after consultation with the Republican leader, proceed to executive session no later than December 14 to consider Calendar No. 471, the nomination of Eugene Scalia to be Solicitor for the Department of Labor, and I further ask unanimous consent that there be 3 hours for debate, with the time equally divided in the usual form, with no other motions in order; and I ask unanimous consent that following the use or yielding back of time, the Senate proceed to the vote on the confirmation of the nomination, the President be immediately notified of the Senate's action, and the Senate then return to legislative session.

The PRESIDING OFFICER. Is there objection?

Mr. DASCHLE. I object.

The PRESIDING OFFICER. Objection is heard.

Mr. KERRY. Madam President, I believe I have the floor after the request.

The PRESIDING OFFICER. That is the understanding of the Chair.

The Senator from Massachusetts.

Mr. KERRY. I thank the Chair.

Madam President, I ask my colleague from Arizona, without losing my right to the floor, if his propounding of that request indicates that somehow his denial of the ability to proceed forward on the small business bill is linked to the request he just made regarding the nomination.

Mr. KYL. Madam President, I would be happy to respond to my colleague. The answer to the question is no. As the Senator from Massachusetts is aware, there are ongoing negotiations with the Senator as well as the Senator from Missouri and representatives of the administration in an effort to reach a compromise on the legislation, and the Senator's request related to my unanimous-consent request related to the importance of considering Eugene Scalia as Solicitor for the Department of Labor, and I believed as long as we were making unanimous-consent requests to proceed to other business, I would take the opportunity to do so for that nomination.

Mr. KERRY. Madam President, I thank the Senator from Arizona. I would like to respond and say a few words, if I may, about the small business bill.

Mr. DASCHLE. Madam President, I ask the Senator if he will yield for a unanimous-consent request for just a moment.

Mr. KERRY. I am pleased to yield.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. I thank the Senator from Massachusetts very much.

ORDER OF PROCEDURE

Mr. DASCHLE. The pending business today is the farm bill, and we are awaiting the legislation to be introduced.

I ask unanimous consent that following the colloquy or the statement made by the Senator from Massachusetts, the Senate proceed to consideration of the bill itself for debate purposes only.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. KERRY. Madam President, I thank the distinguished majority leader, and I thank the Chair.

SMALL BUSINESS RELIEF

Mr. KERRY. I ask unanimous consent that an article from the front page of yesterday's New York Times regarding the ripples of September 11 widening in retailing and the extraordinary impact of September 11, not just at ground zero but broadly across the country on small businesses, be printed in the RECORD.

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

[From the New York Times, Dec. 10, 2001]

RIPPLES OF SEPT. 11 WIDEN IN RETAILING

(By Edward Wyatt)

On West Eighth Street in Greenwich Village, shoe salesmen stand forlornly on the sidewalk in front of Leather&Shoes.com, smoking cigarettes and staring blankly into the distance, wondering where all the customers have gone.

Down the block, Raja Chaani, the manager of India Imports, and two of his employees sit on stools in a sprawling space chock-full of leather jackets, silk scarves and Indian curios but devoid of customers.

Across the street, at Man Plus, Sonny Shahani and three other salesmen spend their time rearranging sweaters and calculating how much their commissions have fallen. And at House of Nubian, no one but a few Internet shoppers is buying Negro League jackets and hats, or buttons with pictures of black leaders like Malcolm X and Haile Selassie.

While it was expected that small businesses near the site of the World Trade Center would suffer from the terrorist attack on Sept. 11, which displaced 100,000 potential customers from office buildings in the area and thousands more from their homes, wider economic damage from the attack is still rippling outward from ground zero.

The national economy, of course, was already slowing before Sept. 11. But the attack sent shudders through small businesses, not only in New York City but also across the nation. Some economic forecasters say they believe a wave of business failures in New York and elsewhere could come soon after the first of the year, as retailers and other entrepreneurs succumb to the continuing lack of new business in what is traditionally their busiest season.

''I've been on this street for 15 years, and it's never been this bad,'' said Kawal Bhatia, whose family owns Leather&Shoes.com, a shoe and leather goods store at 22 West Eighth Street which, despite its name, does not have a Web site. ''In past years, no matter how bad it was the rest of the year, at least you knew you would cover all your losses with the holiday shoppers.'' But on a recent Friday, he said, ''I did $25 worth of business.''

Last week, Mr. Bhatia put up a new sign: ''Store Closing.''

Small businesses, including many retail establishments, account for two of every five jobs in New York City and roughly half of all jobs statewide, so the drought among small-business owners presages economic pain that is likely to spread far beyond Lower Manhattan. And while numerous grant and loan programs have sprung up to help small businesses recover from the disaster, business owners have complained, in a growing chorus, that the grants are too small to stem their losses and that loan agencies are not approving loans.

On Eighth Street between Fifth Avenue and Avenue of the Americas, for example, roughly two miles north of ground zero, businesses that depend on people who travel into the city to shop have been devastated. The block, the professed shoe district of Manhattan, has for decades served as a crucible for small businesses, a place where shoe and leather goods shops have mixed with funky clothing emporiums serving an eclectic mix of college students, tourists and New Yorkers in search of bargains. But tourists have stopped coming, and retail sales not just in the Village but across the city have been suffering.

Economists say it is too early to tell just how many small businesses are likely to end up closing or in Bankruptcy Court, but they say that the signs are not good.

''I think there is a strong likelihood that come the first quarter, small businesses that are holding on by the seat of their pants may not be able to hold on anymore without some outside assistance,'' said Ian E. Novos, senior director for economic consulting service of KPMG.

A report assessing the economic impact of Sept. 11 that was prepared for the New York City Partnership, by KPMG and SRI International, another consulting firm, predicted that for the next two years, small businesses' sales would continue to fall short of what was expected before the trade center attack. Employment among small businesses will continue to fall through the first quarter of next year, the report said.

During the recession of the early 1990's, in a downturn that was short-lived by historical standards, business failures in New York State peaked at more than 6,000 companies per year, according to Dun & Bradstreet. The failures involved less than 1 percent of the small businesses operating in the state. In 1997, the most recent year for which data is available, there were roughly 1.2 million small businesses operating in New York State, according to state statistics. (Federal data on small businesses, using different measurement criteria, put the number at about half that.)

The 1990's recession lacked some of the ingredients of today's problems—most important a cataclysmic event that sent jobs streaming away from Lower Manhattan, immediately closed off spigots of corporate spending and sent consumers into a kind of anti-spending shock. Since the disaster, the United States Small Business Administration has approved only about one in three applications for disaster loans. Those loans have provided $164 million to more than 2,000 businesses so far, but the approval rate is well below the rates of 50 percent to 64 percent that have followed other major disasters over the past decade.

Hector V. Barreto, the administrator of the S.B.A., told the House Committee on Small Business on Thursday that the loan approval statistics were a result of what was a very different disaster. But he also agreed to review all loan applications that had been rejected in New York so far, to see if the agency's loan standards, which often rely on cash flow and the value of tangible property, had been applied too rigidly.

Unlike earthquakes, hurricanes and floods, which inflict property damage mostly on homes and homeowners, the World Trade Center attack did most of its property damage in a small area around ground zero. Most of the loans requested and made have been for economic injury to businesses in a far wider geographic area, stretching over several counties near New York City.

Economic disaster loans to businesses account for three-quarters of the disaster loans approved so far, compared with 20 percent after events like the flooding of the Red River of the North, in North Dakota in 1997, and Tropical Storm Allison in Texas and Louisiana earlier this year. Economic injury loans require more documentation of losses and of a borrower's ability to repay them than property damage loans do.

A bill that would ease eligibility rules for disaster loans as well as create a grant program to go with the loan program was recently sent to the full House of Representatives by the House Committee on Small Business.

Representative Nydia M. Velazquez, whose district includes parts of Brooklyn, Manhattan and Queens and who is the ranking Democrat on that committee, said the current loan program needed to be revised as the bill would require because the existing loan program ''is not suitable for the new reality of this disaster.''

Some businesses that have been turned down for loans say they cannot fathom whom the loan program is supposed to help, if not them. Carla Behrle, who designs, manufactures and sells custom-made leather clothing from a shop on Franklin Street in TriBeCa, said she was told by S.B.A. officials that her application would be rejected because her business did not have enough cash flow to make the loan payments of $143 a month.

''Some people spend more than that on cigarettes,'' said Ms. Behrle (pronounced BURR-lee), who does not smoke. She said the agency did not seem to take into account her plans for the money, which included relocating her business, which had revenues of about $125,000 last year, and shifting her focus to wholesale sales, eliminating her retail store.

''I spent hours and hours filling out all this paperwork,'' she said. ''If I had known what I know now, I would have put my energies elsewhere.''

Other entrepreneurs complain that the city and state efforts to restore the economy are tailored to the needs of large corporations rather than to small businesses. They note that when Gov. George E. Pataki and Mayor Rudolph W. Giuliani appointed members of the Lower Manhattan Redevelopment Corporation last month, corporate and political interests were well represented, but no representatives of small business from downtown Manhattan were included.

Asked what he would say to people who operate small downtown businesses that are ailing, John C. Whitehead, the newly appointed chairman of the group, said: ''I don't know what we say to them, but we want to keep them and we don't want them to be discouraged. I think there is assistance available for them.''

Carl Weisbrod, president of the Downtown Alliance, which represents businesses in the financial district and around the trade center site, said the redevelopment agency's ''primary mission is going to be repairing the infrastructure'' and creating a physical environment that will draw customers back to small businesses downtown.

Whether small businesses downtown can wait for those improvements, which could easily take years, is uncertain. On West Eighth Street, merchants up and down the block who are not covering their expenses say their landlords have so far refused to give them a break on their rents.

At Mofa Shoes, Moses, the manager, who would not give his last name, spoke woefully of the outlook. ''This used to be the shoe capital of the world,'' he said. ''We'd get customers who came to Eighth Street from Italy, Brazil, Spain. Now, well, you see. The street is empty.''

Mr. KERRY. Madam President, I heard the Senator from Arizona. I respect what he said in trying to characterize some discussions as negotiations. But I have been here for 18 years. Senator BOND has been here I think just about as long. He is the ranking member. He and I have worked together when he has been chairman and I, ranking member, and vice versa. The Small Business Committee is probably the least partisan committee of the Senate. We don't do anything if it isn't broadly by consensus. Eighteen members of our committee are cosponsors of this legislation. Sixty-two Senators are cosponsors of this effort to bring emergency assistance to small businesses of this country. We have now been waiting for 2 months while this bill has been held up by the great process of rolling holds and rolling theories of objection.

While the Senator from Arizona politely characterizes it as a negotiation, there is nothing to negotiate based on what we have been offered. It is a basic gutting of the entire approach that is supposed to be in the form of a compromise. We are not to going to do that with 62 cosponsors of a piece of legislation that provides emergency assistance to businesses that need it.

Let me quote briefly from yesterday's New York Times. It said the following:

> While it was expected that small businesses near the site of the World Trade Center would suffer from the terrorist attack on Sept. 11, which displaced 100,000 potential customers from office buildings in the area and thousands more from their homes, wider economic damage from the attack is still rippling outward from ground zero. . . . Some economic forecasters say they believe a wave of business failures in New York and elsewhere could come soon after the first of the year, as retailers and other entrepreneurs succumb to the continuing lack of new business in what is traditionally their busiest season. . . . while numerous grant and loan programs have sprung up to help small businesses recover from the disaster, business owners have complained, in a growing chorus, that the grants are too small to stem their losses and that loan agencies are not approving loans. Since the disaster, the United States Small Business Administration has approved only about one in three applications for disaster loans . . . [an] approval rate well below the rates . . . [of] other major disasters over the past decade.
>
> Carla Behrle, who designs, manufactures and sells custom-made leather clothing from a shop on Franklin Street in TriBeCa, said she was told by SBA officials that her application would be rejected because her business did not have enough cash flow to make the loan payments of $143 a month. ''Some people spend more than that on cigarettes,'' said Ms. Behrle, who does not smoke. She said the agency did not seem to take into account her plans for the money, which included relocating her business, which had revenues of about $125,000 last year, and shifting her focus to wholesale sales, eliminating her retail store. ''I spent hours and hours filling out all this paperwork,'' she said. ''If I had known what I know now, I would have put my energies elsewhere.''

Clearly, the administration's approach is not working.

We have seen documented over the past months by a number of different articles from the Bureau of National Affairs and the Washington Post that this bill is being held up by the administration and by two colleagues in the Senate who are suggesting there are a series of different reasons for doing so. The last time there was an objection, Senator KYL said he would return to the floor and explain why later. He never returned, and he didn't explain why. But we have had a different set of explanations in the course of our conversations.

I have heard people say it is not that they really have an objection to the bill but they are acting as an agent, holding it so it can be reviewed, that they don't really have a hold on the bill but they have an objection to the process. Then we heard that it is duplicative of the administration's approach and it helps medium-sized and large businesses. Then we heard that perhaps the defaults will be too high.

My personal favorite excuse for the delay is that some people want to remove the hold but they can't get into the quarantined office in order to get the necessary paperwork to submit to remove the hold, and so on, and so on—anything to try to run out the clock.

The clock is running out on a lot of small businesses in the country. I believe that every single excuse offered to date for not proceeding forward on this bill is subject to an analysis that completely dismisses that particular excuse.

We need to pass S. 1499, the American Small Business Emergency Relief and Recovery Act of 2001. I emphasize that the key word is ''emergency.'' Small businesses need help now. They have needed it since the terrorist attacks three months ago.

However, as documented in several articles over the past months, from the Bureau of National Affairs to the Washington Post, the Administration and two of our colleagues in the Senate do not see the problems of small business as urgent. They have played games with the livelihoods of small business owners and their employees by putting ''holds'' on S. 1499 and therefore blocking passage of legislation to help small businesses.

On November 27, I moved to bring S. 1499 up for a vote. Senator KYL objected and said that he would explain why later. He never returned to the floor. I hope that he will do so today.

Addressing the concerns of those opposed to this bill as reported in the press or told to small businesses calling to urge passage of S. 1499 is a moving target. One day it's too expensive. Next it's that they have no objection to the bill, but they are an ''agent,'' holding it so it can be reviewed, or, they don't have a ''hold'' on the bill, ''they have an objection to the process.'' Next it's duplicative of the administration's approach, and it helps medium-sized and large businesses. Then it's that defaults will be too high. My personal favorite is that they want to remove the hold but they can't get into their quarantined office to get the necessary paperwork to submit to remove the hold. And so on, and so on, and so on, anything to run out the clock.

Let me explain why these objections are not well-founded:

No. 1, Senator KYL and the administration contend that this bill costs too much. Senator KYL was quoted as saying in the Congressional Quarterly on November 28: ''We have a debt situation in this country right now. This bill is a big deal. It costs too much.'' Let me just state the obvious—small business is not what caused our debt situation. Even leveraging money to provide loans and venture capital and counseling through the SBA is not what caused our debt situation. In fact, the SBA suffered disproportionately in budget reduction for FY2002 compared to other Departments. The President's fiscal year 2002 budget cut funding for the SBA anywhere from 26 to 40 percent depending on how you look at it.

Why the big difference? It is a 40-percent cut if you count the President's request to move the SBA disaster loan program out of SBA, SLASH the disaster loan part of the budget from $826 million to $300 million, and RAISE the interest rates on disaster victims. That's right, if the Bush administration's fiscal year 2002 budget had been implemented, the very program that Senator KYL and the administration are claiming is the answer to the problems of small businesses, would now be underfunded, and would be charging small business disaster victims 5.4 percent versus the current 4 percent. Luckily, Senator BOND and I were successful earlier this year in passing a budget amendment to restore that funding.

Let me go back to the comment, ''This bill costs too much.'' This bill costs too much compared to what? Compared to the $15 billion that will be given to the airline industry? Compared to the estimated $4.75 billion that Senator KYL's S. 1500 would provide in tax credits for airplane tickets? Compared to the administration's approach of essentially declaring the entire Nation a disaster area and providing disaster loans nationwide?

The Congressional Budget Office has informally scored S. 1499 as costing $860 million. Compared to the Kerry-Bond approach, Senator KYL's bill costs 5.5 times more. Compared to the Kerry-Bond approach, the administration's approach through disaster loans costs almost 5 times more—4.67 times, to be exact.

The administration's approach through economic injury disaster loans has a subsidy rate—that's the net cost to the taxpayer of running the program—of anywhere from 14 percent to 17 percent, depending on whose estimate you use. The Kerry-Bond approach, which provides the majority of assistance through the 7(a) loans, has a

subsidy rate of 3 percent. The Kerry-Bond approach is more cost-effective.

In practical terms, if we fully funded this bill, for $860 million we could leverage more than $25 billion in loans and venture capital to fill the market's gap in lending. To provide an equal amount of access to capital through the disaster loan program would cost taxpayers about $3.5 billion. These charts illustrate on a State-by-State basis how many small business will be helped by S. 1499 through 7(a) and 504 loans, and how much capital will become available in each state. For example, under this bill, more than 1,700 small business in Arizona could get loans to help recover from the terrorist attacks and the worsening economy. Under the administration's approach, only one small business has been helped in Arizona since September 11.

No. 2, Senator KYL contends this bill hasn't had sufficient review. According to the Washington Post, Senator KYL says ''it is not a hold, but part of his role as chairman of the GOP steering committee to review bills that are being hustled through at the end of the session to make sure they have been properly 'vetted.' 'I'm just an agent,' '' KYL said.

Let me set the record straight on the process. This bill hasn't been ''hustled through.'' It was drafted with the input of small business organizations, trade associations and SBA's lending and counseling partners through more than 30 meetings and conference calls—conference calls because we couldn't ask folks to fly in the immediate weeks after the attacks. It is cosponsored by 18 of the Small Business Committee's members. And overall 62 Senators, including 20 Republicans, have joined me in cosponsoring S. 1499.

On October 15, S. 1499 was cleared by both cloakrooms. It would have passed by unanimous consent that night if OMB hadn't called at the last minute and asked the GOP leadership to put a hold on the bill so that SBA could introduce its own solution the next day. On October 16, the committee sat down with staff from the SBA and incorporated changes to S. 1499 to address their concerns. Nevertheless, when the GOP leadership lifted its hold, Senator KYL put a hold on the bill for the Republican Steering Committee. They have now held this emergency legislation for almost 2 months.

On the House side, the Committee on Small Business passed the companion to S. 1499 by unanimous consent. There's nothing hustled about this bill. It was moved quickly because it is emergency legislation. It is a good bill because it can do a lot of good for a lot of people. It is being held because of shameful politics. If Senator KYL and other members of the Republican Steering Committee want to vote against the bill, then we should give them the opportunity. I say let's bring this bill up for a vote. Small businesses have a right to know exactly who is working against them and who is working for them. And the Republican Steering Committee should know that blocking this emergency small business bill because of politics, or because they oppose the process, doesn't hurt me or Senator BOND, it doesn't hurt our Committee or the Democrats; it hurts small businesses and puts in jeopardy the jobs of thousands of Americans.

Has anyone looked at the unemployment rates? Over the past 2 months, the nation has lost 799,000 jobs. According to an article in the Christian Science Monitor yesterday, Monday, December 10, the jobless rate is now at 5.7 percent and economists expect it to peak out next year at between 6.5 and 7 percent.

No matter how many tax credits we provide, if people don't think they will have a paycheck and are pessimistic about job prospects, they're not going to spend. The Consumer Confidence Index has declined for 4 straight months. According to Lynn Franco, director of the Conference Board's Consumer Research Center: ''Widespread layoffs and rising unemployment do not signal a rebound in confidence anytime soon. With the holiday season quickly approaching, there is little positive stimuli on the horizon.''

No. 3, Senator KYL contends the defaults will be too high. If that were true, it would be reflected in the Congressional Budget Office's cost assessment of this bill. Subsidy rates for guarantee loan programs factor in not only fee income derived from the borrowers and lenders, but also the estimated defaults and recoveries. As I said earlier, the majority of loans to be made through this bill will be made through the SBA's 7(a) program. The subsidy rate for this program with incentives is estimated by CBO to be 3 percent. So, for every $100 loaned, it will cost $3. That does not indicate excessive default rates. And according to the administrator of SBA, the program is performing so well that in the President's fiscal year 2003 budget, OMB will reduce the subsidy rate for 7(a) loans by 50 percent.

No. 4, Senator KYL contends this bill is duplicative. It is not duplicative. The administration did adopt and implement a couple of provisions of the Kerry-Bond bill by expanding access to economic injury disaster loans through regulations. However, their approach is not comprehensive enough to help the range of small businesses with varying degrees of problems. As reported in the New York Times on October 31, ''more than half of the small businesses in New York City that have applied for Federal disaster loans since the World Trade Center attack have had their applications rejected, resulting in one of the lowest loan-approval rates in recent years among communities that have had to grapple with large-scale disasters.''

While I am glad that the administration finally acted to help small businesses, their approach is not getting at the problem. Their approach doesn't defer payments or allow refinancing. Ours does. The administration didn't meet with small business groups when shaping their approach. We did. The administration didn't sit down with Senators SCHUMER and CLINTON and ask how they could be of particular help to those businesses in ground zero. We did. Consequently, these are reasons why small business groups such as the U.S. Chamber of Commerce are pushing for passage of the Kerry-Bond bill.

Let me give you insight into the damage suffered by just one group of affected small businesses: the chauffeured ground transportation industry. That industry used to employ about a 160,000 people. Since September 11, they have laid off approximately 80,000—half the jobs. Again, that's just one of many industries in trouble. If Senator KYL's office, the members of the Republican Steering Committee and the administration listened to or read the letters from the United Motorcoach Association or the National Limousine Association, they would know that they need working capital to keep their businesses alive until they can restructure or until more normal business conditions return. And to have sufficient working capital, the ones in the New York and New Jersey that make their bread and butter from business from JFK Airport, La Guardia Airport, and Newark Airport need deferments. And they need to be able to refinance their debt. They aren't asking for hand-outs. They are asking for loans that they will pay back. The SBA is supposed to help small businesses. The administration's approach isn't working, so it is our responsibility to tailor SBA's programs so that together they can effectively address the needs of small businesses.

Let me read this quote from an article in the Wall Street Journal published on Tuesday, November 6, 2001. They are the words of Mr. John Rutledge, chairman of Rutledge Capital in New Canaan, CT, and a former economic advisor to the Reagan administration:

> Interest rate reductions alone are not enough to jump-start this economy. We need to make sure cheaper credit reaches the companies that need it . . . The Fed is cutting interest rates—but the money isn't reaching capital-starved small businesses because Treasury regulators are cracking down on bank loans. Credit rationing, not interest rates, is the real problem with the economy. . . . This problem didn't start on September 11. For more than a year U.S. banks have been closed for business lending. Unless the current Bush administration takes steps to restore bank lending to small businesses and heal the asset markets now, the economy will stay weak.

No. 5, Senator KYL contends this bill helps medium-sized and large businesses. This bill does not help medium-sized and large businesses. For 1 year only, S. 1499 allows businesses for certain industries in limited areas—the areas hardest hit—New York, Virginia and the contiguous areas designated as

disasters—to be considered small for purposes of accessing disaster loan assistance. In addition, like the administration's own legislative request in the DoD appropriations bill now pending in conference, S. 1499 gives discretion to the Administrator to raise any size standards not named in this bill to respond to the higher costs in New York City. These businesses are included in those eligible for assistance in order to compensate for the unique magnitude of their damage and the expensive markets they are in. The ones named in this bill were created in cooperation with the New York City Economic Development Corporation through the offices of Senators SCHUMER and CLINTON. For example, S. 1499 raises the size standards for restaurants from $5 million to $8 million. Annual revenues of $5 million for a restaurant in States like Arizona or Massachusetts or Florida might seem like a medium-sized or large business, but according to Mayor Giuliani's staff, it could be merely a fancy coffee shop in Manhattan. In order to really help small businesses in New York City, the city recommended raising the size standard to $8 million. These are loans, not grants, and it makes sense to take advice from those experts who know the markets of their small businesses.

Travel agencies have been hard hit in all of our States. Raising the size standard from $1 million to $2 million is not excessive. In fact, the travel agents want to know why we can help the airlines but not them.

Size standards need to keep pace with inflation. The current standards are inadequate under normal market conditions, much less a disaster of this gravity and so unique in nature.

No. 6, the administration contends that the Kerry-Bond approach displaces the private sector. Weighing in on this bill for the first time in writing almost 2 months after S. 1499 was introduced, here's what the Administrator said to me in a letter dated November 30: ''SBA is also concerned with Section 5 and Section 6 of S. 1499. . . . [because it] could make government guaranteed small business loans more attractive than conventional loans, potentially displacing private sector options.''

I think the administration has our proposals confused. It is the Kerry-Bond approach that uses 5,000 plus private-sector lenders who are experienced at making SBA loans to help deliver this assistance to small businesses. It is the administration's approach that makes loans directly from the SBA, which cuts out the private sector.

This bill does not cost too much. This bill is not duplicative of what the administration has already put into place. This bill does not encourage defaults. This bill does not help big businesses. This bill does not cut out the private sector. This bill has not been rushed through the Senate. On the contrary, this emergency legislation has been blocked from being considered for 2 months.

I want to emphasize that this obstruction should not be blamed on all Republicans. My colleague Senator BOND has worked in earnest to pass this bill, and the bill has 20 Republican cosponsors. I greatly appreciate their cooperation, and I know small businesses, their employees and the groups that represent small business appreciate their support. If they really want to prove their support, before we adjourn for the holiday, they will vote in favor of invoking cloture, and they will vote in favor of the bill when it comes up for a final vote.

It ought to be the subject of a debate in the Senate. We ought to have a vote. Let the Senate do its work. We could dispense with this bill in 3, 4 hours or less. If someone wants to bring an amendment, let them bring an amendment. We have an opportunity to be able to do that.

The Senator from Arizona was quoted in the Congressional Quarterly on November 28 saying:

> We have a debt situation in the country right now. This bill is a big deal. It costs too much.

Let me state the obvious. Small business is not what caused the debt in this country. Even leveraging money to provide loans and venture capital and counseling through the SBA is not what caused our debt situation. In fact, the SBA suffered disproportionately in budget reductions for fiscal year 2002 compared to other departments. The President's budget cut the funding for SBA anywhere from 26 to 40 percent, depending on how you make the analysis.

Senator BOND and I came in with an amendment. I am pleased to say we were able to try to prevent that cut. But let me go back to the comment of the Senator from Arizona that it costs too much.

Mr. KYL. Might I ask the Senator from Massachusetts a question; will he yield for a question?

Mr. KERRY. I will yield for a question.

Mr. KYL. Since the Senator has invoked my name on several occasions and not made it clear when he was connecting various criticisms to my name, I would like the opportunity to respond. The problem is, as the Senator knows, we have a 10:30 briefing on a very important subject. I would like the opportunity prior to that time to be able to respond to the comments. Could the Senator advise if he thinks that might be possible before 10:30?

Mr. BOND addressed the Chair.

The PRESIDING OFFICER. The Senator from Massachusetts has the floor.

Mr. KERRY. Madam President, I want my colleagues to take part in this.

My colleague introduced a bill himself that provides tax credits for airplane tickets that costs five times this bill; $4.75 billion the Senator's bill costs. What are we talking about when we talk about ''costs too much?'' Let me ask the Senator from Arizona, could we bring this bill to the floor of the Senate within the next couple of days? I will curtail my comments, if we could get an agreement to bring this bill to the floor.

Mr. KYL. Madam President, I say to the Senator from Massachusetts that he knows very well the administration has significant objections to the bill as written, that the President announced almost immediately after September 11 emergency programs for small business loans, that the White House believes that is sufficient under the circumstances today, and that the bill is too expensive for the needs of the people about whom the Senator has talked.

Therefore, until there is more willingness than the Senator has expressed—and the Senator has made it clear there is no willingness to compromise—then the answer to the question is no.

I would also be pleased to talk about the other subject, the travel and tourism tax credit, as part of the stimulus package, if the Senator wished to further yield on that.

Mr. KERRY. Let me say to the Senator from Arizona, all of the analysts, all of the small business entities, the Chamber of Commerce of the United States and others, do not find what the administration is doing adequate. And the President did not, as you say, announce almost immediately after September 11 emergency programs for small business loans. The administration waited more than 1 month to act, and they did so after OMB put a hold on S. 1499. The consensus of the community is that the administration's response is simply not adequate.

They didn't sit down and talk with the same groups we did in putting this bill together. They didn't reach out to the Senators from New York to find out what the needs of the city were in doing this the way we did. We have done that, and we have even incorporated provisions into the bill to address concerns by the administration. The Senate deserves to have an appropriate debate notwithstanding. There are plenty of things we debate on that the President does not agree with, the White House does not agree with.

I ask my colleague from Missouri whether or not in his judgment he thinks what the administration is doing is adequate. Without losing my right to the floor, I ask him if he might respond to that.

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

Mr. BOND. Madam President, I concur wholeheartedly with my colleague from Massachusetts. The needs of small business are great. Not only the small businesses directly impacted in New York and in Virginia by the tragic terrorist actions, but many other small businesses throughout this country are suffering. I think every Member of this body can tell you about general aviation companies in their States who

were shut down, put out of business for up to a month, some even longer because of the FAA restrictions. The bill we have sponsored is very modest, $851 million. We are talking about the need.

We just passed $40 billion in relief. We passed another $20 billion on Friday night, an allocation of $20 billion for antiterrorism. We are talking about a stimulus that could be anywhere from $40 to $80 billion.

The beauty of 1499 is that it only spends money if the small businesses that have been crippled as a result of this terrorist action will borrow the money and put it to work hiring people, buying goods, getting the economy moving again. It is absolutely critical. I ask my colleagues to let us debate the bill. Let us bring out the problems on the floor.

If the administration were ultimately to decide we have not made the case, then they still have the right to veto it. We cannot get into the details of this legislation. My last count was we had 64 Members—at least we have over 60 Members supporting the bill. It is something we need to do this month because small businesses may be out of business, if they are not already, by the time we get back next year. I urge my colleagues to let us debate the bill.

I also join with my colleague from Arizona in saying that it is absolutely unconscionable that we not act on the nomination of Eugene Scalia, ultimately qualified to be the lawyer for the Secretary of Labor. If people have objections to him, let them bring them to the floor. I don't think they will withstand the scrutiny of the light of day. We have just a few days remaining. It is very important that we act on the Secretary of Labor nomination, the lawyer the President selected, who is adequately qualified and deeply committed to this cause.

It is absolutely essential that we act now to provide small business the stimulus it needs by making it easier to get over the hurdles that have been caused by the terrorist acts of September 11 to borrow money to get back in business to expand their business. I hope we can vote on both of these measures.

I strongly support my colleague from Massachusetts on the need to move to 1499 and my colleague from Arizona on the need to move to the appointment of Eugene Scalia. I hope we can get on with both of them.

Mr. KERRY. I say to my colleague from Arizona, the administration's approach proceeds through the economic injury disaster loans. It has a subsidy rate—That is a net cost to the taxpayer of running the program—of anywhere from 14 to 17 percent, depending on whose estimate you use. The base is 14 percent.

The Kerry-Bond approach, which provides the majority of assistance through the 7(a) program loans, has a subsidy rate of 3 percent. So the administration's approach is a 14- to 17-percent cost to the taxpayer. Our approach is 3 percent to the taxpayer.

In practical terms, if you fully funded this bill, you could leverage more than $25 billion in loans and in venture capital to address the market gap in lending.

Let me say to the Senator from Arizona, under our bill, Arizona could make 1,700 small business loans right now. Under the administration's program, only one business in Arizona has had any help since September 11. That is the difference between the bills. The cost to the taxpayer is less and the coverage is greater. And the leverage is higher. It is a more effective and cost-effective piece of legislation.

While I am glad the administration finally acted on this program, their approach does not allow refinancing. The administration approach does not allow deferral of payments. I remember in 1991, when we had the RTC and the savings bank problem, we had a lot of programs that were falling.

I am sorry to see the Senator leave. I would love to see if we could get agreement to proceed forward.

Well, Madam President, I hope the record is clear that small businesses in this country could be significantly helped if we were to proceed forward with this legislation. We now understand that the administration and some in the Republican caucus—I regret to say it—are unwilling to proceed forward to help small businesses with a program that would be more effective than what is happening now.

Let me give an insight into some of the damage suffered. You can look at the ground transportation industry, at travel, and at others, all of which have viable industries, but they need help to be able to tide them over in order to proceed forward. It seems to me that providing them with working capital is an essential ingredient.

Let me quote from the Wall Street Journal of November 6. These are the words of John Rutledge, chairman of Rutledge Capital in New Canaan, CT, and a former economic adviser to President Reagan:

> Interest rate reductions alone are not enough to jump-start this economy. We need to make sure that cheaper credit reaches the companies that need it. . . . The Fed is cutting interest rates—but the money isn't reaching capital-starved small businesses because Treasury regulators are cracking down on bank loans. Credit rationing, not interest rates, is the real problem with the economy. . . .

That is exactly the same problem we faced in 1989, 1990, and 1991 when we had failures in the savings and loan and the banking industry, and we had an entity called Recall Management come in to try to process some of the small loan portfolios. What happened is a whole lot of viable businesses got lumped into the bad loans so that the viable businesses were, in effect, put into a category where they could not get the credit they needed simply to tide them over. We lost thousands of jobs. Viable business was liquidated because of bad judgment. That is precisely the situation in which we are now putting people. People who have a viable business, who simply need to ride out this momentary downturn, which all of us know was exacerbated by the events of September 11, need small amounts of working capital in order to be able to tide over their workers, to be able to pay the various legal obligations they have to stay in business.

If you don't want to create a cycle of self-fulfilling prophecy, where you drag your economy down as a consequence of not helping all of these small businesses to be able to sustain those jobs, this is the way to do it. If you provide emergency small business lending in a way that is in keeping with the emergency efforts in the past, the standards of the SBA will still be met. These are not throw-away loans. These are loans that can leverage some $25 billion of economic activity in the country. That is why this legislation has 62 cosponsors in the Senate.

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. 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.

AGRICULTURE, CONSERVATION, AND RURAL ENHANCEMENT ACT OF 2001

The PRESIDING OFFICER. The Senate will resume consideration of Calendar No. 237, S. 1731, which the clerk will report.

The assistant legislative clerk read as follows:

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

The PRESIDING OFFICER. The Senator from Nevada is recognized.

Mr. REID. Madam President, we are going to be in a posture very quickly where we will be able to start doing things other than just talking about the farm bill. Amendments will be offered and, hopefully, we will complete this most important legislation very quickly.

What I wanted to come to the floor today to talk about is what has appeared in newspapers all over America today, including a Washington Post editorial. Syndicated columns all over America are running articles today talking about something going on in Washington that is simply invalid. But I think, as far as I am concerned, kind of the culmination, or the synthesis of all these articles and columns and editorials in America today appeared in the New York Times this morning. That editorial has a headline: ''Tom Daschle Isn't the Problem.''

I will make no editorial comment about this editorial. I will read it:

The closing days of this year's Congressional session have brought forth a wild Republican campaign to demonize Senator Tom Daschle. It almost seems as if the G.O.P. is holding a contest to see who can most often use the word ''obstructionist'' to describe him. The attacks—including ads in Mr. Daschle's home state of South Dakota featuring side-by-side photographs of him and Saddam Hussein—are a sure sign of the Senate majority leader's effectiveness in blocking President Bush's hard-right agenda. Today Mr. Bush meets with Mr. Daschle at the White House, where they can move beyond vilification to legislation.

The word ''obstructionist,'' voiced over the weekend by Vice President Dick Cheney, has an unreal ring. Perhaps Mr. Cheney was in a remote, secure location when, after Sept. 11 and with Mr. Daschle's help, Congress passed a use-of-force resolution, a $40 billion emergency spending bill, an airline bailout, a counterterrorism bill and an airport security bill. The Senate has also passed 13 appropriations bills and its own version of education reform and a patients' bill of rights. The two things that Mr. Cheney cited that the Senate had ''obstructed'' were legislation to drill for energy in the Arctic National Wildlife Refuge and a ''stimulus'' bill to give out huge tax breaks to corporations and rich people.

Mr. Cheney and Mr. Bush have called for bipartisan cooperation in Congress. Yet when asked, the vice president declined to disavow the attack ads running in South Dakota that accused Mr. Daschle of helping the Iraqi dictator by blocking the destruction of the Alaska reserve.

The suspicion is growing in some quarters in Washington that Mr. Bush may not really want economic stimulus legislation. How else to explain that the White House is sticking with a bill, passed by the House, that many Republicans say privately they would just as soon abandon? The effect of spending less than $100 billion to jolt a $10 trillion economy is likely to be small, and the unnecessary tax breaks aimed at corporations and the wealthy would make the nation's upcoming deficits even worse. But there are some good ideas in some versions of the stimulus bill that should be passed, irrespective of their large-scale economic impact. These pieces would provide unemployment and health benefits to laid off workers who desperately need help after Sept. 11.

If Mr. Bush continues to be inflexible on the economic package, Mr. Daschle should switch tactics and attach the health and jobless benefits to some other bill before Congress adjourns near Christmas. It would be a travesty to ignore the real needs of the most vulnerable Americans at a time like this one. You might even say it was obstructionist.

Madam President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill clerk proceeded to call the roll.

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

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

Mr. REID. Will my friend yield for a parliamentary inquiry?

Mr. LUGAR. Yes, I will be happy to yield to the distinguished Senator.

Mr. REID. I say to the distinguished ranking member of the Senate Agriculture Committee, we would like to set a time for moving to the legislation. The leader, because some items were not ready, asked that it be debate only. I will wait until the Republican side checks, but I will propound a unanimous consent request that the debate only stop at 11 a.m. or 11:15 a.m. I wanted to alert my colleague, and I will check with his side to see if that is OK.

Mr. LUGAR. Let me respond to the distinguished leader. That will be fine as far as I am concerned. My understanding was we were going to commence the debate after the third rollcall vote. I point out the drafting of a new bill is not completed even as we speak. Legislative counsel is still working on it somewhere.

Whenever it does emerge, that is what we ought to do so we can finally offer amendments and get on with it. I am merely going to speak to the bill, given the instructions that we were going to have general debate on the agriculture bill until 11. Once the Senator propounds the request, I certainly will be agreeable.

Mr. REID. I will propound that as soon as we check with the Republican Cloakroom.

Mr. LUGAR. Madam President, I want to make general comments about the farm bill. I appreciate the distinguished chairman of our committee, Senator HARKIN, and others are even at this moment involved in drafting a new bill. At some point, my understanding is they will come forward with a substitute for the entire bill which is now before us. I am not supercritical of this procedure, although it does raise some questions on our side. We have not seen the new text and will not see the new text for some time, apparently. It is still in the hands of legislative counsel, I am advised, working its way through.

I make this point because this has characterized the procedure, unfortunately, in the committee and on the floor. Members may or may not wish to know what is in the farm bill. I think it is important. Very clearly, there are many Members who want to debate and pass the farm bill and fairly rapidly. They are joined by those outside this Chamber.

I cite, for example, the December 8, 2001, issue of Congressional Quarterly, in which the headline is ''Fear of Budget Constraints and 2002 Galvanizes Farm Bill Supporters.''

The article goes on to say:

The specter of a tight Federal budget next year with less money for farm subsidies has agricultural lobbyists and their allies in Congress pushing for final action on a farm bill before lawmakers leave this month.

Lobbyists fear that if Congress waits until 2002 when the current authorization bill expires, then the $73.5 billion in new spending for agricultural programs over the next 10 years that was set aside by this year's budget resolution might vanish. ''We have never before had this hammer over our heads, like the loss of this money,'' said Mary Kay Thatcher, lobbyist for the American Farm Bureau Federation. However, with little time left lawmakers say finishing a bill could be difficult.

Indeed, it could, and the bill is not even available as of this moment. It was announced yesterday with a great deal of certainty that after three rollcall votes this morning, we would be on the farm bill, we would be offering amendments presumably to the text that came out of the Senate Agriculture Committee. As of this moment, we are not offering amendments because we are awaiting a new bill.

While we await the new bill, other things also are occurring outside. I note that CBO announced that the Federal deficit for October and November of this fiscal year, for 2 months—the fiscal year we are now in—unfortunately, amounted to $63 billion. That is $28 billion more in deficit than last year. It is the first time the Government has run a deficit this size since 1997, which was the last time the Federal Government ran a deficit for the entire fiscal year.

This simply underlines the fact that CBO is not alone in pointing out we are in a deficit year. We did not expect to be in such a predicament at the beginning of the year. Indeed, when the President of the United States gave his State of the Union Address to a joint session of the Congress, he talked about $3 trillion of surpluses over a 10-year period, and the allocation to solve Social Security and Medicare reform problems, and for a very generous education bill that he and many Members of this body were proposing.

In fact, CBO earlier in the year prophesied a potential surplus of over $300 billion, scaled down to something less than $200 billion by summertime, $50 billion as we proceeded in the post-September 11 period, and now it is apparent we are headed for a deficit.

That does not change the context of this debate one whit. Proponents of the bill, fastening on to a budget resolution adopted early this year, said we have pinned down $172 billion over 10 years, $73.5 billion over baseline, over the normal expenditures that have been occurring year by year in the agriculture bills. It is there.

I and others have pointed out it really is not there. Members may delude themselves that somehow, because this is December 11, we are unable to foresee the future and understand that life has changed; that we are in a deficit because of recession, because of war expenditures, because of all sorts of emergencies that still lie ahead of us as we try to meet these emergencies with our President.

Yet even in the face of this, as the Congressional Quarterly article points out, agricultural lobbyists, perhaps aided and abetted by even Senators on occasion, believe we need to have the debate and complete the debate to pin this money down, money which, in my judgment, is no longer there. There is an Alice-in-Wonderland quality about the debate.

I say simply that at some point, even though $63 billion of deficit has occurred in 2 months, another 2 months will pass and CBO will have another prophecy that will be even more bleak, in my judgment. At that point, however, in the event the Senate has acted, the Senate and House have conferred, and the President has signed a bill, whether we have the money or not, it will add to the deficit. That must be the calculation of those who are looking at this presently.

The administration has not really weighed in on the budget side thus far, and proponents of the bill will point that out, that essentially there have been plans offered, that the administration apparently supports, that seem equally as expensive as the chairman's bill.

At some point, however, all of us have to make judgments as to what is fiscally sound, where priorities ought to lie in this situation. Eventually, as we get into the bill, I want to ask Senators, as they are thinking about their preparation and how they size this up—I appreciate that many Senators will approach this bill on principle alone. Some would say—not many—some would say very frequently agriculture bills are very parochial bills. We each look after our own States, and that is what we ought to do.

If this is the case, I think it is important, as Gannett News Service pointed out in an article by Carl Weiser on December 6, 2001, that under the current legislation—which the new farm bill, of course, would revise—

Six States—Iowa, Illinois, Texas, Kansas, Nebraska and Minnesota—collected almost half the payments in 1999.

It was not dissimilar in 2000, for that matter, according to GAO.

Farm bills, as they are now written, are subsidies, essentially, for the row crops—corn, wheat, cotton, rice, now with very generous loan rates for soybeans—and are concentrated on States that have that type of agriculture. By and large, the payments do not become very generous for those who are involved in livestock or in vegetables, in timber, and other situations.

I point out Senators may want to take a look at their chart which can be found on the Environmental Working Group Web site. For example, the State of California, with 74,126 farms, is second only to Missouri and Iowa on this chart, but in California, only 9 percent of all the 74,000 farm families receive Government subsidies. As a matter of fact, only 7 percent of farmers in Massachusetts, 9 percent in Nevada, 7 percent in New Jersey, and in the State of Washington only 20 percent of the 29,000 farmers in that State receive anything in these programs.

For example, if one were to take a look at the State of Iowa, 75 percent of farmers receive subsidies; in the State of Kansas, 65 percent; in my home State of Indiana, 52 percent. We are sort of fair to middling; half of us farmers receive subsidies, the other half do not.

As I pointed out earlier in the debate, roughly 40 percent of farmers benefit from these programs, while 60 percent do not. If you happen to represent a State in which, as in California's case, 91 percent do not participate, it is hard for me to understand how you would be enthusiastic about these formulas because essentially this is an income transfer from some persons in the United States—taxpayers—to a very few taxpayers who are the beneficiaries. In this case it is quite a large transfer. We are talking about $172 billion over 10 years of time. Not only are most of the payments concentrated, almost half of them in six States, but in those States the concentration is rather profound.

Mr. DASCHLE. Will the Senator from Indiana yield for a unanimous consent request?

Mr. LUGAR. I will be happy to yield to the distinguished leader.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Madam President, I ask unanimous consent that the period under which the farm bill is being considered for debate purposes only end at the conclusion of the remarks of the Senator from Indiana.

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

Mr. LUGAR. I thank the distinguished leader and I appreciate his courtesy in allowing me to complete these remarks.

Madam President, I pointed out the concentration of these payments in six States. But within those States, the concentration is fairly substantial. For instance, in the State of the distinguished leader, 10 percent of the farmers who receive payments receive 55 percent of the money—just 10 percent. In my State of Indiana, the concentration is even greater. The top 10 percent receive 62 percent of the money. Not only is there concentration in a few States, but within States that are major beneficiaries, a concentration exists with a very few farms.

This is not the first time that proposition has been brought to the attention of the Senate and, indeed, as we began debate in the Senate Agriculture Committee this year, the distinguished chairman, Senator HARKIN, frequently talked about this problem of concentration. In fact, it bobbed up in all sorts of ways: Concentration of meat packers, concentration of supermarket chains, concentrations of authority all the way through the food chain, and, of course, very startlingly with regard to producers themselves.

But as the debate proceeded, somehow or other along the way the whole idea of concentration, when it came to payments to a very few farmers in a very few States, was lost by the wayside. This is why it came as a pleasant surprise to me to read an article by Peter Harriman in the Sioux Falls Argus Leader. This is on December 7:

U.S. Sens. Tim Johnson, D-S.D., and Byron Dorgan, D-N.D., will introduce a farm bill amendment next week—

That is the week we are now in—

that would drop commodity subsidies from a maximum $460,000 per individual per year now to about $275,000.

The amendment also would require commodity-payment recipients to be actively involved in farming.

A quote from Senator JOHNSON:

You can't use these corporate entities to expand the amount of benefits you get. . . .

One of the points that Senator JOHNSON goes on to make is:

One of the deficiencies of the Senate farm bill is that it really didn't do much to target payments to typical farmers and ranchers. We thought the Senate bill could be strengthened by better redirection of resources to typical farmers. . . .''

Dorgan added, ''It has been increasingly frustrating over the years to see large corporate ag factories get very large checks, and there is not enough money left to provide a decent safety net for family farmers.''

Johnson said: ''If people want to farm the whole township they can. There is nothing in this amendment to keep people from farming.

But we are not asking taxpayers to subsidize a small handful of operations that are getting over $500,000.''

I look forward to that amendment and the debate on that because it certainly has occupied a lot of time already of many of us in the committee who felt that, in fact, these payments really required some scrutiny. I ask some consideration in due course, Madam President, when I offer an amendment to the commodity title which, in fact, does provide a very substantial limit. My legislation provides 6 percent of the total farm bill, so it is not discriminatory but equal in all States—equal, really, to all types of farming. But it does finally limit these payments to $40,000. That seems to me to offer equity to every farmer in every State, every county, every crop. And it meets the needs of those who truly are small and struggling and have a very difficult time, given the concentration in agriculture that has been pointed out by so many.

So we will have an opportunity in due course to think through concentration and limitations and equity, a chance to move this from half of the money going to six States to an even distribution wherever there is farming of any sort in every State.

Madam President, I ask active consideration of Senators as they take a look at their own States, at their own farmers, at what farming occurs in their States, to support that general proposition as opposed to the one that lies before us in the bill that came out of the Agriculture Committee which, in fairness, essentially bumps along with the same type of distribution system that we have had for many years and which I and others have criticized in the course of this debate.

Finally, let me point out that we still have the problem of money. I believe at least we have a problem of money. Others on the Senate floor may disagree and may believe that we already are running into Federal deficits that are fairly large and that these

payments to farmers are merely part of that proposition.

Some suggested yesterday that maybe even a stimulus package of sorts for rural America would stimulate the situation. If that is the proposition, it is very difficult to make it, given the figures I have just recited; namely, that all of the stimulus or half of it would be narrowed to six States. Even within those States, well over half of 10 percent of farmers is a relatively few thousand people. That is not very much of a general stimulus. In fact, it is a very pointed and very focused situation.

I can well understand why those who are beneficiaries of the past bill, or of the bill that Senator HARKIN has introduced, would be obsessed that we are taking a look either at the fact that we have a Federal deficit or that these are rather concentrated payments. There has been a general myth that has surrounded farm bills—that they are meant to save every family farmer; that somehow they make a difference in the lives of every family farmer.

I am here to tell you that, in fact, each bill and the bill that Senator HARKIN has proposed even concentrates this further with higher subsidies, higher target prices, and higher loans. The money goes to those who are the most efficient. One can ask: What is wrong with that? The most efficient are not always the largest but frequently they are because of the scale of size and unit costs involved. And the ability to produce, quite apart from the market, has led to their concentration. And it has continued each year. It will march ahead now. That is why I will oppose the bill that lies before us. We need to amend it constructively so that, in fact, we can proceed to good agricultural legislation.

I thank the Chair for this opportunity. I thank the distinguished majority leader for allowing me to complete my remarks under the unanimous consent.

I yield the floor.

The PRESIDING OFFICER (Mr. CARPER). The majority leader is recognized.

Mr. DASCHLE. Mr. President, I compliment the distinguished Senator from Indiana for the manner in which he has made his points this morning. While we may have some disagreement, I do not know of a Senator who has greater respect and whose views are more widely appreciated than the Senator from Indiana. I appreciate the opportunity to hear many of his comments this morning.

AMENDMENT NO. 2471

Mr. DASCHLE. Mr. President, on behalf of the Senator from Iowa, I have an amendment at the desk.

The PRESIDING OFFICER. The clerk will report the amendment.

The senior assistant bill clerk read as follows:

The Senator from South Dakota [Mr. DASCHLE], for Mr. HARKIN, proposes an amendment numbered 2471.

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

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

(The amendment is printed in today's RECORD under ''Amendments submitted and Proposed.'')

Mr. DASCHLE. Mr. President, I will use some leader time to make comments as if in morning business.

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

ECONOMIC STIMULUS

Mr. DASCHLE. Mr. President, I wanted to come to the Chamber for a few minutes to call to the attention of my colleagues an article that appeared in the Wall Street Journal this morning. The article is headlined ''House GOP Ponders Scale-Backed Version Of Stimulus Package.''

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

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

HOUSE GOP PONDERS SCALED-BACK VERSION OF STIMULUS PACKAGE

(By Shailagh Murray)

WASHINGTON.—House GOP leaders may take a new, scaled-back economic stimulus package to the House floor if talks fail to produce a House-Senate compromise.

Republican leaders said they would offer the bill as a last-ditch effort to revive the stimulus package, which is on life support due to protracted partisan squabbling. Officials hope to act on the matter before Congress adjourns for the holidays.

House Majority Leader Richard Armey (R., Texas), one of two GOP House leaders appointed to negotiate a final package, said the version would include many of the most politically popular provisions on the table, some scaled back from levels that have been unacceptable to Senate Democrats. They include a depreciation bonus for new capital investments; higher expensing limits for small businesses; an extension of the net operating loss carry-back period to five years, from two; accelerated reductions in individual income-tax rates; $300 rebate checks for low-income workers; and extensions of tax breaks due to expire Dec. 31.

The package also would feature at least $20 billion to extend unemployment benefits by 13 weeks and to help jobless workers buy health coverage. House Ways and Means Chairman Bill Thomas (R., Calif.) offered the beefed-up benefits package last week in an effort to win Democratic votes on trade negotiating authority.

Mr. Armey said he would like to include corporate alternative-minimum tax repeal and capital-gains tax reductions, but acknowledged it could be an uphill battle because of strong Democratic resistance.

The move would allow House Republicans to say that they made a good-faith effort to produce a stimulus package, should the talks fail. It also is intended back Democratic Senate leaders into a political corner, by forcing the stimulus bill's final fate into the hands of Senate Majority Leader Tom Daschle.

''If Daschle wants to stop this process, he needs to reconcile that with the American people,'' Mr. Armey said. Mr. Daschle has countered that he is eager to complete the stimulus bill negotiations, especially to deliver the worker benefits.

Stimulus-bill talks broke down during the weekend, when Democrats and Republicans accused each other of walking out on negotiations scheduled for Friday and Saturday. Mr. Armey said he hoped talks would begin again today, although no formal meetings were scheduled as of Monday evening. But Mr. Armey said House leaders, including Speaker Dennis Hastert, were ''exploring other options'' in the event that stalemate can't be broken. Senate Republicans say they also are seeking alternative ways of getting the stimulus package on track.

Mr. DASCHLE. Mr. President, the article provides new information about the current views of at least House leadership regarding the stimulus package that I find to be very encouraging. I will not read all of the article, but I will simply cite one paragraph. It says:

House Majority Leader Richard Armey (R., Texas), one of two GOP House leaders appointed to negotiate a final package, said the version would include many of the most politically popular provisions on the table, some scaled back from levels that have been unacceptable to Senate Democrats. They include a depreciation bonus for new capital investments; higher expensing limits for small businesses; and extension of the net operating loss carry-back period to five years, from two; accelerated reductions in individual income-tax rates; $300 rebate checks for low-income workers; and extensions of tax breaks due to expire Dec. 31.

The package also would feature at least $20 billion to extend unemployment benefits by 13 weeks and to help jobless workers buy health coverage.

My response to this article is two words: I accept. I accept.

I think this would go a long way in dealing with many of the concerns that Senate Democrats have expressed—concerns we have now had for some time.

There is one major caveat. The only major change we would have to have is that we would trade the accelerated rate cut proposal currently listed as part of the Republican package for the Domenici payroll tax holiday. In other words, we would propose a Republican tax proposal—one that is cosponsored by a lot of our Democratic colleagues—we would substitute the Republican payroll tax holiday for the rate cut acceleration, and, by and large, you have all the components of a deal. We don't need to go into more rooms in the back of the Capitol. We don't have to negotiate with a great deal of give and take here and procedural concerns about how we are going to address these issues. That would be it.

Let us take what the Republicans have said as their new proposal and let us substitute a Republican payroll tax holiday proposal for the rate cut acceleration, and you have a deal.

We want to clarify what it is we are talking about with regard to the unemployment compensation and health benefits. I think it is very important that the worker assistance package include extended unemployment benefits for all workers, especially the part-time workers and recent hires who would have to be part of the unemployment compensation package, a tax credit for employers and insurers to cover 75 percent of COBRA health care

costs for laid off workers, an option for States to extend Medicaid coverage for those ineligible for COBRA, and a bipartisan National Governors Association proposal for State fiscal relief.

I assume when we talk about health care, that would be part of the health care proposal we would have on the table. The tax rebates that are listed would certainly be a part of it, tax incentives for business to create and invest in new jobs; we are willing to accept a 30-percent depreciation bonus.

These are clarifications, of course, of the proposals that the House Republicans say they would be prepared to put into an economic stimulus package.

There you have it.

Clarify what we are talking about with regard to unemployment compensation and medical benefits; let us make sure that part-time workers and recent hires are included; clarify health coverage so we are sure we are talking about the same thing here; and deal with the rebate checks; tax incentives for business for up to 30 percent of depreciation bonuses. All of that could be part of a plan that we could agree to today. All we have to do is substitute a Republican payroll tax holiday for the Republican accelerated rate cut idea and we have a deal. I hope my colleagues share the same enthusiasm.

I have one more caveat. Of course, this is an issue that I have already vetted with Senator BAUCUS and Senator ROCKEFELLER, our negotiators. I vetted it with our leadership this morning.

I am very confident that two-thirds of our caucus, at least—if not the whole caucus—will support something such as this. But I would want to present it to my caucus—and we will have a caucus meeting this afternoon at 12:30, as we do on Tuesdays. I would recommend it, as I know my negotiators would as well.

So, Senator BAUCUS, Senator ROCKEFELLER, our leadership, examined this and share our view that we have the makings here of an agreement. I hope we will not waste any time. I hope we can move forward with a proposal of this kind.

We could complete this stimulus package this week. It is my hope that we can do so, putting aside all of the procedural hurdles and all of the many differences and many of the accusations that have been made over the last several weeks.

Mr. DORGAN. I wonder if the majority leader will yield to me.

Mr. DASCHLE. I am happy to yield to the Senator from North Dakota, and then of course I will yield to the Senator from Indiana.

Mr. DORGAN. First of all, I compliment the majority leader for this proposal. I think there is a real urgency for us to do something to provide some lift or some stimulus to this country's economy. We are both at war and in a recession. I think we owe it to the American people to take a no-regrets policy here, to take steps in the right direction to try to deal with this weakened economy.

If I might just say, virtually every economist in this country believes that what you should do to provide a stimulant to this economy is to propose policies that are both temporary and immediate. And that which the majority leader has objected to, with respect to the acceleration of the rate cuts for the top two rates in the income tax code, does not give temporary and immediate help. They in fact cause longer term fiscal policy problems.

But I ask the majority leader, isn't it the case that all of the proposals you have reacted to, with respect to the announcement by the House and also the proposal offered by Senator DOMENICI, meet the test of being both temporary and immediate? Isn't it the case that that would represent the character of all of those elements of the plan you have just described that you would accept?

Mr. DASCHLE. The Senator is absolutely right. That is, of course, one of the really appealing features of this plan. We said at the beginning we would want this to be immediate, we would want it to be stimulative, and we would want it to be cost conscious. This meets all of those criteria. This is immediate, it is stimulative, and the Domenici proposal is less in cost than the accelerated rate cuts.

So we are in a very strong position to meet the criteria, to find the common ground that both sides have said they are looking for. That is why I wanted to come to the floor. I read about this proposal this morning with great enthusiasm because I do believe it represents movement here. I hope with that one change, and with the clarifications I have suggested are important to our caucus, we can reach an agreement.

I appreciate the Senator's views on this as well.

Mr. DORGAN. If the Senator would yield for one additional comment.

I hope, very much, this is a breakthrough. The majority leader has said we will accept, he will accept, our caucus will largely accept the proposals on the Republican side coming from the House, take one of the significant proposals from the Republican side in the Senate, package those together with a couple of small modifications, and try to embrace them as we deal with this country's economy. I hope this is a huge breakthrough.

If I might just say to the majority leader, I know there has been criticism in recent days about roadblocks here or there. It is sometimes very difficult to see who is manning the barricades in the Congress. But I must say, from personal knowledge, it has not been the majority leader who has ever wanted to block the stimulus package.

It is the case, is it not, I ask the majority leader, that you are the one who brought a stimulus package to the floor of the Senate for debate before it was so rudely interrupted by a point of order? Is that not the case?

Mr. DASCHLE. The Senator is correct. And I, again, like the Senator from North Dakota, do not want to go back to the old wars and battles if we are going to try to create a new environment here. But the Senator is right. We have made a lot of efforts on the floor, off the floor, in the effort to try to get a meeting. Procedurally, we had a number of obstacles that had to be overcome. We have done that. I have done everything I know how to do to bring this effort forward. And now, perhaps, with some movement on the other side, we are in a position to take full advantage of what could be some really new common ground.

Before I yield to the Senator from California, I will to yield to the Senator from Indiana.

Mr. LUGAR. I thank the majority leader. I appreciate his comments on the stimulus package. I want to go back, however, to the action taken just before that. As I understood, the leader offered an amendment that was identified by number. I just want to trace the parliamentary situation.

Was this amendment offered to the bill S. 1731? Does it stand as an amendment to that bill? The reason I ask—and let me clarify further—is that some thought was expressed, I believe, here on the floor, that this would be original text supplanting S. 1731. And, respectfully, my view would be—although the Parliamentarian might confirm this—that if the majority leader were to supplant all of this and make his amendment original text, you would need to ask unanimous consent to do that as opposed to the offering of simply an amendment in the straightforward way he did so.

The PRESIDING OFFICER. The amendment has been offered as a substitute. No further agreements are in place with respect to the amendment.

Mr. LUGAR. It was offered as a substitute but does not supplant the original text of the original bill?

The PRESIDING OFFICER. That is correct.

Mr. LUGAR. I thank the Chair and the leader for that clarification.

Mr. DASCHLE. I thank the Senator from Indiana for his question.

Mrs. BOXER. Will the majority leader yield for a question?

Mr. DASCHLE. Yes.

Mrs. BOXER. Mr. President, I say to Senator DASCHLE, I thank you for coming to the floor today and making a proposal that I do see as a breakthrough to, let's just say, some of the antagonism that has been on this floor and all over the news media.

I want to say to my friend, and then just very quickly ask him a question, that I believe personally a test of leadership is, when you are in a fire, how you behave. I think a leader who behaves in a positive way, such as you have this morning, after what I consider to be an onslaught of harsh words, says a lot about you as a human

being and as a leader leading this country.

You are, in fact, the highest elected Democratic leader in the country today. This has made you a target. All I can say is, the way you stand up to this is coming to the floor and saying: Let's work together.

I see a little light at the end of the tunnel from the Republicans on the other side. They have dropped their alternative minimum tax retroactive rebate to the largest corporations. I know that pleases my friend because here is a time of recession, and the House bill gave $1.4 billion to a company, IBM, for example—that is just one example—that has earned $5, $6 billion. They have huge cash reserves. They are not going to spend that money to stimulate the economy. But people in the middle class are going to spend money.

Then my friend sees that Senator DOMENICI has made a proposal that is, in fact, progressive that will help get this economy going. And he does not seem to care that it is coming from a Republican. He is grabbing on to that.

So I first thank the majority leader. I just want to end with a question about your main difference with the new Republican proposal, and that is the acceleration of the rates. I would like to ask my leader why he believes this isn't good for the economy at this time to accelerate the rates of about 20 percent of the people, leaving 80 percent without any acceleration. If he could make that argument.

Mr. DASCHLE. I will answer the Senator from California after acknowledging her kind words. And I appreciate very much—as she always provides—the gracious support she has provided me.

Let me just say that our concern for the accelerated rate cut reduction at this point is based on three concerns.

First, it is not in keeping with the principles we laid out. We said it ought to be stimulative. We said it ought to be temporary. It is neither of these. So for those reasons, we are opposed to the accelerated rate reduction.

Second, we said it ought to be cost conscious. Of course, this is a very expensive proposal, at least $52 billion, and as much as about $125 billion depending on what kind of acceleration we are talking about. So there is a very significant cost associated with it. When we recognize that this money is coming from borrowed funds, the Social Security trust fund, that will be troubling.

Third, of course, is who benefits. What we want to do is put it into the hands of those who will benefit and who is most likely to spend the money so that there is something of consumptive value and whatever it is we are doing in an economic stimulus will be most appreciated.

This does not have much consumptive value. This does not have much value in terms of both economic as well as fairness factors and considerations. From that perspective as well, we have a lot of concerns.

I have to leave the floor at this time, but I do appreciate the comments and the question of the Senator from California. I hope this will open up a new opportunity for us to work together to find some resolution, sometime hopefully in the next day.

I yield the floor.

The PRESIDING OFFICER. The Senator from California.

Mrs. BOXER. Let me speak a little bit about what has just occurred. We have had the Democratic leader, the majority leader of the Senate, offer a breakthrough on an economic stimulus plan by saying to our friends in the Republican Party: Save one item, we will be with you. We can craft a plan that will work, and substituting for that one item a payroll tax holiday for 1 month that was suggested by the ranking member on the Budget Committee, Senator DOMENICI.

All we need now to get it done is for the President to weigh in. He is very popular in his efforts in the tough period we are going through. I have supported him essentially down the line on his war on terrorism. But when it comes to here at home, we need the same kind of focus, the same kind of commitment, the same kind of attention, the same kind of steely resolve that he has shown in carrying out this war on terror. We need that same thing here at home.

After a weekend of being vilified by the Republican side all over the press, including the Vice President of the United States, who you would think would have better things to do than to attack the Democratic leader, he has come to this floor, turned the other cheek, as he always does, and said: I am ready to work. I see a light at the end of this tunnel.

I am very excited about this prospect. As a former stockbroker many, many years ago, I spent a lot of time looking at the economy. This economy is very confusing in the sense it is sending confusing signals. Will this be a long-term recession? Will we come out of it? How does the war on terror play in one way or the other?

These are difficult times, but we do know we need a response, a response that will give an immediate impetus to consumer spending in this country, a kind of response that will not have a long-term negative impact on our budget.

Senator DASCHLE's patience, his leadership, his willingness to take a punch or two and still come back and be positive, these are all qualities we need in leaders. I am very happy. I know we have a lot of work to do on the farm bill. I will not go on much longer, except to say this is certainly the start of a new day for the economic stimulus package. I hope the President will weigh in. I hope Senator DASCHLE and the President will talk today, very soon, and that the President will bring his energy and focus to this issue. I believe it could be resolved in 24 hours.

I yield the floor.

The PRESIDING OFFICER. Who seeks time?

Mrs. BOXER. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, I was hopeful there would be some talk on the farm bill. I am sure that will take place, with amendments being offered. I am confident that will take place.

I am gratified the leader came to the floor and put an end to this constant talk about his not wanting a stimulus package. He has wanted a stimulus package. And if the Chair would recall, the only reason there is a stimulus package still before the Senate is, we did not raise a point of order on the one that would have been granted on the House bill. That is still here in the Senate. If the leader had wanted to get rid of the stimulus, he could have raised a point of order, or any one of us could have, and that would be gone.

We had offered a number of unanimous consent requests when we were on the railroad retirement bill that if we could get off that during the postcloture proceedings, we would go back to the stimulus. They refused to do that. The minority would not allow us.

What the leader has said today is, he accepts what the Republicans have offered. Of course, it is in the press, not from an authenticated source. He has said, we accept what they offer with the one exception: rather than have the accelerated tax cuts, what we would do is accept what Senator DOMENICI has talked about for several weeks, agreed to by Senator LOTT and a number of Democrats; namely, that there would be a 1-month's moratorium on withholding taxes, which is what most people pay. Most people in America do not pay more in income taxes than they do withholding taxes. Withholding taxes is the burden on the American people. What Senator DOMENICI has said should happen is there would be a 1-month moratorium on paying withholding taxes, not only by the employee but the employer. This money would go immediately back into the economy.

It is a good idea. We accept that.

It seems to me we have a deal. We could have that deal by 3 this afternoon. It is very simple. It would be stimulative. It would meet all the requirements that everyone has talked about, including the President.

I hope then we can get past this name calling. As has been indicated a number of times today, it really is name calling—obstructionist. It is all directed toward the Democratic leader, Senator DASCHLE.

I don't think it is just by chance that this happened, that we have all the

congressional leaders, we have the Vice President, and we have everyone directing the attention to Senator DASCHLE. I think it is probably as a result of the fact that the White House has done some polling, which indicates that all over America Senator DASCHLE is someone people trust. I go home to Nevada and people don't know Senator DASCHLE because he is from South Dakota, but they like Senator DASCHLE. On television and in his appearances on C–SPAN, to America he is somebody who comes across as trying to work things out. He is not shrill. He is reasonable. He comes across on television that way because that is how he is. He is the most patient person with whom I have ever worked. He is someone who never raises his voice. He has time for everybody. I have seen him—when I want to go home late at night, sometimes there are Members of the Senate who still want to see him. He is patient and he says: Come on over; I am happy to talk to you.

So what the American people see is what we see every day. I think the reason there has been this directed—I repeat—and concerted effort to get DASCHLE is because they realize he is an effective spokesperson for the Democratic Party. I think it would be a real stretch to say that he comes from some wild-eyed liberal State—the State of South Dakota. Some people are trying to correlate Senator DASCHLE with Saddam Hussein. That is what those ads, as we speak, are doing that are running in South Dakota.

I am tremendously disappointed in the Vice President. I served in the House of Representatives with him. I like DICK CHENEY. But on national television when he was asked if he supported those television ads, he did not respond that he did not support them. He gave every impression those ads were OK—that DASCHLE and Saddam Hussein should be pictured together. That is not good.

Mrs. BOXER. Will the Senator yield for a question?

Mr. REID. I am happy to yield for a question.

Mrs. BOXER. I say to the assistant leader that his comments are right on target. I find it so strange that at this time they are attacking the Democratic leader, who is not only the leader of the Democrats in the Senate but of everyone. He is, in fact, the majority leader. He leads the Senate. So at a time when we have tried to come together, we have been supportive of this administration in the war against terrorism. And it seems that if you disagree with one another on anything, you are a target for attack. The irony of that is, what we are truly fighting for in this war against terror is our right to have our democracy, our freedom, our differences, whether it is political differences, religious differences, diversity, or to fight for the rights of women. After all, we know that in Afghanistan, or in the Taliban, I would never be allowed to show my face—not that it would be so terrible for everybody, but it would not be very nice for me. I have tried on a burqa and it is a frightening thing.

When a Democrat in the Senate or in the House, steps out and says we think the President is doing a terrific job, but we have an opinion that it isn't smart to give retroactive tax cuts to the wealthiest corporations in America because, A, it won't stimulate the economy, B, it is unfair, and, C, it is going to hurt Social Security, somehow we are related to Saddam Hussein. Or if we don't want to drill in the Alaska wildlife refuge because we think it is pristine and a gift from God, we are criticized as playing into the hands of the terrorists. This is not right.

I think our leader has shown the grace today that leaders should show more of, which is to come to this Chamber without rancor and say—not even address all of that and just say: I see a little light here; let's get to work.

But does my friend not see the irony here of our being engaged in a war against people who don't want diversity of thought; yet when we step out here, we are criticized if we don't go down the line 100 percent?

Mr. REID. Well, the Democratic Party and Democratic Senators are about as diverse as a group of people could be. We have people who represent different constituencies and different States, of course, but we are a group of Senators with wide-ranging views. Senator DASCHLE works with each one of us. As I look around in this Chamber, there is a Senator from North Dakota, and Senators from New York, California, Nevada, and Georgia. We all have different views and experiences in life. We try to be together as much as we can.

Senator DASCHLE recognizes that we can't be together all the time, but he does a good job of holding us together, being our leader. I think it speaks volumes for what he has done when he comes to the floor today, and he has an article from the Wall Street Journal that lists in detail what the minority wants in a stimulus package. He says: I accept. The only thing I don't want is the retroactive tax cuts. We will take another Republican proposal and insert that instead—one supported by the former chairman of the Budget Committee and the former majority leader, Senator DOMENICI and Senator LOTT. I think it is a pretty good deal. I think it speaks that we want to get a stimulus package. It is here.

As I said earlier today, we can have it by 3 o'clock this afternoon. However long it takes the staff to write it up, we can do it and walk away from it.

Mr. SCHUMER. Will the Senator from Nevada yield for a question?

Mr. REID. I am happy to yield, with the prefatory statement: The Senators from the State of New York, more than any other Senators in the past 6 months, can talk about how the majority leader has led this Nation in a bipartisan effort to help the State most afflicted by the terrorist acts. So I am happy to yield to my friend.

Mr. SCHUMER. I thank my friend from Nevada. In terms of what I would like to ask him, he is certainly right. New York, without the majority leader, would be virtually nowhere. He has stood firm for us and he has tried in every way to help New York, whether it be on the DOD authorization bill, in terms of the financing we need, along with the Finance Committee, Chairman BAUCUS, and the majority whip. He has helped us look for tax cuts that keep businesses in New York. In fact, it has been this Senate, under his leadership, that has sort of had its finger in the dike. Have we gotten everything we wanted? No. Have we done very well because of TOM DASCHLE? You bet.

I would like to ask a question, and the Senator mentioned it as I rose. If this man were so obstructionist, why would he be proposing a comprehensive package that has a large number of the proposals that the folks from the other side came up with? The Domenici proposal is a tax cut. It is a tax cut that goes to business, it is a tax cut that creates jobs, and it seems to fit a lot of the guidelines for which many colleagues on the other side are asking. The majority leader of this side takes a giant step across the aisle and says, OK, we are going to take a lot of the things you have proposed, even though we might prefer actually to get the economy going in other ways, but this is a decent way to do it, so we are going to reach out to you. I think it is a brilliant step. I think it is a step that could break the logjam because, as my colleagues well know, we have had loggerheads here. The other side of the aisle has said the way to stimulate the economy is tax cuts. What on this side we have said primarily is that it has to be aimed at average folks, not the wealthiest who got their goodies back in the tax bill.

Well, the Domenici proposal, which Senator DASCHLE has embraced, does both. It is a tax cut on perhaps the most onerous tax—necessary but onerous because it funds Social Security—the payroll tax. Talk to small business as well as average workers and yet it is aimed at average folks. At least half of it is.

So doesn't it seem befuddling that the one person who seems to have put together a compromise, who has not said do it my way and that is the bipartisan way, which we seem to hear from a few colleagues on the other side—I don't hear Senator DASCHLE saying his way is bipartisan and the other way is not. But the one person who has put together a real proposal that has a chance of breaking the logjam, that does incorporate many ideas that came from the other side of the aisle seems to be our majority leader. Quite the contrary to what some of the editorials are saying, he is not being an obstructionist. He is being the most constructive Member of the entire Chamber. I have not heard a proposal that has

more promise than the one he elucidated on the floor an hour ago.

I ask my good friend from Nevada, is this somebody who takes the proposal of the good Senator from New Mexico and makes it the linchpin, the centerpiece of what he could support, someone who could fairly be called obstructionist, or someone who seems genuinely trying to get money into the hands of the people even as we go into a recession, so we can get out of that recession and so people can start spending a little more and getting the economy going? Is my thinking on this out of touch? It seems to me so logical that I almost do not want to bring it up.

Mr. REID. The Senator from New York has answered his own question. Of course, it is clear Senator DASCHLE is not being an obstructionist, but it shows the kind of person he is, the peacemaker he is. He stood here half an hour ago and said: Let's not pass blame. Let's not talk about what went on in the past. Let's just talk about what is going on today, and I accept your proposal with the one caveat: Rather than accelerating tax cuts, let's go for the Domenici and Lott proposal and take that. There are some Democrats who accept that also, which is good. It seems to be bipartisan.

I repeat, it speaks well of our leader when, in responding to a question from one of us earlier today, he said: Enough said of what went on in the past. What I want to do is move forward. I think that is what this does.

As the Senator from New York has said, it breaks a logjam, and I hope our friends on the other side of the aisle will also not look backward. I think they should follow the advice, the suggestion of our friend from South Dakota, the majority leader, and say: Let's look forward; I accept your deal.

Mr. SCHUMER. I thank the Senator.

The PRESIDING OFFICER. Who seeks time?

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, after what I just said, this is in no way to direct blame toward anyone, but we are going to go into party conferences at 12:30 p.m. Because there was not anything going on, we talked a lot today on this side. I hope, though, we will move to the amendment process as soon as we can. At 11 o'clock, we were ready for amendments. We acknowledge we should have been ready to go a little earlier than that, but we were not. We did not hold things up that much because there were votes scheduled all morning and we were able to get that. We had only one recorded vote.

In short, I hope people will not say they have not had enough time to work on this bill. I hope colleagues will offer their amendments, if there are amendments to be offered. We want to finish this bill today. We want to get this bill to conference. It is an extremely important bill.

There are some who do not like the bill the way it is written. That is the way any legislation is. I am not as experienced in the Senate as my friend from Indiana, but I have been in Congress quite awhile. I have never had legislation that I introduced turn out the way I introduced it. I am sure that is what will happen with this legislation.

I hope we can move forward, get this legislation done, have a good debate, and go home for Christmas. We are beating around the bush here, I say to everyone within the sound of my voice. Christmas Eve is 2 weeks from yesterday. We are fast approaching Christmas. Two weeks from today is Christmas. We have to finish our work. People want to go home to get ready for Christmas. I do not know the experience of others, but it is a little hard to go Christmas shopping when you are here until after midnight on Friday night, when we have other things to do, and with travel that is necessary. I live almost 3,000 miles from here. I want to go home for Christmas.

I hope we can move forward with these amendments as quickly as possible and move on this legislation. I hope people do not complain that they have not had time to offer amendments. We have time now. After the conference, we will go to 6 o'clock tonight, 12 o'clock tonight. We want to finish this bill.

The PRESIDING OFFICER. The Senator from Indiana.

Mr. LUGAR. Mr. President, I share the eagerness of the distinguished leader in wanting to complete the bill. For the moment, I am awaiting the presence of the distinguished Senator from Idaho, Mr. CRAPO, who has one amendment on dairy. I anticipate his arrival imminently.

After he offers that amendment and in the event it is still in order, I will offer an amendment that will amend the commodity nutrition sections of the bill. To advance the process, I will discuss that amendment pending the arrival of the distinguished Senator from Idaho. If he does not arrive, I will offer the amendment and let it be the pending amendment.

As many of us have pointed out, current farm programs, including the program we adopted in 1996 and supplemental farm assistance programs we have adopted at least the last 3 years during the summertime, have encouraged overproduction of a small number of selected program crops; namely, wheat, corn, cotton, rice, and soybeans.

The effect of our farm bills, intended or unintended, has been to encourage those who are in the five row crops I have enumerated to plant more. This should not have come as a total surprise because we have set incentives in our bill which make it profitable to do that.

As I pointed out from my own experience in Indiana, if you send a bushel of corn to the elevator, you are guaranteed to get $1.89 because the last farm bill has a loan deficiency payment program that guarantees that. That has no relationship necessarily to the cost of production of an additional unit. So many farmers in Indiana, myself included, produce knowing that our cost for the marginal bushel is going to be less than what was meant to be the floor. The $1.89 was not to be touched.

Of course, as more and more of us produce more and more corn, the surpluses grow, the price predictably falls, and given the size of the surplus, it stays low. Then people come to the Senate Chamber and point out, correctly, that prices are very low and, as a result, we ought to do something about that. And farm bills are passed to do something about that.

The dilemma with the pending bill that came out of the Agriculture Committee is that, in my judgment, the incentives to produce even more have been increased substantially. Therefore, it is a large step in the wrong direction.

If we adopt the bill out of the Agriculture Committee, we will, in fact, have low prices. They are almost guaranteed.

Senators will say: But whether the low prices happen or not, that is the market. What we are talking about in this bill are payments for a bushel that have no relationship to the market because we are going to guarantee a payment that is well above the market, almost in perpetuity, whether it is a 5-year bill or a 10-year bill. That will provide new income to farmers, quite apart from what supply and demand either in this country or the world might suggest. I think that is the wrong course.

As a result, I simply want to point out that caught in this cycle of low commodity prices that reinforce themselves, I tried to think through a different way of approaching this; namely, one that in effect accepts that we have markets that work and people ought to produce for the market price. In the event the market price is not adequate, they ought to produce something else. They ought to have a mix in terms of their farm situations, as most farmers do, or become much more efficient so the costs become lower than the market price and they make a profit doing that.

I do not make that shift abruptly. There are a couple of years of phase-out. But the heart of the matter, in light of the amendment I am going to introduce, says instead of just the five row crops that are the focus of farm legislation and that lead to six States receiving close to 50 percent of all the payments, every person who is involved in farming, whether that person produces livestock or row crops or fruits

and vegetables—whatever is produced on that farm, every dollar of that farm income counts. It is a level lie. We don't pick and chose, as historically we did from the New Deal days onward, for crops that became the so-called program crops, the focus of farm programs.

In the event we were to adopt my amendment, all States are equal. All farmers are equal. It doesn't make a difference what they produce and they have the freedom to produce whatever will make a profit. They look to the market for whatever that may be.

After they find that market, under my proposal, they add up—and their tax return will show—all the money that has come from all agricultural sources on their farm. They receive, up to a certain limit, a 6-percent credit or voucher from the Federal Government of the total value of what they produced. If their total production is $100,000 on the farm—say $40,000 from corn, $40,000 from soybeans, $20,000 from hogs—$100,000 of revenue, then they get a voucher for $6,000 with which to purchase a crop insurance—or really a whole farm insurance, more accurately, because now we are doing not only crops but livestock or anything else—whole farm insurance that guarantees that they will receive 80 percent of the average 5-year value that they produce.

In essence, it is a safety net. It doesn't guarantee 100 percent of their average year by year, but says in no case can they dip below 80 percent regardless of weather disaster or export/import disasters or all the things that can befall agriculture in America. In other words, we leave behind target prices, loan rates, prices that have no relationship to the market. People produce for markets. They get credit for everything they produce, unlike the current system. And they have sufficient money to buy insurance that makes them whole—at least 80 percent, a 20-percent reduction being the worst that can happen in any farm year with that kind of coverage.

I think this makes sense as a long-term farm policy for our country. It ends the cycle of overproduction, of stimulation from our farm bills. One could say this has not been all bad. In fact, if you own land then, in fact, it has been very good. Some agricultural economists do not prophesy a bubble in farmland, but many point out that the values of real estate, agricultural real estate, have leapt far beyond the income potential—largely stimulated, again, by Government payments and the certainty of these payments.

Unfortunately, 42 percent of farmers who are involved in this program rent land. They are out of luck because, essentially, our programs build value into the value of the land—into the heightening of the rent.

Mr. President, I am advised, happily, that the distinguished Senator from Idaho, Mr. CRAPO, is available. As I indicated as I began this discussion of my potential amendment, I am very pleased that he has an actual amendment that he is prepared to introduce and discuss for the benefit of all of us at this time. So, therefore, I am prepared to yield to the distinguished Senator from Idaho for the purpose of his offering an amendment and his discussion of that important amendment.

Mr. CRAPO. Mr. President, I have an amendment at the desk. I will call it up for its consideration.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. CRAPO. Mr. President, I understand there now is a copy of the amendment at the desk.

The PRESIDING OFFICER. That is correct.

AMENDMENT NO. 2472

Mr. CRAPO. I have an amendment at the desk. I ask for its immediate consideration.

The PRESIDING OFFICER. The clerk will report.

The legislative clerk read as follows:

The Senator from Idaho [Mr. CRAPO], for himself, Mr. BINGAMAN, Mr. DOMENICI, Mr. BROWNBACK, Mr. CRAIG, and Mr. VOINOVICH, proposes an amendment numbered 2472.

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

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

The amendment is as follows:

(Purpose: To replace the provision relating to the national dairy program with the provision from the bill passed by the House of Representatives)

Strike section 132 and insert the following:

SEC. 132. STUDY OF NATIONAL DAIRY POLICY.

(a) STUDY REQUIRED.—Not later than April 30, 2002, the Secretary of Agriculture shall submit to Congress a comprehensive economic evaluation of the potential direct and indirect effects of the various elements of the national dairy policy, including an examination of the effect of the national dairy policy on—

(1) farm price stability, farm profitability and viability, and local rural economies in the United States;

(2) child, senior, and low-income nutrition programs, including impacts on schools and institutions participating in the programs, on program recipients, and other factors; and

(3) the wholesale and retail cost of fluid milk, dairy farms, and milk utilization.

(b) NATIONAL DAIRY POLICY DEFINED.—In this section, the term ''national dairy policy'' means the dairy policy of the United States as evidenced by the following policies and programs:

(1) Federal Milk Marketing Orders.

(2) Interstate dairy compacts (including proposed compacts described in H.R. 1827 and S. 1157, as introduced in the 107th Congress).

(3) Over-order premiums and State pricing programs.

(4) Direct payments to milk producers.

(5) Federal milk price support program.

(6) Export programs regarding milk and dairy products, such as the Dairy Export Incentive Program.

Mr. CRAPO. Mr. President, this amendment will strike section 132 from the farm bill and replace it with a study of the impact of our Federal dairy policy on producers and consumers. I am proud to be joined by Senators BINGAMAN, DOMENICI, BROWNBACK, CRAIG, and VOINOVICH. There will probably be others before we are finished with the debate.

There has been a lot of national attention provided to the issue of national dairy policy. As the provisions in the farm bill in the Senate dealing with dairy were first proposed, there was a very strong outcry across the country, which I supported. It is my understanding the proposals have been modified somewhat. What we first started out with was a proposal that would have increased the costs to our consumers, increased the costs—reduced the price to our farmers or our producers and created a national subsidy program for milk in the middle.

This would have resulted in our school lunch program, for example, paying millions more dollars nationwide, our Food Stamp Program paying millions of more dollars nationwide, and a reduction of the consumption of milk because of the increased price of milk that this new national dairy program would have required.

It has been modified somewhat but still achieves the same types of negative results in the managers' amendment that has been proposed as a substitute for the bill that is now on the floor. It is an ill-conceived attempt to create a national dairy program that is unfair, is unwanted, and untested.

This proposal is opposed by milk producer organizations that represent over 90 percent of the milk produced in this country. It is opposed by groups with an interest in our milk policy. And, it is opposed by taxpayer organizations.

The proposal we have before us today is the third iteration we have seen since it was first sprung upon us before the committee mark-up. While this version is a vast improvement over the milk tax created in S. 1628 and in the filed bill, it is still bad dairy policy and still harmful to the majority of dairy producers.

This proposal takes a relatively healthy domestic industry and forces $2 billion in government spending that will reduce overall farm income. That's right. This will reduce income.

The proposal creates artificial incentive to increase production. The law of supply and demand dictates the surplus milk will reduce the price paid to dairy farmers. For example: payments to milk producers could amount to more than $500 million per year, or the equivalent of a U.S. average price incentive of nearly 3 percent. Such a production incentive could lead to an increase in milk production of nearly 1 billion pounds of milk and a market price decline of 20 cents per hundredweight.

If you have a dairy farm larger than the cap, which is most of the West and major producers in every State, you lose money.

The price of milk goes down, and that subsidy, which this proposal in the farm bill now intends to make up the difference to farmers, only goes so far. So those who do not benefit from the new subsidy are going to lose income.

The special treatment in this bill for the Northeast is also going to have an additional effect on milk across the country. This proposal contains specific and special provisions for the Northeastern States.

The 12 Northeastern States identified in this proposal, which account for 18 percent of milk production, will receive 25 percent of the proposed benefits. So, the percentage increase in production in the 12 states is likely to be greater than the rest of the Nation. The market prices in the rest of the Nation would reflect a disproportionate reduction due to the higher payments paid to northeast producers.

In effect, a taxpayer subsidy to the Northeast is going to result in an increase in the production of milk to the detriment of dairy farmers around the rest of the country.

What's more, this $2 billion government outlay is just for the payments. It does not take into account the cost to the government when it has to purchase surplus milk products. Nonfat dry milk is currently being bought under the price support program, which helps to support class IV milk prices—butter and nonfat dry milk. USDA purchased over 20 million pounds of nonfat dry milk last week, bringing USDA uncommitted inventories to 655 million pounds, nearly a year's worth of U.S. production and far more than USDA can distribute over the next several years. The increased supply and decreased prices will lead to more government purchases and more cost to the taxpayer.

I also ask my colleagues what they expect to happen when the $2 billion is expended. We will have pushed market prices down and producers will actually need these payments in the future. We will have made our producers dependent on Federal payments, leading to more payments in the future.

We will have created a dependency, making our producers dependent on Federal payments, leading to more payments in the future and increased debates in these Halls of Congress about whether we can continue a subsidy program which we didn't need to establish in the first place.

What is the goal of this proposal? Supposedly it is to prevent the demise of small dairy farms.

Is there anyone who thinks producers will not make investments to produce the maximum amount they can get subsidized to produce? What will this do to the small dairy producers who can't afford to make those investments?

The subsidy programs in this bill—which I understand is to encourage production of up to 400 cows per farm—will end up in a Federal subsidy program stimulating the overproduction of milk in those areas and stimulating the increased size of dairy farms.

I urge my colleagues to vote with me to strike this provision. This is bad policy for the farms, it will be bad for the dairy industry, and it is bad policy for the country. Congress should favor policies that encourage growth and innovation in the industry, and not endorse plans that replace market paychecks with government subsidies. The study called for in my amendment will help us determine what those good policies should be.

As I indicated, by striking section 182 of the farm bill, we are proposing to replace it with a study. There has been a tremendous amount of debate over the past few years—in fact, over a number the past years—about what the proper milk policy in this country should be and what the impact on producers, processors, and those who consume the milk will be from different farm policies.

Although I am confident that the proposal to create a new Federal subsidy program and then impose floor prices in some parts of the country is not the right kind of farm policy, I also believe a study by Congress is necessary to help us get the actual data before us to make these critical decisions.

Let me explain for just a moment who in this country opposes this program. Again, as I indicated previously, dairy producers across this country representing over 90 percent of the dairy production oppose this new dairy proposal. Let me go through a little more specifically who opposes this proposal.

It is opposed by the National Milk Producers Federation, American Farm Bureau Federation, National Council of Farmer Cooperatives, Alliance of Western Milk Producers, Southeast Dairy Farmers Association, Western United Dairymen, Milk Producers Council of California, and the Dairy Producers of New Mexico, Idaho, Oregon, Texas, Utah, Washington, and Montana. It is opposed by the retailer processors and consumer food groups, including the American Frozen Food Institute, Americans for Tax Reform, Chocolate Manufacturers Association, Council for Citizens Against Governmental Waste, Food Marketing Institute, Grocery Manufacturers of America, Independent Bakers Association, International Dairy Foods Association, National Confectioners Association, National Council of Chain Restaurants, National Food Processors Association, National Grocers Association, National Restaurant Association, and the National Taxpayers Union.

I went through that list to show the broad array of different kinds of groups that oppose this new proposal for a national dairy policy.

If you listened carefully, you will notice that there are groups in there whose dedicated purpose is to protect the American taxpayers, such as the National Taxpayers Union or Citizens Against Governmental Waste. There are groups in there that utilize milk and the milk processing industry, such as the chocolate manufacturers or grocery stores or retailers and restaurant associations. There are groups in there that produce the milk and many milk organizations that were identified. Whether one is on the production side or whether one is on the consumer side or the marketing side, it is recognized very broadly across this Nation that this new proposal to create a Federal subsidy program for dairy is not a wise direction for our dairy policy.

For these reasons, I encourage my colleagues to vote yes on this amendment to strike this provision from the farm bill.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The Senator from Indiana.

Mr. LUGAR. Mr. President, I rise in support of the amendment of the distinguished Senator. I believe he has concisely pointed out the dilemma of subsidies in the dairy areas where a great deal of the problem has been created in the past.

The committee has wrestled over the course of time with dairy policy and has found vast regional and sectional differences, most recently exacerbated by the New England Dairy Compact and the debate that has surrounded that particular situation.

As a matter of fact, the Chair will recall when we last had an agriculture debate where there were a number of Members vitally interested in the dairy issue, although that was not ultimately a part of the supplement payments virtually made by that legislation last August.

But a great number of Members pointed out inequities they believed were created by Federal policy and created by the New England Dairy Compact. Even though the last farm bill indicated it should come to an end after a couple of years, it did not come to an end because of negotiations that surrounded appropriations bills at the end of the session.

Advocates for the New England Dairy Compact managed each year to do so by bumping it ahead another year beyond the termination of the farm bill that called for it.

The last farm bill also called for very substantial changes in dairy subsidies. Those likewise have been bumped ahead by other negotiations that do not deal directly with farm legislation most frequently but were tradeoffs by Senators whose votes were required at the end of the session on appropriations bills.

The compounding of these problems over the years leads us to this point and the need for some rationalization, some study of how there might be some degree of equity for dairy producers

throughout the country, regardless of where they live and their income, both with regard to production and pricing as opposed to artificial constraints or boosts that the Federal Government gives.

Certainly, it is a way of bringing things back to where we thought we were in passing the 1996 act given the same troubles the Senator from Idaho has pointed out today. They were exacerbated then.

In addition to this, I presume, in an attempt not to hit the New England Dairy Compact issue head on, the Agriculture Committee, by passing a very generous dairy bill, indicated to many Senators that the additional subsidies and payments to dairymen would be fairly universal around the country.

At least one of the first attempts to do this in the farm bill—and the distinguished Presiding Officer listened to the debate, as well as the distinguished Democratic manager present, the Senator from Georgia—was to up the ante very substantially; one thought being that those who utilized dairy products might put money into a trust fund for the benefit of producers but at the expense of consumers.

It was estimated that this particular scheme might result in a payment of 26 cents per gallon more by all the consumers of milk regardless of income level, regardless of the WIC program, or the school lunch program.

Understandably, as word of this particular redistribution of the wealth got out, cries of outrage occurred. As a matter of fact, the dairy sections were not very compatible. Having warred with each other for all of these years, the thought that somehow the New England compact would be universalized with equity, even if paid for by others—namely, the consumers, ultimately, and 26 cents a gallon—did not set well. So as a result, it was apparent that the farm bill was being rewritten by committee staff.

Most Senators were never the wiser as to what changes the staff made in that particular area, but they were substantial, in part because the initial scoring by the Congressional Budget Office, and others, of the overall product of our Agriculture Committee sent it well beyond the limits that were still very generous in the budget situation. So it would have been subject to a point of order, and a lot of amending and rewriting went on.

That, of course, was not the end of it. I have no idea how many times the dairy section has been subsequently rewritten. I am advised that even this morning before we started this debate, once again, the dairy section was being rewritten. The reason for the delay of our debate this morning was, in fact, legislative counsel was working with the distinguished Democratic staff members on still another dairy amendment to the farm bill to supplant whatever was there, which bore no relationship to what we finally debated in committee.

I think the Senator's amendment is very constructive because neither he nor I have the slightest idea what is now in the farm bill that is before us, and particularly with regard to the dairy situation. We have scrambled, I admit to you, Mr. President, in terms of the amendment that I was about to offer and will offer subsequently to this dairy amendment, to find where, in relationship to the new bill that Senator DASCHLE has offered this morning, our amendment fits.

That is going to be a problem for everybody thinking about amendments today. I think we have rearranged the papers, but there are substantial numbers of new pages. I would estimate, just quickly, there are over 100 pages of new language, some of it pertaining to dairy—a lot of it, as a matter of fact, because that has been the major area of contention and scoring.

Fortunately, the Senator from Idaho, noting this situation, simply says, we just strike the dairy section, whatever its writing or reiteration. Whether it is the fourth or fifth or sixth try at this, we strike it, and we have a study of the situation, which is going to be much more healthy for every American consumer.

Any consumer of milk, listening to this debate, will be relieved that the cost of milk is not going to go up 26 cents a gallon or 5 cents or 10 cents a gallon or what have you. As a matter of fact, there will be a pretty economical milk situation without extraordinary subsidies piled on and redistributed in this way.

The Senator from Idaho has done a favor for every American consumer of milk, a humanitarian service for those who are poor, those who are being assisted in the Women, Infants and Children Program and the school lunch program. He certainly has assisted all of us as Senators to come out of the trenches of this sectional warfare over dairy, which has pitted Senators not only on the Agriculture Committee but on the floor in pitched battles for some time.

I can remember vividly 2 years ago this December when it was very difficult to close down the session of the Congress because the distinguished Senator from Wisconsin, Mr. KOHL, felt that somehow, despite his very best efforts, behind the scenes, somebody, trying to wind up the appropriations process, was, once again, renewing the New England Dairy Compact, which was supposed to be over at that point. The Senator's suspicions were correct. Amazingly, as we left town, the dairy compact was still alive. And Senator KOHL vowed that he would stop this sort of thing. He has tried valiantly to do so on behalf of Wisconsin dairymen and people from the Midwest but without visible success.

I would say to the distinguished Senator from Wisconsin, Mr. KOHL, if he had read the first dairy section coming out of the Agriculture Committee, he would have been even further outraged by the process. He may have read that and may have contributed, for all I know, to other iterations subsequently. But my hope is we will adopt the amendment offered by the distinguished Senator from Idaho. It is a clean-cut way of getting us back to some reality in the dairy area. Clearly, it will be useful for the Congress at this point—without the encumbrance of all of the layers of dairy programs that we have produced, plus some that we have not ever debated but have been produced somewhere else—to sort of clear the deck. The Senator's amendment does that magnificently and cleanly.

So I am hopeful that as we approach the time for final consideration of this amendment and a rollcall vote on the amendment, Senators will be found to have voted in the affirmative for it. I certainly will be. I commend the Senator for crafting this amendment.

Mr. President, I yield the floor.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. EDWARDS. Mr. President, I ask unanimous consent that I be allowed to speak as in morning business for up to 10 minutes.

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

WE MUST LIVE BY OUR PRINCIPLES

Mr. EDWARDS. Mr. President, today we are commemorating the anniversary of a despicable act against our country and against our people. We all pay tribute to those who died on September 11. At the same time, we salute those defending freedom today at home and halfway across the globe.

War brings out the best in America. The soldiers who stormed Omaha Beach are still our heroes. The firefighters who marched into the World Trade Center will be our grandchildren's heroes.

But the heat of battle and the crush of necessity can also bring out America's worst, especially here at home. And that is the risk I want to talk about today.

During World War II, one of our greatest Presidents authorized the internment of more than 100,000 innocent people, mostly United States citizens, simply on account of their ancestry.

Today, we are ashamed of that episode. And we are resolved that our actions should make our grandchildren proud, not ashamed.

President Bush himself has expressed that resolve. In his speech to the Congress on September 20, he said something that was very important. He said:

> We are in a fight for our principles, and our first responsibility is to live by them.

That is exactly right. One of our principles is vigorous debate. I was saddened when the Attorney General of the United States last week said that unidentified critics ''aid terrorists'' and ''give ammunition to America's enemies.'' Mr. Ashcroft did not offer any

evidence that terrorists benefit when Americans speak their mind.

In our American tradition, it is the responsibility of leaders to promote the free exchange of ideas, not stifle them. That responsibility carries over from peacetime to wartime. We don't encourage different ideas because we owe it to critics. We encourage different ideas because we owe it to ourselves. Robust debate has made America stronger for more than 200 years.

It is only because of open debate that we have a legal right to speak our minds at all. The way the Constitution was initially drafted back in 1787, there was no guarantee for free speech. There was no protection for religious freedom, for privacy, for individual liberty, for so many rights all Americans now take for granted. The original Constitution contained no Bill of Rights.

Without a Bill of Rights, many veterans of the American Revolution furiously opposed the original Constitution. My State of North Carolina flatly rejected it. The first Congress approved the Bill of Rights only after those patriots spoke their minds, spoke up and demanded it. Today, we are all grateful for their speaking their minds, for their patriotism that has meant so much to many Americans who followed.

A few years later, in the late 1790s, our Nation was on the brink of war. The French Government was torturing American soldiers and seizing American ships. At that point, an enraged Congress passed a sedition act criminalizing ''scandalous'' writing ''against the Government.'' Chief among the opponents of that legislation was Vice President Thomas Jefferson. As he put it, the country's critics should be allowed to ''stand undisturbed as monuments of the safety with which error of opinion may be tolerated where reason is left free to combat it.''

Closer to today, President Richard Nixon moved to expand the Subversive Activities Control Board's oversight of political protests during the Vietnam war. Sam Ervin, whose seat in the Senate I now hold, supported that war. But he challenged President Nixon's proposal. What he said on the floor echoed Jefferson:

> Our country has nothing to fear from the exercise of its freedoms as long as it leaves truth free to combat error.

I believe that is still true today. Like the vast majority of Americans, I strongly support America's war on terrorism overseas. Unlike some, I also support much of the administration's law enforcement effort here at home. We live in a new world after September 11. We simply must take steps that we would not have accepted 3 months ago.

I also believe that vigorously discussing each of those steps strengthens our war effort. Thanks to the courage and skill of our soldiers, we will win this war against al-Qaida. But there is a totally different question whether we will win the war for the minds and hearts of those around the world.

I believe we will do that if we hold true to our values—values such as justice, fairness, and the rule of law. Those are the values that make America the beacon of freedom for the rest of the world. And nothing reminds us of our values like open discussion.

The debate over military tribunals is a perfect example. The order of November 30 that authorized tribunals came with very little explanation. Many Americans, including many past Federal prosecutors, asked why our ordinary criminal justice system was not adequate. The administration responded with a much more detailed explanation for their action. That explanation built broad support for the use of tribunals in very narrow circumstances. In fact, I support the use of military tribunals under the right circumstances.

But even since that exchange, serious questions remained about the gap between the specific terms of the order and basic norms of fairness that Americans share and believe in deeply.

In answer to some of the questions last Thursday, Attorney General Ashcroft was able to clarify that many things apparently allowed on the face of the order will not happen. For example, secret trials, indefinite detentions, executive reversal of acquittals by the military tribunals.

Mr. Ashcroft could not rule out other disturbing possibilities. Could a lawful resident in this country be convicted and sentenced to death by a tribunal on a 2-to-1 vote? Could it happen under a burden of proof requiring only a 51-percent likelihood of guilt; that is, a lawful resident of this country being convicted and receiving the death penalty on 51 percent of the evidence? And could it happen without an independent review to see whether there was evidence that should have been admitted that was not admitted, evidence that would have shown that this particular defendant did not commit the crime?

Members of Congress and members of the general public have much more than a right to raise those questions. We have a responsibility to raise those questions.

The give and take over military tribunals hardly helps terrorists. I believe that it undercuts America's enemies, for open exchange ensures that our actions reflect our commitments. It signals that a great nation fears nothing from peaceful debate. We should welcome that debate. It is a proud, necessary tradition, both in peace and in war.

I yield the floor.

The PRESIDING OFFICER. What is the will of the Senate?

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

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

RECESS

Mr. REID. Mr. President, there is presently in effect an order that we would go into recess for the party conferences at 12:30. I ask unanimous consent that we expedite that by 3 minutes and start the recess for our conferences now.

There being no objection, the Senate, at 12:27 p.m., recessed until 2:15 p.m. and reassembled when called to order by the Presiding Officer (Mr. MILLER).

The PRESIDING OFFICER. The Senator from Nevada is recognized.

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

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

Mr. BINGAMAN. Mr. President, I start by thanking Senator HARKIN for his hard work on this farm bill. I know he has a difficult task pulling people together to craft a bill. As chairman of the committee, he and his staff need to be complimented for the fine work they have done on the bill. It is important legislation for farmers in New Mexico, and I hope the Senate can move ahead to complete action on the farm bill.

The bill has several provisions important to my State. I thank the chairman for working with me on those. I also thank Senator HARKIN for the strong efforts he has made to improve the conservation programs in the bill which are particularly important to my State.

However, all that being true, I wish to express a serious concern about the dairy provisions in the bill. As I understand it, the substitute bill creates a totally new dairy program. I believe the new dairy scheme in the bill is wrong for the Nation's dairy farmers and wrong for consumers as well. That is why I support Senator CRAPO's amendment to strike this provision and to instead have a study to determine which, if any, of the proposals that are currently floating in the Senate ought to be considered in the future.

I do appreciate the effort that Senator HARKIN and Senator DASCHLE and others, as well as our staffs, have made to come up with a balanced dairy policy. The latest version I have seen is a dramatic improvement over previous versions, and I appreciate that.

My State of New Mexico is the 10th largest dairy producing State and one of the fastest growing dairy producing

States. Dairy production in my State has grown 200 percent in the past 10 years. We have large, efficient dairies which are clearly the big losers under this latest proposal. These are family-owned dairies, just as in other States. They are larger in my State because we have the land and the resources to support those larger dairies.

Because the latest version of the proposal has only been available a few hours, we do not know the full impact on milk prices and dairy farm income. However, I think it is fair to say that the legislation clearly favors certain regions and certain sizes of farms. Moreover, we do not know what the real impact will be on future production rates, prices the farmers receive for their milk, and nobody has had time to do proper analyses to consider all the complex ramifications of this dramatic change in policy.

We just received a very preliminary analysis of the new proposal. The analysis compares the subsidies to farmers in terms of Federal payments per hundred pounds of milk produced, and our analysis shows that States in the Northeast would receive on average a Federal payment of more than $2 per hundred pounds of milk. Farmers in my State would receive 40 cents, five times less than the Federal payments to farmers in the Northeast.

Based on this analysis, my State of New Mexico would be 50th out of 50 States in Federal payments per hundredweight. Arizona, Florida, Wyoming, California, Idaho, and Washington State would all receive less than $1 per hundredweight. Farmers in Georgia, North Carolina, Rhode Island, Louisiana, Oregon, and Arkansas would receive half as much as farmers in Northeastern States.

Mr. President, I ask unanimous consent that a table prepared for my office by Mr. Ben Yale be printed in the RECORD at the conclusion of my remarks. This table shows the Federal payments per hundred pounds of milk produced in each State. The table is based on the preliminary analysis performed by the Independent Food and Agriculture Policy Research Institute.

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

(See exhibit 1.)

Mr. BINGAMAN. Mr. President, I do not know of any other farm program that favors one region to this extent and has such a dramatic disparity in the use of taxpayers' dollars. In this case, one region will receive 25 percent of the Federal payments, though it produces less than 18 percent of the Nation's milk. Moreover, in one region, farmers are guaranteed a price of nearly $17 per hundredweight, while prices elsewhere are based on market rates and undoubtedly will be substantially lower.

In my view, this is not a balanced program. In addition, I am concerned that indirect payment schemes, such as that proposed here, would distort the market by encouraging overproduction. I know that is a point the Senator from Idaho made in his remarks. Overproduction drives down the prices that farmers receive for their milk. When there is overproduction, the Government will step in and purchase surplus dairy products in the form of cheese, butter, and nonfat dry milk.

We simply have not had the time to digest properly the dramatic new proposal and to make sure we know the implications of this new proposed scheme.

I do believe a market-oriented policy that includes a minimum dairy price support program and the Federal milk marketing orders is the basic approach we need for national dairy policy.

These are the programs that are currently in place. This amendment would simply ensure that these programs continue. I appreciate the efforts of the proponents of the new program to develop a national policy that benefits dairy farmers everywhere. I do not believe that what we have before us does that. I believe we should work toward a balanced national dairy policy that is fair to all farmers, not one that pits one State against another or one region against others. We need a policy that is fair to consumers and processors and promotes a market-oriented dairy policy, not a scheme that could dramatically affect milk prices and add new layers of Government regulation and control.

I want to continue working with Senator HARKIN, Senator LUGAR, and other interested Senators to ensure we end up with a dairy policy that is good for all regions of the country, and I am pleased to support the amendment Senator CRAPO is offering.

I ask unanimous consent that a letter from the National Milk Producers Federation in support of Senator CRAPO's amendment be printed in the RECORD.

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

NATIONAL MILK PRODUCERS FEDERATION,
Arlington, VA, December 11, 2001.

DEAR SENATOR:

WE'RE STICKING TO OUR PRINCIPLES

The National Milk Producers Federation has represented the interests of America's dairy farmers for 85 years, and is the only national policy voice for U.S. milk producers.

During the past two years, through a meticulous, inclusive grassroots outreach process involving dairy farmers across the country, we have developed a set of policy principles to help our members work with Congress in the preparation of the next Farm Bill. From these national "Principles of Agreement," we developed a set of dairy-specific programs which have consistently guided our recommendations concerning the Farm Bill.

S. 1731 contains many of the programs that our members have identified as being important to them. These programs are national in scope and favorably impact dairy farmers in all regions of the country. They include:

Extending the Price Support Program;

Requiring importers to pay their fair share into National Dairy Promotion and Research Programs, as well as removing the sunset provision for the National Fluid Milk Promotion Program;

Extending the Dairy Export Incentive Program (DEIP).

Fixing the statutory mandatory inventory and price reporting language to prevent further costly reporting errors by the USDA, and;

Supporting increased Market Access Promotion (MAP) program funds.

These same provisions are also contained in the House version of the Farm Bill, and therefore we urge you to support their inclusion in the final version S. 1731.

It is our understanding that S. 1731 will also contain additional monies for dairy farmers beyond the House version. NMPF supports the authorization of added money *as long as those funds are equitably allocated*, and do not disrupt the orderly marketing of milk throughout the country. Since "equitable" is a relative term, NMPF has established the following principles to help assess whether a new dairy program meets that definition:

It must be national in scope.

It must not discriminate between states and regions.

It must not discriminate between farmers by limiting payments based on herd size.

It must not cause competitive disadvantages for advantages between dairy farmers.

It should not increase production to the point where overproduction eventually erodes the farm gate prices.

As you begin your debate on S. 1731, we urge you to apply these same principles that our dairy farmers are using in considering new programs. Otherwise, we fear that the additional money may do more harm than good.

We're sticking to our principles and we urge you to do the same!

Yours truly,

JERRY KOZAK,
President and CEO.

Mr. BINGAMAN. Mr. President, that letter makes some very strong points. The title of the letter is "We're Sticking to Our Principles." It says the National Milk Producers Federation established the following principles to help assess whether a new dairy program meets that definition:

No. 1, it must be national.

No. 2, it must not discriminate between States and regions.

No. 3, it must not discriminate between farmers by limiting payments based on herd size.

No. 4, it must not cause competitive disadvantages or advantages between dairy farmers.

And No. 5, it should not increase production to the point where overproduction eventually erodes the farm gate prices.

On that basis they believe the amendment offered by Senator CRAPO is the proper course. I urge that course of action on my colleagues.

EXHIBIT 1

ESTIMATED FEDERAL PAYMENT PER CWT

State	Total production—2000(1000 lbs) [1]	Total government payments (millions) [2]	Rate/cwt	Rank in cwt payment
Pennsylvania	11,101,000	283.5	2.5538	1
New Hampshire	319,000	8.1	2.5392	2

ESTIMATED FEDERAL PAYMENT PER CWT—Continued

State	Total production—2000(1000 lbs) [1]	Total government payments (millions) [2]	Rate/cwt	Rank in cwt payment
Vermont	2,756,000	65.7	2.3839	3
Maine	680,000	16.2	2.3824	4
New York	12,118,000	281.1	2.3197	5
Maryland	1,339,000	30.2	2.2554	6
Connecticut	502,000	10.8	2.1514	7
New Jersey	270,000	5.6	2.0741	8
West Virginia	272,000	5.6	2.0588	9
Indiana	2,314,000	46.2	1.9965	10
Montana	308.000	5.9	1.9156	11
Massachusetts	412,000	7.7	1.8689	12
Delaware	172,300	3	1.7411	13
Kansas	1,450,000	24.1	1.6621	14
Ohio	4,522,000	73.5	1.6254	15
Nevada	471,000	7.6	1.6136	16
Iowa	3,864,000	62.2	1.6097	17
Illinois	2,057,000	33.1	1.6091	18
Virginia	1,921,000	30.7	1.5981	19
Michigan	5,518,000	87.2	1.5803	20
Kentucky	1,693,000	26.7	1.5771	21
Wisconsin	23,186,000	365.6	1.5768	22
Nebraska	1,201,000	18.8	1.5654	23
Alaska	12,870	0.2	1.5540	24
Tennessee	1,410,000	21.1	1.4965	25
Minnesota	9,540,000	141.3	1.4811	26
Missouri	2,244,000	33.1	1.4750	27
South Dakota	1,572,000	23.1	1.4695	28
Mississippi	551,000	7.9	1.4338	29
Oklahoma	1,269,000	17.5	1.3790	30
South Carolina	368,000	5	1.3587	31
Utah	1,659,000	22.4	1.3502	32
Georgia	1,443,000	19.3	1.3375	33
North Carolina	1,207,000	16.1	1.3339	34
Rhode Island	30,200	0.4	1.3245	35
Louisiana	711,000	9.3	1.3080	36
Oregon	1,689,000	21.8	1.2907	37
Arkansas	530,000	6.6	1.2453	38
North Dakota	702.000	8.7	1.2393	39
Hawaii	116,700	1.4	1.1997	40
Texas	5,712,000	66.2	1.1590	41
Alabama	365,000	4.1	1.1233	42
Colorado	1,841,000	19.2	1.0429	43
Washington	5,595,000	52.9	0.9455	44
Idaho	6,887,000	61.5	0.8930	45
California	31,604,000	239.5	0.7578	46
Wyoming	81,300	0.6	0.7380	47
Florida	2,413,000	17.3	0.7169	48
Arizona	3,030,000	13	0.4290	49
New Mexico	4,999,000	19.4	0.3881	50

[1] Source: USDA.
[2] Source: FAPRI Analysis on Scenario D total of 2002–2005.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Mr. President, we are going to move to a vote very shortly, and I will be moving to table the Crapo amendment. I am constrained to say I am a little, I guess—maybe I do not understand where my friend from New Mexico is coming from on this amendment.

Dairy is important. It is the second largest commodity produced in this country at a value of $23 billion, second only to beef. It is unique among all commodities because it is highly perishable. You cannot store it for long. A dairy farmer has to market it every day, regardless of the price. We have had a price support program for dairy over 50 years. Since 1949, we have had a price support program.

We have had market loss payments in each of the last 3 or 4 years for dairy. Every year we come in and we pass a market loss payment. On three occasions we have done that.

I would say to my friend from New Mexico and others, we made these market loss payments that went out nationwide. The last market loss payment that went out went to about 225 cows. That was it. We have put $2 billion more into this bill for dairy farmers all over the country. We took $500 million for the Northeast, everything west of Maryland, Delaware, northeast, to help them transition from the compact they have. They need that. Then we took the other $1.5 billion and we spread it around the country.

In working this out, in trying to make a balance between the smaller dairy farmers of Wisconsin and Michigan and Minnesota and places such as that, and the larger dairy farms in New Mexico and California and Idaho, places such as that, where they have these huge dairy herds of 10,000 cows, we tried to reach some level of balance. So if the market loss payments of the last 3 years were to 225 cows, we said, Where could we limit it? We went to 450 cows. We doubled, in this bill, the payments to dairy farmers on the cap from what it was last year—doubled it. That means the larger dairy farmers will get more.

Since we are working with a fixed pot of money, $1.5 billion, the more they get, the less someone else gets. So we had to reach some kind of balance. Obviously, if we had no caps at all, these large dairy farms in the West would get all the money and the dairy farmers in Michigan and Minnesota and Iowa and Wisconsin would get precious little. So we had to reach some balance.

Regarding the 450-cow limit we put in, I tell you a lot of Senators from the Midwest swallowed hard on it. They think it should be 225, where it was last year. We tried to make this balanced, so we raised the cap to 8 million pounds annual production, which I think is fair. It is equitable. I think it addresses needs all over the country.

Last, I do not understand what the Senator was saying in terms of New Mexico being last in the Nation. Frankly, New Mexico, I think, was going to get, in the next 3 years, $10.1 million in payments. As I look down the list of States, that is about right in the middle for the United States in terms of total payments. It is right in the middle of all the States.

California, I would point out, gets $143 million; New York gets $178 million; Pennsylvania gets $181 million; Wisconsin, $293 million. These are the big milk producing States and they get the most money. I understand that. But New Mexico is about right in the middle of all the States so I don't understand what he meant about it being last. It certainly is not in terms of the amount of money going to the individual States.

If there is no other debate, I was going to say to my friend from Idaho that I am prepared to move to table.

Mr. CRAPO. If the Senator will yield, I am aware of at least one other Senator who is trying to come to the floor who wants to say something. May we wait for a few minutes to see if he arrives?

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

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

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

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

Mr. BAUCUS. Mr. President, I rise to commend the Senate for bringing the farm bill to the floor today. For my State of Montana, there is no one single issue that is more important than to get the farm bill passed this year, particularly a farm bill that makes sense and helps address the issues that our producers are facing.

Producers have faced drought for a couple of years. I must say, if we do not get relief in a farm bill passed this year, it is truly a fact, I question whether some farmers are going to be able to hang on. It is that important.

I think the farm bill we passed out of the committee is a good bill. It is not a great bill, but it is a good step, a good step in the right direction. I am pleased we will now have the opportunity to continue our negotiations in the Senate Chamber to make the bill as comprehensive and as strong as possible.

We need to support our Nation's agriculture, that is clear—our farmers and our ranchers. Other countries support their farmers and their ranchers, agriculture in their country, I might add, more strongly than we do in ours, and I might add that is not right.

We have an obligation to help people fend for themselves—those who depend upon the weather and who depend upon the market to do a lot better job. We cannot wait until the current program expires next year. We rely upon producers for our food. We have the lowest food prices in the world. We have the most efficient producers in the world. They are now relying upon us for survival.

Our agricultural producers are in as tough shape as I have ever seen. Years of very low prices and extreme drought have made it nearly impossible for farmers and ranchers to break even. Some areas in my State of Montana are experiencing their sixth year of drought.

This summer, I traveled across the high line—the northern part of our State—where a lot of grain is produced. I was astounded, saddened, and stunned. I was just sick at seeing the land in such poor shape. Some of the grain has barely come up. Most of it is just dust for miles and miles. There is no crop because there is no moisture. It is devastating. In about a square 2,000 miles of cropland there is nothing. We have strip farming in Montana because we haven't had a lot of moisture year after year but drought. A large portion of my State is as bad as I have seen it. It is worse, in my judgment, than the drought back in 1988 which was extremely severe. For about 2,000 square miles of central Montana, I hardly saw a combine.

Low prices and drought is disastrous not only to producers but surrounding communities. When producers are hurting, obviously the communities are

hurting. Farmers can't buy seed, fertilizer, and machinery, not to mention that they don't have much for clothes or for shoes. The whole economy suffers as well as farmers. The list goes on.

Agriculture is the No. 1 industry in my State. It has been for years. It is today. We are an agricultural State. When agriculture suffers, the entire State suffers. When agriculture suffers in America, the entire country suffers.

Often, agriculture leads to recession before other parts of the economy. Often agriculture tends to lead us out of recession. As we know, when the country is in recession and agriculture is also in recession, there is no way in the world one can say agriculture is leading our country out of recession. That is because they are in such bad shape.

Lenders and bankers in my State are cutting back. They are not granting that working capital to the farmer and to the rancher the way they were before. They are cutting back. Why? Because of the position of farmers.

The troubled agricultural economy not only affects our Nation but it also threatens relationships we have with other countries.

A strong domestic agricultural policy is the only way we are going to get a level playing field with our trading partners. We are at a disadvantage.

Eighty-some percent of the world's agricultural export subsidies are paid by the European Union. How are we going to get leverage to get those agricultural subsidies down so we have a level playing field? We cannot, unless we have leverage. The only leverage I know of is a very strong domestic agricultural policy where farmers are really strong. In fact, I think that is barely enough and is probably not enough if we are going to get the job done to get other countries to lower their agricultural export subsidies.

Clearly, if we don't pass this bill, and if our farmers are in a weakened position, that makes it even harder in world trade talks to get other countries to lower their export subsidies which very directly hurts American farmers.

The time has come to pass this bill, pass the changes in Freedom to Farm, which really turned out to be ''freedom to fail.'' Farmers at that time when those laws were enacted were gambling. They had an idea Freedom to Farm would work pretty well the first few years, but not after a few years later. We are here a few years later. It is not working. Farmers are in difficult shape.

We need a bill that is a commonsense bill, one that is right for Montana, and that is right for America. We need to work together to get this done now because that is the least we can do for our farmers. Our farmers want some help. We should give them the help they need because they have been doing so much for us and so much for the world with the food they are supplying.

Let us get to work and pass a strong, stable, comprehensive farm bill this year.

HOLDING THE CALIFORNIA DAIRY INDUSTRY HARMLESS

Mrs. FEINSTEIN. Mr. President, I thank the chairman of the Senate Agriculture Committee for working with me to find a way that the California dairy industry can be held harmless by the dairy provisions in the farm bill.

California is the largest dairy State in the Nation. Last year, California dairy farmers produced 32.2 billion pounds of milk—over 19 percent of the Nation's supply. With over 2,100 dairy farms in the State, California leads the Nation in total number of milk cows at approximately 1.5 million.

I spoke on the floor last week about how devastating the original farm bill would have been to the California dairy industry. And I have said California cannot be left out of any dairy equation. The original bill would have cost California dairy farmers $1.5 billion over 9 years and driven up prices for consumers by $1.5 billion over 9 years. I thank the Chairman for recognizing how much better California fares under this substitute versus the original proposal. I am delighted that he has agreed to see to it that California can be held harmless.

Under the compromise in this bill, and according to an analysis by the University of Missouri's Food and Agricultural Policy Research Institute, California dairymen will receive a net benefit $143.1 million in payments until the end of fiscal year 2005. This means California dairy farmers will receive $78.1 million in fiscal year 2002, $70.7 million in fiscal year 2003, and $19.4 million in fiscal year 2004. If these numbers are not accurate projections for California, it is my understanding that the dairy provisions will be worked out in conference so that California is ultimately not adversely impacted by the dairy provisions in this bill.

Mr. HARKIN. I thank the Senator very much for working with me and other Senators on this. It is not the intention of this bill to put California dairy farmers at a disadvantage. We will work to ensure the California dairy industry will be held harmless.

The PRESIDING OFFICER. The Senator from New Mexico.

Mr. DOMENICI. Mr. President, I thank the Chair.

I rise in opposition to the milk pricing mechanism, the last one we have seen. It is very hard to analyze because we have had four since we started. I wish I could be more precise and specific about the latest. But I want to just talk generally.

I am pleased to be a co-sponsor of Mr. CRAPO's amendment which would eliminate all elements of a National Dairy Plan.

The amendment I support today would continue the $9.90/cwt. price support, which the New Mexico dairy interests strongly support. This is the third or fourth proposal we have seen with regard to dairy policy and it still caters to the Northeast at the expense of the other states. This most recent proposal resembles an expanded Northeast Dairy Compact. It is expanded to include Delaware, Maryland, New Jersey, New York, Pennsylvania, and West Virginia which were not originally in the northeast Compact.

Under this recent proposal, marketing assistance loans apply to every producer except those in ''Participating States,'' which are Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and West Virginia. The 12 States in the Northeast reap greater benefits than the other 38 dairy States. If we compare the numbers using today's payment rates, the Northeast States would get about 70 cents per hundredweight. Compare this to other States, such as New Mexico, which would receive only 40 to 60 cents per hundredweight.

Under this national plan as the rolling average decreases each year, the payments to producers decrease by about one-third. Yet under the same plan, payments to the northeast group stay the same. This is because there is a $16.94 target price built into the plan. It is time that the Senate understands that when it comes to setting dairy policy, it is not just Vermont versus the Upper Midwest. The West, including New Mexico, should have just as much to say about dairy policy.

New Mexico is currently the fifth largest diary State. Yet, under this new plan, estimates show New Mexico coming in dead last on payments. Policies that penalize the new and efficient while providing welfare to the inefficient are unacceptable. These are the types of policies that are being contemplated in the original Ag Committee bill. Additionally, policies intended to retard and reverse the growth of dairying in larger producing States such as New Mexico are also unacceptable.

We need to be setting sound policies that foster competition and the production of a good healthy product, not policies that are regionally divisive—pitting small-farm States against large-farm States—for example, West versus the East. Additionally, we should not be setting policies that punish consumers with higher prices for fluid milk. Decreased milk consumption is not helpful to any producer.

My colleague, Senator CRAPO, has done such a wonderful job in managing the opposition to this price fixing approach. He received a letter from the Secretary of Agriculture. It was gracious of him to ask me to put it in the RECORD. I will read one part of it, wherein the Secretary of Agriculture says:

Consumers will pay billions in additional costs. By raising prices, S. 1731 will also further exacerbate dairy overproduction. The Federal Government currently owns about

600 million pounds of non-fat dry milk—nearly a year's supply. The bill's effect of increased supply and reduced demand will create an even more enormous surplus that would adversely impact dairy farmers for many years to come.

I ask unanimous consent that the letter which includes that paragraph from the Secretary of Agriculture to Senator CRAPO be printed in the RECORD.

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

THE SECRETARY OF AGRICULTURE,
Washington, DC, December 11, 2001.

Hon. MICHAEL CRAPO,
Russell Senate Office Building, Washington, DC.

DEAR SENATOR CRAPO: We would like to commend the very constructive amendment you and Senator Bingaman are offering to the dairy title of S. 1731, the ''Agriculture, Conservation and Rural Enhancement Act of 2001''.

As you know, the Administration is strongly opposed to the dairy program proposed in S. 1731 as reported out of Committee. It will raise the cost of milk by 10–15 percent. In effect, this provision imposes a tax on each gallon of milk, which disproportionately impacts low and moderate-income American families. Consumers will pay billions in additional costs. By raising prices, S. 1731 will also further exacerbate dairy overproduction. The Federal government currently owns more than 600 million pounds of non-fat dry milk—nearly a year's supply. The bill's effect of increased supply and reduced demand will create an even more enormous surplus that would adversely impact dairy farmers for many years to come.

Your amendment to strike this section and provide for a study is consistent with the Administration's Statement of Administration Policy on S. 1731. We support forward-looking farm legislation that facilitates the long-term prosperity of our Nation's farmers and ranchers, promotes effective conservation efforts, and strengthens the nutrition safety net.

Sincerely,

ANN M. VENEMAN.

Mr. DOMENICI. Mr. President, I thank Senator CRAPO, a junior Member of the Senate. He is on the Agriculture Committee, and he is growing his way up from near the bottom in seniority. Today and yesterday, he has shown that he has a very good understanding of dairy and dairy prices in the United States.

I am very proud that he came to the floor and repeated his view of the remarks which Senator BINGAMAN of my State made.

I know if we were to ask the Senate to answer a quiz about dairy and milk production in America, they would never come close to an answer that said the State of New Mexico is the fifth largest producer of milk in America. Nobody would really think that because we don't look like a State that should produce a lot of milk. We are very dry. We are not a giant agricultural State. But what we have is a large group of dairy farmers who have moved to New Mexico with their families, and they have become very modern, entrepreneurial, and technologically ahead of the game in production of milk in the United States.

It is just an absolute joy to go see one of these dairy farms with 2,000 cows. It is unheard of in the parts of America where we are going to protect dairy and milk production with subsidies. We have many that have 1,000 head and many with 750 head. On average, we exceed 1,000 head per dairy farm. They produce large quantities of milk. In fact, year before last, the largest producing cow in America in terms of weight of milk was from the great State of New Mexico, which again causes people to wonder what are we doing right in New Mexico.

We have great competitive farmers. They are doing the right thing by way of matching entrepreneurial spirit, capitalism, and the production of dairy milk and milk-related products for America.

I think our national goal would be not to make it difficult or more difficult for that to happen as it is beginning to happen in the State of Idaho. We ought to encourage that. After all, what do we want? We want the cheapest price of solid, safe milk and related products coming from American dairy farmers for our children and for our families. We want a constant supply coming from competitive producers and marketers of milk.

Clearly, whether or not one understands the intimate details of the latest, the fourth amendment regarding dairy and milk production in America, it is clear that there is no intention to make it easier for those who are producing at competitive prices such as New Mexico and other States. If anything, there is a calculated effort to make their lives more difficult and to make the potential for them to grow and prosper less rather than more.

I can see where we ought to help one State versus another State if we have some really difficult problems on which they must have assistance. But just how much longer do we have to try to paint this picture, and then implement it, of trying to help one piece of America because they are having difficulty being competitive in the production of milk?

This has been going on for a long time. It is time that it end, not that it continue. It is time that that kind of allocation of American resources be on some kind of a slide that is going downward, not one that is going up, up, and away.

This year, the money that will be circulating around will exceed $2 billion, that will move from here to there and elsewhere in order to make one region, that obviously wants to continue producing milk but would have a difficult time competing, more assured of making money through the production of milk.

So I came to this Chamber to urge, when we vote in the Senate today, that we decide we are not going to pursue this policy any longer, that we are going to move in the opposite direction. If there is going to be a motion to table, which I think there is, I say to Senator CRAPO, I hope Senators will not vote to table and will leave this issue before us so we can have a vote on it.

I believe eventually an agriculture bill that has this provision in it—that is the latest, the fourth iteration of the amendment in the last few hours—if that is going to be in the bill, I think it is going to be difficult to pass this bill, get it through both Houses, and signed by the President. In fact, I do not see how that is possible.

So I am glad to be on what will ultimately be the right side. In the meantime, I yield the floor and wish the best for Americans in the future in terms of being able to supply plenty of milk to them at the most reasonable prices, coming from a competitive milk industry in the United States.

I yield the floor.

The PRESIDING OFFICER (Ms. STABENOW). The Senator from Iowa is recognized.

Mr. HARKIN. Madam President, to get to the point where we can vote, I ask unanimous consent the Senator from Louisiana be recognized for 2 minutes, the Senator from Idaho, the proponent of the amendment, be recognized for 2 minutes, and then I be recognized for a motion to table.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Louisiana.

Ms. LANDRIEU. Madam President, with all due respect, I rise to oppose the amendment offered by the Senator from Idaho and urge my colleagues to table this particular amendment.

I congratulate the chairman of the committee, the Senator from Iowa, Mr. HARKIN, for his hard work. It is not easy to put together any major piece of legislation, let alone, as I have learned in my few years in the Senate, legislation regarding agriculture because, in different ways, all of our States participate in the infrastructure of agriculture, some of us more as producers but all of us as consumers. Weighing those interests between the consumers, the producers, and the processors, and all the international trade implications is quite complicated. So I thank the chairman and the ranking member for their extraordinary work in trying to put a bill together to which we can generally agree.

Representing the South and Louisiana, and speaking for the dairy farmers, let me say that when the original bill came out, it did not work for southern dairy farmers. The national pooling concept was really not very fair to many regions, including the dairy farmers in Louisiana. And we have been suffering. We have lost over 25 percent of our farms. If we do not do something, we are going to lose even more.

It is not right to not address this issue. So we proposed a compact—the same as the Northeast has—for the South that would have worked beautifully. But, unfortunately, there were

other regions of the country where that did not work. So we came up with yet another compromise.

In the underlying bill that we are considering, the Harkin-Lugar proposal, this compromise shows itself, and it is a countercyclical plan for dairy that will resemble the way we do countercyclical plans and proposals for other commodities that will work well for the majority of our dairy-producing States.

The PRESIDING OFFICER. The Senator's time has expired.

Ms. LANDRIEU. Madam President, I ask unanimous consent for 30 more seconds to wrap up.

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

Ms. LANDRIEU. Some of us have large dairy farms. Some of us have small and medium-sized dairy farms. I suggest that the proposal in the Harkin bill is one that benefits most of us most of the time, and I urge my colleagues to table the Crapo-Bingaman amendment. I support the committee compromise.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Idaho.

Mr. CRAPO. Madam President, today what we are being asked to do is adopt a massive new subsidy program in the dairy industry in the United States that will distort the price of milk, promote overproduction, and eventually cause dynamics in the economics of the dairy industry that will work to the detriment of dairy farmers nationwide.

I encourage everyone who comes to vote in a few minutes, when the vote will be called, to support the effort to strike section 132 from the farm bill and to oppose the motion to table.

I conclude by simply reading from correspondence we have received from the National Milk Producers Federation, which has already been made a part of the RECORD by the Senator from New Mexico. It clearly states what this entire debate is about.

They said they have established the following principles to help assess whether a new dairy program meets the needs of the dairy community in America and of the economy that we want to promote in the United States.

They state the program ''must be national in scope. It must not discriminate between States and regions. It must not discriminate between farmers by limiting payments based on herd size. It must not cause competitive disadvantages or advantages between dairy farmers. It should not increase production [in America] to the point where overproduction eventually erodes the farm gate prices.''

The provisions currently in the farm bill do not meet any of those objectives. The current provisions in the farm bill, in fact, create a managed economy for the dairy industry, establishing a floor price which is far above the market price in one region of the country, which will increase overproduction and promote a new subsidy program that benefits that region of the country much more than other regions of the country, to the detriment of farms in the other parts of the country. It is unfair to dairy producers nationwide. It is unfair to the consumers. We should strike these provisions from the farm bill.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. Madam President, I move to table the amendment offered by the Senator from Idaho, and I ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The question is on agreeing to the motion. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from South Carolina (Mr. HOLLINGS) is necessarily absent.

Mr. NICKLES. I announce that the Senator from Ohio (Mr. VOINOVICH) is necessarily absent.

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

The result was announced—yeas 51, nays 47, as follows:

[Rollcall Vote No. 362 Leg.]

YEAS—51

Akaka	Dodd	Lincoln
Baucus	Dorgan	Mikulski
Biden	Durbin	Miller
Boxer	Edwards	Murray
Breaux	Feingold	Nelson (FL)
Byrd	Feinstein	Nelson (NE)
Cantwell	Harkin	Reed
Carnahan	Inouye	Reid
Carper	Jeffords	Rockefeller
Chafee	Johnson	Sarbanes
Cleland	Kennedy	Schumer
Clinton	Kerry	Snowe
Collins	Kohl	Specter
Conrad	Landrieu	Stabenow
Corzine	Leahy	Torricelli
Daschle	Levin	Wellstone
Dayton	Lieberman	Wyden

NAYS—47

Allard	Enzi	McCain
Allen	Fitzgerald	McConnell
Bayh	Frist	Murkowski
Bennett	Graham	Nickles
Bingaman	Gramm	Roberts
Bond	Grassley	Santorum
Brownback	Gregg	Sessions
Bunning	Hagel	Shelby
Burns	Hatch	Smith (NH)
Campbell	Helms	Smith (OR)
Cochran	Hutchinson	Stevens
Craig	Hutchison	Thomas
Crapo	Inhofe	Thompson
DeWine	Kyl	Thurmond
Domenici	Lott	Warner
Ensign	Lugar	

NOT VOTING—2

Hollings	Voinovich

The motion was agreed to.

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

The PRESIDING OFFICER (Mr. MILLER). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

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

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

Mr. DASCHLE. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

Mr. DASCHLE. Mr. President, as I understand it, another amendment will be offered within the next half hour. I ask unanimous consent that the period between now and 4:30 be for debate only and divided equally between Republicans and Democrats, and that at that time the Senator from Indiana be recognized to offer an amendment.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Who yields time?

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

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

Mr. DORGAN. Mr. President, my understanding is we are in a period of general debate with no amendments to be offered. I wish to make a couple comments at this point that relate to some things that have been said during the debate on this farm bill.

First of all, I am pleased we are at this point. Many of us have struggled hard to make sure we get a farm bill on the floor of the Senate. We are here and we will have a good debate. My hope is we will be able to have some amendments offered and deal with those amendments. We have just had one amendment with a very close vote. I would like, very much, to see us finish this bill by at least tomorrow evening or the next evening and have a conference with the House of Representatives. I hope our goal might be to put a bill on the President's desk for signature before this Congress leaves for the year.

I know that is the goal of the Republican chairman of the House Agriculture Committee. He produced a bill in the House. He said very much that he wants to get to conference with us. So this would be a bipartisan effort with Chairman COMBEST in the House and those of us who wish to finish a farm bill this year in the Senate.

My hope is we can move forward very quickly. We should consider amendments, and have significant debate on amendments, but it will serve this country's best interests, and certainly the interests of farm families in America, if we produce a good farm bill.

Why are we here? We are here because we have a farm bill that does not work.

Freedom to Farm, which is now existing law, just doesn't work. Almost all of us concede this point. It is not unanimous, but it is about as close to unanimous as you can get on public

policy. There are still a couple of discordant voices who will insist that Freedom to Farm does work. For the last 4 years, we have had to do emergency bills at the end of the year to try to deal with the shortfall in farm revenue because commodity prices have collapsed and collapsed dramatically. If we didn't do something to respond to that, we would not have family farmers left.

I suppose that requires answering the question: Does it matter whether we have family farmers? Some would say it doesn't matter who farms the land. But, that is kind of an antiseptic view of the culture we live in. They would say the organization of our food production is really pretty irrelevant. We could have the largest corporate agrifactories farming America from California to Maine. They would just drive a tractor one way all day and then back the next day. They would just plow furrows and plant seeds, and giant agrifactories will certainly produce food. That is true. But as they produce that food, something else will be dying; that is a part of American culture that is very important to our country.

The seed bed of family values has always moved from our family farms to our small towns to our big cities and nourished and refreshed America. That has always been the case. It is not only important for social and economic reasons, it is important for security reasons to maintain a network of family farms. Europe has done that. Europe has been hungry in the past, and it decided: We will not be hungry again. We will not rely on some huge mammoth operation. We will have a network of family farms dotting the landscape of rural Europe. And they do. They have price supports. That is the kind of economy they want. Those are the kinds of food producers they want—a broad dispersed network of producers, families living on the land.

Small towns in Europe are radically different than small towns in this country these days. In most of Europe, small towns are thriving and growing and alive and have a heartbeat. In this country, across so much of our heartland, small towns are shrinking. They are shrinking inevitably.

My home county in my hometown is exactly the mirror of what is happening in so much of our country, going from 5,000 people to 3,000 people in 25 years. Maybe it doesn't matter to some. Does it matter in public policy? I believe it does. We ought to have a farm plan that reflects decent price supports, reasonable price supports, that gives family farms an opportunity to make a living during tough times. That is what this is about.

The legislation brought to us by the Senate Agriculture Committee is good legislation. It is certainly not perfect. I intend to offer an amendment as soon as I have the opportunity that will further target some of the benefits so that we don't give an amount of benefits that are inappropriate to the largest producers in this country which has happened in the past. I hope we can prevent that from happening now. I do intend to offer an amendment. I suspect others will as well.

My goal is that we aggressively debate the amendments, call for a vote, and then try to see if we can't finish the bill and get to a conference with the House of Representatives.

It is interesting that the Department of Agriculture was created in the 1860s by Abraham Lincoln. When the Department of Agriculture was created, they had nine employees in the early 1860s. It is now a behemoth organization. My belief about the Department of Agriculture is, no matter who is in charge of the administration, Republican or Democrat, we don't need a department if the end goal is not to support this statement: It is our goal to foster and maintain a network of family-based food producers in this country.

If that is not the goal of our agricultural policy, we don't need a U.S. Department of Agriculture; just let happen whatever happens. But if you believe, as the Europeans do and I do and others, that the economy that you will get is the economy that you want and that you construct instead of just letting something happen, you can have an economy that fosters and maintains a network of family producers.

Our family farmers produce more than just food. They produce communities. They produce a value system that is important. Each farm out there that lives under a yard life, trying to raise a family, represents a blood vessel that flows into a network of vessels that creates communities and a rural lifestyle. That is very important.

It is not the case that family farming is somehow irrelevant these days. It is not the case that food production is irrelevant. A substantial portion of the people in this world go to bed hungry because they don't have enough to eat. I am told that 500 million people in this world go to bed every night with a powerful ache in their belly because it hurts to be hungry. Yet in my home State and many others, our farmers are hauling freight to the elevator only to be told that the food they produce in such abundance has no value. There is a powerful disconnection there.

If you take a look at producers, family farm producers, and what happens to the grain they produce, you discover it is not that there is not value to it. It is the question of who is able to get the proceeds from that value.

If you have a kernel of wheat and the farmer hauls it to the elevator, the grain trade says, this wheat doesn't have any value, what you have produced is pretty irrelevant to the world; then someone buys that wheat and puts it into a grocery manufacturing plant, a cereal plant; they puff it up and that kernel of wheat is now puffed wheat. It is put into some cellophane, put in a box, and sent through to a grocery store somewhere. And that little box is going to sell for $4.50 for a box of puffed wheat.

Who made the money? The person that bought the tractor, bought the seed, bought the fuel, bought the fertilizer, spent the nights and days planting and then hoping and then harvesting? Did that family farmer make the money? No, it was the manufacturing plant that puffed it and put it in a box and sold it as breakfast cereal. They made the money. For the farmer, that food dollar has been shrinking and shrinking. We have fewer and fewer family farmers and more expensive grocery cereals and more people hungry overseas.

Somehow this is a puzzle the pieces of which don't fit. We need to make sense of it in the Senate with a farm bill that recognizes the value and the worth of families that produce America's food and produce food for a hungry world.

I have been places in the world where people were hungry. I have leaned over the crib in a neonatal clinic of a terribly poor country and had a young child who was starving reach up to me because I was the only one that young child had. I was only going to be there a couple of minutes. The doctor said to me: That child is going to die. I have been to refugee camps and hospitals in the worst parts of the world. I have seen hunger. I have seen death.

It needn't happen in this world that the winds of hunger blow every day and 45,000 children die. It needn't happen if we decide that we are going to use what we produce in such great abundance to help produce a more stable world. We send weapons around the world. We are the arms merchant to the world. We send more weapons than any other country under any other circumstance year after year.

Somehow that which the world needs most, food, we are not able to connect very well to meet the needs of the world and the needs of those who produce it here at home.

My hope is that we can decide with this farm bill that family farmers matter, families who struggle to make a living matter, and we are going to do something to help them when grain prices collapse.

There may well be others who want to speak. I will not go on except to say this: My family came to the prairies of Hettinger County, ND, many years ago. Many years ago, a Norwegian immigrant, recently widowed with six children, decided to move to the prairies of western North Dakota, pitch a tent and build a house and start a farm. One can only begin to think of the courage it took for a widow who just lost her husband to a heart attack, who had come over from Norway to decide to get on a train with her children and go homestead, with the promise of the Federal Government saying if you go and improve that land and you build a farm on that land and do the things that are necessary, we will give you the 160 acres. That was the homestead plan.

That woman, named Caroline, did that and she had a son who had a daughter who had me. That is how I was born in southwestern North Dakota. But I will bet that many, many serving in this Chamber have exactly the same stories of their heritage—people who decided they wanted to stake their dream and their hope on trying to raise food from a family farm and raise a family on a family farm, be independent, and do the things they wanted to do to make that soil produce bountiful food supplies.

Now, what we have seen in recent years is so many broken dreams and so many families deciding that which they have invested their life savings to do is now gone and they can't continue. We can do better than that as a country. That is what this debate is about. Some say it is about this amount of money—no, it is not about that. It is about whether this country wants family farmers in its future. Does it believe the production of its food supply ought to be done by families? Does that contribute to this country and promote security and strengthen this country? I think it does. People look at family farms and say they are like the old diners who came and went. It is nice to think of it, but it is really not part of tomorrow's economy. They are wrong.

Family farming is not out of favor. It is an important part of what this country is and what it can be in the future. That is why we have to pass this farm bill.

I yield the floor.

The PRESIDING OFFICER. Who yields time?

The Senator from North Dakota, Mr. CONRAD.

Mr. CONRAD. Mr. President, might I inquire about the parliamentary situation?

The PRESIDING OFFICER. There is time for debate until the hour of 4:30. All time remaining is under the control of the Senator from Indiana.

Mr. CONRAD. So there is no time on our side?

The PRESIDING OFFICER. That is correct.

Mr. CONRAD. Mr. President, I would like to take a few minutes at this time. I don't want to use up the Senator's time.

Mr. LUGAR. I respond by saying I am pleased to yield time to the Senator. The allocation by the majority leader was equal time between the time he made the motion and 4:30. That is why we are in this particular situation. The previous speaker consumed the first half of the time. I will be recognized at 4:30 to offer an amendment, which I plan to do. I am pleased to yield to the Senator.

Mr. CONRAD. I thank the Senator for his courtesy. Once again, the Senator from Indiana demonstrates his generosity of spirit and the reason why he is held in high esteem by everyone. I thank him for his courtesy.

We have talked about why we are discussing a farm bill now, why it is critically important. I believe it is critically important because of the economic conditions we confront. We are faced with a circumstance in which the farm families I represent in the State of North Dakota are facing some of the most difficult times they have ever confronted.

I think this chart says it very well. This green line shows the prices the farmers have paid for the inputs they use to produce goods, what happened to those prices from 1991 to 2000. You can see that the prices farmers are paying have gone up considerably in this period. On the other hand, the red line shows the prices the farmers receive, and you can see what happened there. Since the 1996 farm bill, that line is almost straight down because prices have collapsed. That is the reality of what has happened in farm country. It is the reason why the new farm bill is so important to consider.

This shows the same pattern, just the prices that farmers have received for wheat. Again, we can see that the peak was at the time the last farm bill was considered. Look at what has happened. Since that time, since 1996, the red line shows the price of wheat over this period through and up until this moment. Wheat prices have absolutely collapsed. This black line is the cost of production for wheat at $4.26 a bushel. You can see we are at about $2.50. We are far below the cost of production. It is not just wheat, it is commodity after commodity.

One of the key reasons that agriculture in America is in crisis is because our major competitors are doing much more to support their producers than we are doing to support ours. This chart shows what the European Union is doing to support their farmers. This is support per acre. The red bar is what Europe is doing—$313 an acre of support. The blue bar on the chart represents what we are doing in the United States, which is $38 an acre. So they are outsupporting their farmers by a huge margin. By the way, these are not KENT CONRAD's numbers or the Agriculture Committee's numbers; those are the numbers of the Organization for Economic Cooperation and Development, the international scorekeepers. They are the recognized international scorekeepers. This tells the story. That is why it is so important we pass a new farm bill and that we do more to support our producers. If we want to level this playing field and we want our farmers not to be facing a stacked deck, then we have to act and act now.

It doesn't end there because this chart shows what has happened with world agricultural export subsidies. These are the most recent numbers worldwide. You can see that this pie chart represents all of the world's agricultural export subsidies. The blue part of the pie is Europe. They account for nearly 84 percent of all the world's agricultural export subsidies. The United States shares this tiny red piece of the pie, 2.7 percent—not 27 percent but 2.7 percent—less than 3 percent. So our friends in Europe are outsubsidizing us for exports by a factor of 28 to 1. It is no wonder there is hardship in American agriculture, when we see the Europeans buying markets that have traditionally been ours. They are going out and getting these markets the old-fashioned way. They are paying for them. Again, this is the World Trade Organization's information. It demonstrates conclusively what we are up against and the need for this farm bill to start to level the playing field.

There has been a lot of talk about the spending in this farm bill and that it represents an increase. This is the baseline for agricultural spending, this red line. You can see the baseline is coming down dramatically and would continue to decline under current law. This farm bill does represent an increase over the baseline. You can see that the green line here represents the Senate farm bill. But you can see that, while it is higher than current farm policy, it also will be in steady decline. Farm spending will take a smaller and smaller share of the Federal budget.

I might say, before we leave this chart, that while this is more money than current farm law provides, it is actually less money than current farm law plus the economic disaster payments we have made in each of the last 4 years.

This chart shows how important Government payments have become to farm income. If we look at each of these bars, the red part is Government payments as a part of overall farm income.

We can see back in 1992, farm income was just under $50 billion. In 1993, it actually went down. In 1994, it was about the same. In 1995, there was a big slip when prices were down. Then prices went up right at the time we wrote the last farm bill. Then we can see farm income started to decline, and decline quite markedly. As a result, Government payments increased as we passed in each of these 4 years economic disaster assistance to keep the farm sector from imploding, to keep the farm sector from mass bankruptcy.

We can see now what a big chunk of farm income is represented by Government payments. Again, that is the red part of each of these bars. Each of these bars represents net farm income, and we can see how critically important Government payments have been, again, largely as a result of what the Europeans are doing.

I believe we have arrived at the hour of 4:30 p.m. The agreement was we would turn to an additional amendment, so I will yield the floor. Again, I thank the Senator from Indiana, the ranking member of the Agriculture Committee, for his courtesy.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, I thank the distinguished Senator for his remarks. He always makes an important

contribution in the Agriculture Committee and, of course, now serves as chairman of our Budget Committee in the Senate and has made an additional contribution because of the importance of that responsibility.

Mr. President, before I offer my amendment, I ask for the yeas and nays on the pending substitute amendment.

The PRESIDING OFFICER. Is there a sufficient second?

There appears to be a sufficient second.

The yeas and nays were ordered.

AMENDMENT NO. 2473

(Purpose: To provide a complete substitute for the commodity and nutrition titles)

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

The PRESIDING OFFICER. The clerk will report.

The assistant legislative clerk read as follows:

The Senator from Indiana [Mr. LUGAR] proposes an amendment numbered 2473.

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

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

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

Mr. LUGAR. Mr. President, I rise to offer an amendment to the Agriculture Committee-passed farm bill and to the substitute that has been submitted. By adopting my amendment, the Federal safety net for low-income Americans will be strengthened through improvements in the Federal nutrition programs and will create a more effective market-oriented and broad-based safety net program for U.S. farmers and ranchers. Therefore, my proposal amends the commodity title and the nutrition title of the bill.

Since joining the Senate Agriculture Committee, I have fought for Federal nutrition programs and worked closely with my colleagues on both sides of the aisle to make improvements to those programs and to safeguard their existing resources to improve the safety net for low-income Americans and to support the goals of welfare reform.

The last time we looked at significant changes in the Federal nutrition programs was during welfare reform. Since that time, significant changes have occurred which require adaptations and improvements in the program's policies and operations.

Over the course of the re-authorization process, we have been able to achieve remarkable consensus among the client advocates, the States, and the administration as to changes that should be made to Federal nutrition programs. This consensus was reflected in the nutrition title of S. 1571, the farm bill proposal which I introduced.

I am pleased that Chairman HARKIN of the Agriculture Committee adopted a number of these proposals in the chairman's mark, and many are included as part of the committee-passed legislation. However, I believe strongly we can and should do more in the nutrition area, and this amendment will accomplish just that.

The second part of my amendment reforms the safety net for U.S. farmers and ranchers. The Senate Agriculture Committee and the House of Representatives have each passed legislation expanding dramatically U.S. farm program subsidies. The bills are not only costly, but each represents a wholesale retreat from the important reforms begun under the last farm bill.

My amendment will expand the base of the agriculture safety net and will institute much needed market-oriented reforms so the U.S. farm policy will comport with economic reality.

Americans can take pride in the assistance programs created to provide a strong nutrition safety net. The Food Stamp Program is the foundation of this safety net, and its re-authorization warrants our thoughtful and serious attention.

In our post-welfare-reform environment, the Food Stamp Program is particularly important. As families leave behind cash assistance for employment, they typically encounter minimum wages and modest, if any, fringe benefits and often unstable jobs. In the year 2001, a family of four with earnings equivalent to a full-time minimum wage job and the earned income tax credit needs food stamps just to reach the poverty line.

Dr. Ron Haskins, a key architect of welfare reform legislation, has stated:

There are millions of people who cannot earn enough to support their families. Even more than in the past, the Food Stamp Program has become a vital support to poor and low-income mothers who work.

Thus, one of the important questions we must address is whether or not the current Food Stamp Program effectively supports welfare reform goals.

There appears to be a number of indicators that point to the need for additional program changes. Some of these signals, such as the increased proportion of recipients who hold jobs, are clearly desirable but may suggest further steps to make the program more compatible with this evolving caseload profile.

Other findings, such as the decline in the percentage of financially eligible persons who participate, raise questions. Collectively, these shifts illustrate the need both to continue adapting and improving the Food Stamp Program.

As part of my farm bill proposal, I introduced a nutrition title embodying changes which would simplify food stamp rules for all stakeholders, increase State flexibility in administering the program, make the quality control system less punitive, support personal responsibility and work, and reduce the dependency of low-income persons on emergency food assistance.

This idea received public support from Michigan's Governor Engler when introduced, and the amendment which I offer today is intended to provide a more complete meal to low-income families in need of nutrition assistance and to States seeking administrative flexibility and simplicity.

I served as chairman of the Agriculture Committee in 1995 and 1996 when the committee wrote both the farm bill and the food stamp provisions of welfare reform. The committee faced a difficult budget reconciliation instruction for those years. The result was that spending on food stamps was significantly reduced.

For the years 1996 through 2001, the Congressional Budget Office (CBO) estimated that welfare reform would reduce food stamp spending by over $21 billion. Over that same time-frame, CBO estimated that farm program spending would be reduced by $2 billion due to the enactment of the 1996 farm bill.

Thus, over 90 percent of the budget cuts enacted in 1995 and 1996 pursuant to the Agriculture Committee's reconciliation instruction occurred in the Food Stamp Program. I make that point again because it is such a dramatic one. Reconciliation instructions came to our committee. We were compelled to act. The $23 billion of savings that was required came, $2 billion from farm commodity programs and $21 billion from food stamps.

As it turned out, CBO underestimated the effects of welfare reform on the Food Stamp Program. For the years 1996 through 2001, food stamp spending declined by about $50 billion, not the $21 billion CBO originally estimated or the $21 billion we anticipated as we responded to the reconciliation instruction. Around half of that reduction was due to the changes in law made by welfare reform and an economy that was stronger than CBO anticipated. The other half of the decline in food stamp participation occurred among eligible families and was due largely to the outdated restrictive nature of the current Food Stamp Program administration. Thus, food stamps provided the vast bulk of the savings needed in 1995 and 1996.

History has shown that the actual reductions were far bigger, in fact, dramatically larger than expected. Some of those reductions were reinstated in later bills. Specifically, about $2 billion has been restored to the Food Stamp Program, but an additional $30 billion has been added in commodity support over the same period. Given that such a large proportion of budget savings came from the Food Stamp Program, it seems equitable that with substantial new agricultural resources all of the legislation we are now considering, all the alternative bills produced, a significant share of the new money should go to restoration of a sound Food Stamp Program. I am not proposing that 90 percent, or even a majority of the new funding apparently available to the Agriculture Committee, go to the Food Stamp Program. The committee-reported bill, however, devotes

only 7.6 percent of its spending to nutrition. I am proposing to spend 19.2 percent of these new resources for nutrition. It seems to me it is only fair and right to vote a little less than one-fifth of the bill's new resources to support Americans in poverty and to further the goals of welfare reform.

The nutrition title in my amendment spends $6.3 billion more in budget authority over the next 10 years than the nutrition title in the farm bill now before the Senate. Senator HARKIN's title spends $5.6 billion in budget authority over baseline; my amendment spends $11.9 billion, an increase of $6.3 billion over the committee-passed bill.

I make it clear that the spending I am talking about goes to support the goals of welfare reform in addition to the Food Stamp Program.

Collectively, my proposed nutrition policy serves to replace complex food stamp rules with simpler ones, better integrate the food stamp, Medicaid, and cash assistance programs, offer many opportunities for State flexibility, and attempt to make the program more compatible with the needs of working families.

The nutrition package is constructed to make sure the Food Stamp Program promotes welfare reform objectives conveyed in the title of that legislation.

First, responsibility and work opportunities: My proposal includes almost twice as many provisions to simplify the Food Stamp Program. They cover eligibility rules and procedures, income adjustments, and reporting requirements. Most of the differences between the two titles—that is, the committee-passed bill and my proposal—occur in the first two categories. My proposal excludes vehicles and dedicated retirement savings from the asset limit thus reflecting what a household needs to assume personal responsibility today and in the future. Making these changes also simplifies application and eligibility determination procedures by reducing the documentation households must provide and some of the fine distinctions case workers have to apply now as to which assets are and are not excluded. The result is a set of realistic and uniform asset policies across all States.

Both titles—that is, the farm bill proposal of Senator HARKIN and my proposal—create new opportunities for State flexibility and innovation. My proposal offers substantially more. States have provided an additional discretion for using food stamp employment and training funds, as well as additional dollars. The Lugar title also opens the door for States to test their own ideas on program simplification through changes to demonstration waiver rules on cost neutrality and by funding a set of systematically evaluated projects. The outcomes of the stated initiative should provide the basis for continuing welfare reforms.

Finally, my nutrition title allows States to move beyond their successful demonstration experience of integrating a food stamp eligibility decision with an application for SSI benefits to more routine implementation for the one-stop approach. The two nutrition titles are similar to one another and to the House proposal for modifying the food stamp quality control system. The proposed changes result in targeting penalties to those States with repeated and exceptionally high levels of benefit payment error.

Our proposals differ, however, with respect to rewarding States for exceptionally good performance. The Lugar proposal introduces a large number and variety of performance standards that allow many states the opportunity to be meaningfully rewarded for outstanding operations and service.

Other improvements to the Food Stamp Program are intended to reduce dependency on emergency food assistance. Both the Lugar and committee proposals selectively remove some of the restrictions on the participation of legal aliens and able-bodied adults in the Food Stamp Program, as well as provide a modest benefit increase through a more generous standard reduction to family income.

The Lugar bill proposes reasonable periods of U.S. residence, 5 years, or a history of 4 years at work. The proposal was carefully designed to balance our obligation to those who legally emigrate to this country and subsequently face economic hardship against the concern that assistance program policy should not be so generous as to provide benefits immediately upon arrival, nor to create that expectation.

Finally, both titles link the standard income deduction to the poverty line which results in indexing by family size and adjusting for inflation. Under either proposal, the absolute benefit gain per household is modest. For example, after full phase in over 10 years, my proposal entitles a family of four to an additional $16 in benefits each month.

This increase is more generous than the committee proposal in terms of the amount of the change and the rate at which the increase occurs.

Many different organizations have sent letters of endorsement to both Senator HARKIN and to myself. Public support includes the Food Research and Action Center, Second Harvest, the Center on Budget and Policy Priorities, the Evangelical Lutheran Church, the Bishop's Council, Farmers Market Advocates, United Jewish Communities, the Quakers, the National Council of La Raza, the National Governors Association, the National Conference of State Legislatures, and the American Public Human Services Association. These organizations acknowledge the important steps Chairman HARKIN and the Agriculture Committee have taken to build on the provisions of the House title. But these same organizations note that nutrition funds provided by the committee's package provide the minimum budget necessary to make a difference. Many also indicate their preference for both the proposed policies in, and the funding for, my nutrition title ideas.

Individual groups identify specific but different provisions that they view as critical to fully implementing welfare reform. With our country's wealth and agricultural bounty, there is no justification for anyone to experience hunger or even uncertainty about the next meal. The Food Stamp Program continues to be fundamental in meeting the nutrition needs of low-income persons and families. It is particularly important now, as food stamp benefits help support families who leave cash assistance for entry-level jobs with uncertain futures and at the same time provide a direct stimulus to the Nation's economy. It is also important that we listen to the States and to the Governors who have asked us to simplify this complex program.

That brings us to the second part of my amendment which is reforming the safety net for U.S. farmers and ranchers. As we debate the farm bill, it is important to understand the shortcomings of current farm policy. Virtually all agricultural subsidies go to producers of just five program crops: corn, wheat, soybeans, cotton, and rice. As a result, 60 percent, three-fifths, of all farms are excluded from Federal farm benefits. Agricultural subsidies have been distributed according to acreage. This has resulted in the bulk of payments being distributed, understandably, to large farming enterprises. In fact, 47 percent of all payments during 1996–2000 went to just 8 percent of farmers, a very focused concentration for payments.

The cost of U.S. agricultural policy to taxpayers has been large and unpredictable, even as it has failed to alleviate the difficulties it is intended to address. Even with an overall net cash farm income for this year of $61 billion, many producers, particularly small family farms, struggle to survive. But that is paradise. Despite the rhetoric that has been heard on occasion during our farm bill debate this year, the facts are that we are enjoying—if that is the proper word—the highest net cash farm income ever for any year in American agriculture—$61 billion. Even the often cited year of 1996 did not exceed that amount, and this year's farm income is substantially greater than the years subsequent to 1996.

Yet, as we have heard from testimony, and from Senators about constituent farmers, large numbers of farmers are obviously short in terms of income and many are growing short in terms of hope. I think the Chair and I understand that. We have heard from a good number of farmers in our States.

The problem of course is that the benefits of the program, by tradition and history—and now that history is about to be repeated—go predominantly to five crops, so that almost half of the payments go to just 8 percent of the farmers. It is very difficult

to argue logically that the farm program—at least the one that came out of the Agriculture Committee this year or, for that matter, the one that came out of the Committee in 1996—is going to touch even a majority of farmers. It will certainly not reach a majority of those who are fairly small.

There may be an illusion that the program does this by chance, but there is certainly no program effort or focus involved. The current policy of Federal supports, in fact, defies economic logic. It perpetuates—I repeat that word—it perpetuates a cycle of low prices and overproduction, which is then reinforced by further emergency subsidies that create further low prices and overproduction. The history of these efforts to concentrate on five row crops and to attempt to guarantee prices that are clearly substantially above market prices, either in the United States or the world, creates incentives to produce for the Government program, not for the market. As a result, more is produced. Predictably, as demand in our country for major crops has not increased, the supplies overwhelm demand.

In the best of all worlds, we would have free flow of our agricultural commodities in world trade, but we do not. Someday we may. It is a very tough thing, as we have all found, to negotiate. Meanwhile, with the flow constricted abroad, supplies mounting at home, prices predictably go down. The bill that came out of committee, in my judgment, will pound them down further.

The promise of the committee bill, not economic reality, is, that notwithstanding what may be occurring in the market, farmers can count on prices that are much higher than the market and financed essentially by other taxpayers. So, in a 10-year period of time, it is estimated that with the so-called baseline expenditures plus the new expenditures, about $172 million will be transferred from all the taxpayers in the United States to a very few agricultural producers.

Why very few? Because 60 percent of farmers don't get anything at all. Most of the benefits go to six States. Within the six States, the same national averages are replicated; namely, 8 percent of the farms get half of the benefits.

There may be an illusion that somehow in agricultural America farms across all 50 States are being supported or rewarded by this bill. That simply is not the case. It has not been written that way this time nor has it been, really, since the New Deal days of the 1930s.

Large farm payments also have the faculty to inflate land values and cash rents derivative from that, particularly for program crop producing regions. Why there? Because, given the desire of the Federal Government to support prices that are well above the market, land values have an expectation of those sorts of returns. Country bankers have an expectation of those sorts of returns. Landowners become accustomed to those returns and increase the rents.

Why is that significant? Because 42 percent of farmers rent land. So they are losers in this process. So, on the one hand, we are hoping to boost income, while, in fact for the 42 percent of farmers who are renting, the land that is useful for farming program commodities increases in price and so does the rent for that land. This has especially unfortunate results for young farmers who typically must rent most of the land they farm unless they have inherited land or are part of a situation where they do not need the capital to buy in.

The commodity bill that came out of the Agriculture Committee increases the CCC Farm Program spending by an estimated total of $44 billion over 10 years. That bill raises nonrecourse marketing assistance loan rates significantly and across the board. The only exception is the soybean loan rate which would remain largely unchanged at its current high level.

These loan rights will be effective for 2002 through the 2006 crop.

Compared to current law adopted in 1996, the new Senate bill coming out of the committee raises marketing assistance loan rates by 16.2 percent for wheat, 10.1 percent for corn, 5.9 percent for cotton, and 5.1 percent for rice.

Without doubt, this will encourage even more production of these loan-eligible commodities given the attractive new loan rates that are available to those who produce them.

In addition, the committee-passed bill will provide direct and countercyclical payments for program crops based on updated acreage and yield history, in effect rewarding producers for recent decisions to increase production of these commodities, and, thus, encourage their production in the future regardless of market signals because of the guarantees that come quite apart from whatever is occurring in the market.

Altogether, these program crop provisions are expected to cost taxpayers about $34 billion in addition to the baseline expenditures over the next 10 years. Importantly, increased crop production will drive farm prices for these crops lower than they are today, thus further reducing crop market revenue received by farmers.

Dr. David Orden, professor of agriculture economics of Virginia Tech University, estimates that after including the production increasing effect of such subsidies, about 25 percent, or $8.5 billion—of the Senate Agriculture Committee's $34 billion—will be lost by crop farmers due to lower market revenues. That is an astonishing phenomenon that, on the one hand, we congratulate the committee for increasing farmers' income by $34 billion, but we fail to acknowledge that, even as we are overstimulating production, another $8.5 billion is being lost by crop farmers due to lower market revenue as prices are pounded down.

For the dairy industry, the committee-passed bill originally extended the milk price support at $9.90 per hundredweight through 2006. I say originally because, as with many, it has been hard to follow the changes and the chapters of this stock. I fear almost any figures that I quote from previous bills have been overtaken by events, perhaps even as we speak.

But, in any event, suffice it to say that with the programs and significant restructures and committee-approved bill, instead of newly constituted boards in each Federal marketing order region administering the program, it may now be administered by the Secretary through existing Federal milk marketing orders. Overall, the dairy provisions are expected to cost taxpayers $3 billion over the next 10 years.

A new target price and marketing loan support program is created in addition for peanut producers. The taxpayers' cost, therefore, is expected to be about $4.2 billion over 10 years, nearly $700 million more than the House-passed peanut provisions.

The distinguished occupant of the chair will recall discussions in the Committee on Agriculture in which some of our members were insistent for more attention to peanuts, and they received that. Peanut processors and manufacturers are expected to benefit substantially from lower farm prices for peanuts that will occur as a result of this taxpayer financed buyout but peanut users are not asked to share the cost.

The commodity title of this bill is expected to cost about $44 billion over baseline, and, if so, this would be only $4.8 billion less than the $48.8 billion the House spent on its commodity title over the same period.

Current farm programs, however, have some problems as well. Due to the current program's focus on program crops, as I mentioned, 60 percent of farmers are excluded from the program benefits. Furthermore, farm payments are distributed based largely on historical program crop acreage and yields in the case of the fixed payments, the so-called AMTA payments, and the volume of program crops produced in the case of the marketing assistance loan program and the sufficiency payment program.

I mentioned this because we have debated this issue during, as I recall, each of the three emergency or supplemental debates we had. Many Senators pointed out that technically a farmer might not now be farming but would receive an AMTA payment because the farmer was on the rolls in 1996 that established a history for program crops and, therefore, received the money.

The rationalization was made—I must confess I accepted this as a practical matter—that to reconstruct the rolls would be to eliminate any possibility for relief of the emergency that we are attempting to meet; namely, the only way that checks could be cut and money get to the farmers would be

to use the AMTA payment rolls from 1996, recognizing that each year that history became more dated.

In fact, we are sort of back to square one in the bill out of the Committee on Agriculture. There is a thought about updating—not necessarily eliminating—that we still have the 1996 situation for some farmers who may or may not update. I gather that would be optional. And 47 percent of the payments now go to 8 percent of the largest farmers. It is not clear, but it would appear at least to some that concentration might increase, given the fact that the landowners who are involved in the situation have an opportunity to enhance their situation by updating the acreage—acreage that has been planted in response to the rewards of the program which, in my judgment, has contributed to an overproduction and lower prices. But those who have been increasing their production have, by and large, been among our most efficient farmers.

They say we ought not to be penalized for using the benefits of research of our land grant colleges. The fact that we are good at it means we are able to produce for less than the loan deficiency payment, and, thus, finding it profitable to the last bushel to do so ought not be a consideration.

I believe the bill which came out of the Committee on Agriculture does not deal with the shortcomings in policy that I have been discussing. Therefore, we tried to find an alternative that would not be production distorting, would not distort land values, and would not discourage young farmers and those who rent, but would, in fact, bring much greater equity not only to the program crops but to farmers who produce livestock, fruits, and vegetables, or various other things on their farms. The commodity title of my farm bill offers such an alternative.

As the Chair may recall, I offered in the bill that I submitted an entire farm bill. It was the will of the committee, in which I was pleased to cooperate, that most of the titles were ones that we were able to adopt in a bipartisan colloquy, and all things considered, fairly rapidly, given the comprehensive nature of going into farm credit and conservation, and some very large issues. For example, energy, this time, is a very important issue.

(Mr. DAYTON assumed the chair.)

Mr. LUGAR. Therefore, I do not want to dwell on the committee product in its entirety because I support, as I recall, eight of the titles, if I remember how many we dealt with. But all of us around the table knew we would have some differences on policy and results with the commodity title, and we did. So this is a part of that extended argument.

At the time of the adoption of the nutrition title, I offered an amendment in the committee which was narrowly defeated that, in fact, traces the additions I wish to offer today.

In essence, for those who are attempting to keep some scoring as to how this is paid for without breaking out of the budget balance, the savings I obtain in my commodity title are more than are required to do the additional things I have chosen to do in the nutrition title. In the proposal that I make, beginning in the year 2003—and I stress that; not this year or the next year, 2002, but in 2003—a farmer or rancher with at least $20,000 in annual gross farm income, and who provides 5 consecutive years of Federal tax return information related to his or her farm business, regardless of commodities produced—that is a very large ''regardless''—for Senators or staff who may be listening to this debate, the question would be, for example, Does that mean strawberries? Yes, it does. Sheep and wool? Both. In essence, it means just what it says, all returns from farm business.

That total amount of revenue would qualify for a voucher to come from the Federal Government, redeemable to, first of all, help purchase a revenue insurance policy. This would not be crop insurance. This would be whole farm revenue insurance at an 80-percent level of coverage. Or it could be used to fund matching deposits for a farmer who chooses to participate in an income stabilization savings account. In essence, the farmer matches the voucher, and all of this goes into an interest-earning savings account for that farm family. Or it could be used to help purchase, in addition to the whole farm insurance idea, any other approved risk management tool, once again, to help insure 80 percent of normal market revenue.

An eligible farmer's annual voucher would be equal to 6 percent of the first $250,000 in average gross income from the farm from all sources. This would drop to 4 percent on the next $250,000 gross farm income up to $500,000, and 1 percent of the next $500,000 gross farm income up to $1 million, based on the tax return information as filed. Therefore, under this schedule, the maximum voucher would be $30,000.

I appreciate, for those listening to that figure, that is some distance from the estimates of the committee-passed bill that a farmer might, in fact, under some circumstances, gain as much as $500,000 from program subsidies.

Cynics, I point out to the Presiding Officer—and the Presiding Officer would not be one of these—but around the agriculture table in the past we have heard descriptions of what might be called ''the Christmas tree theory'' of the subsidies. In short, people who are very sophisticated point out that some farm families, who seem to have a lot of members, had so distributed their property into a number of farms, all of which seemed to qualify for the maximum amount. Ingenious Senators and Members of the House have tried to curtail this practice on occasion, but I do not see great success in doing that. Those who were able to contrive this had very good legal counsel and accounting counsel, as would befit the stature of the sums of money that were involved.

In any event, one of the arguments around the table for a long time has been a recognition that perhaps the payments were too concentrated, first of all, by crop, by certain States, to certain people. So as a result, in one fell swoop, my reform cures this.

First of all, every farmer in every State is on a level playing field. There are no historical program crops. A bushel of corn and revenue from that counts the same as a bushel of strawberries and the revenue that comes from that. I make that point because on the face of it the self-interests of Senators from most States would be to favor my bill.

Senators may not have studied my bill. That is why I am tedious in trying to make the case that they should. Because they will find that in many cases only a single digit of farmers receive any benefits in their State. California, for example—a very large agricultural State—only 9 percent of farmers in California receive anything from all of this.

So farmers in California, listening to this debate today, will know that the Lugar proposal means that they participate. Some farmers in California may say: We really don't want any of this in our lives. We have some testimony to that effect, that farm programs inevitably lead to more and more entrants into a market, overproduction, disastrous prices, and dependence on the Federal Government. So they would say: Thank goodness we were spared all of this.

So there may be Senators who have a majority of farmers who are asking to be spared the farm bill. But my recognition, at least during debates we have already had, is that many Senators have a different point of view. As a matter of fact, they want to know what is in any of this that may be helpful to their farm families.

So I am saying, first of all, all of your farm families, for the first time in American history, qualify for a farm program. And they all qualify on the same basis. Furthermore, we try to recognize it is important they qualify only to a certain extent; that is, that the purpose of these transfer payments, from all taxpayers to some taxpayers, is to bring about some income stability for family farmers.

You may say a 20-percent reduction in 1 year is not a great deal, but most of the arguments made to us come from people who have suffered weather disasters or trade disasters or extraordinary events in which really a much larger percentage of their income has been wiped out, and they hope to get some wholeness through emergency appropriations.

There are very few businesses in America that would be able to purchase whole business insurance and guarantee that their revenues would be at least 80 percent of their 5-year average, and to do so, in essence, with a

premium paid for by the Federal Government.

That is the proposition. And it brings stability to every farmer regardless of size. It recognizes that the bulk of the money must go to those farmers who have revenues of $1 million or less—even more pointedly, $500,000 or less. But that covers a prohibitive percentage of farmers in America, even though current farm programs are really geared to the very small percentage that it does not cover.

This comprehensive revenue-based program would replace most traditional farm program supports, the latter of which my bill would phase out over the 3-year, 2002–2005 crop-year period. Essentially, the program that remains through this period is the loan deficiency payment program which has been the safety net of the 1996 bill. That is important so that while this transition is occurring, people are establishing the 5-year average. During the transition, they have some certainty that a national loan program for corn and other program commodities will continue at whatever the support may be at the local elevator in each of our States and counties.

The risk management program supposes that a producer operates a farm that has $100,000 in average gross farm income at the start of his plan. Let's say $94,000 of that came from crop and livestock market receipts and $6,000 in government payments. The latter is likely to occur because of the hangover of the last AMTA payment of this bill, 2002, or loan deficiency payments that may come in the program crops that have those payments. But in any event, this farmer would be eligible for a $6,000 voucher beginning in the year 2003. The farmer could use the voucher to purchase the 80-percent whole farm revenue insurance.

Let me say that the premium is based upon the fact that the current farm bill and the committee-passed bill continue the basic crop insurance program with changes that we made last year. It is already a very generous crop insurance program. I will not go into anecdotal material with the Chair, but as one who has argued in favor of the program and in full disclosure, I have indicated that I have utilized the farm insurance program. It is possible the family of the distinguished Senator from Iowa, Mr. GRASSLEY, has used the program; that is, we have paid premiums to a commercial insurer. I have no idea of Senator GRASSLEY's level of coverage, but in the current crop-year, I selected the 85-percent policy, which is a very substantial policy. There is no other business in America in which I could have purchased that kind of insurance before my crop was even in, which gave me then the ability to go into the futures markets and to sell thousands of bushels that had not yet been planned, a reckless gesture without, in fact, the safety net that this insurance gives and thus some possibility of selling to the markets as opposed to the loan deficiency payment at the end of the trail.

Other farmers in America have done that; as a matter of fact, many people who are much more involved than I am. But it is there. It remains there.

Given the fact that already that premium has a very high Federal subsidy, some would estimate maybe 48 percent already paid for by the Federal Government, the voucher that comes, the $6,000 to our hypothetical $100,000 revenue farmer, solidly pays for the 80 percent. As this all works out in the fullness of time, it may buy more than that. But we shall see. I believe it is a conservative estimate. If it doesn't or he doesn't need the $6,000 entirely to buy the whole farm insurance, then there is money left over for the savings account. It is not lost.

The whole purpose of all of this from the beginning was to bring some assurance, some stability, and some financial security to the family farmer.

The aspects of this are reasonably clear. Yet I know, as I explain a complex program to many for the first time, that some would say we would need to walk around. The problem, as we all recognize, is that we are now debating a farm bill. Whether we should be walking around it longer is not for me to say. I am attempting to manage, with the distinguished chairman, and to expedite the passage of a good bill in a constructive way.

But it is important that we recognize the need for the change in course that I have tried to identify because the failure to adopt what amounts to a substantially new course is to exacerbate the problems of the past, which I still believe are overproduction, low prices, greater instability, a built-in bubble in land values for which we shall pay at some point. It has been my good fortune as a farmer to have land that went way up in value in the 1970s. As I didn't either buy it or sell it in that period, I could watch happily, but then would watch with dismay a crash and burn scenario in the early 1980s, as that same land lost perhaps 60 percent of value, years entirely stripped off, a breathtaking, heart-stopping experience that was extended, however, not over 6 months but over 6 or 7 years, followed by a tedious movement back up the scale.

If, in fact, you have a family farm that has longevity and you have the good fortune to last through all of this, it is interesting to talk about anecdotally, but it does not really affect your material prospects except on paper.

Most farmers do not have that opportunity. As a matter of fact, we really have to gear programs for persons likewise who want to enter agriculture as well as to exit the scene as gracefully as possible.

In short, my amendment strengthens very substantially the Federal safety net for low-income Americans, as I illustrated in the earlier part of this presentation. It has been crafted with the very generous help of those involved in the hunger movements all over our country and those who have had great experience and with whom it has been my privilege to work for the past 25 years on this committee.

They come in year after year to advocate for the poor; to talk about the problems that a low-income person has with the administrative hassles of pages of estimates that would be very difficult for a sophisticated businessperson to give; the growing problems of persons who are hungry because they really could not figure out how to contact the system despite advocates for the poor who tried to guide them in; the inequities of the vehicle laws or the problems of savings or things that may seem incidental to people who have middle-income situations but are very tragic for others; on top of this, the welfare reform law, which had very good effects for many Americans but at the same time, as we now know and we heard testimony from Second Harvest about food banks and food pantries throughout the country. We have a counterintuitive situation of a nation in prosperity and yet a nation whose food banks frequently are running dry. These are problems that the Agriculture, Forestry, and Nutrition Committee has to think about.

The political excitement of this debate comes in thinking about producers, although in fairness, most of us are also interested in nutrition ideas.

It is important the degree to which we are interested. I pointed out earlier in my talk that we had tough times in 1995 and 1996 as a committee. Under the so-called reconciliation procedure at that time, we were ordered to cut spending by $23 billion. We solved it by cutting producer programs by $2 billion and food stamps by 21. Now, we have the good fortune of history that prosperity occurred in the country, so as a result many people left the Food Stamp Program and the savings eventually were $50 billion. Correspondingly, however, the $2 billion in cuts in the producer programs did not last for long, and we spent not plus-30, but negative 50. So the disparities in our responsibilities have been substantial.

Finally, let me once again offer what almost comes as a common scold, and that is that none of us could have predicted precisely that our country would enter a mild economic recession, and we pray that it is mild and short. Certainly, at the time we were discussing the budget at the beginning of this year, we heard the President of the United States in the State of the Union Address describe $3 trillion of surpluses over 10 years of time—the solution, perhaps, of Social Security disability, Medicare reform, of important educational advances, and much more; and we saw our own Congressional Budget Office, I recall, prophesying in the fiscal year we are now in that started October 1 a surplus of over $300 billion. By summer, that had been tempered down to 176 before we left for the August recess. After September 11, it tempered

down to 50, double digits. Subsequently, a sober analysis has said, sadly enough, we will have a deficit this year.

This is reinforced by reports from the Treasury yesterday that in the first 2 months of the fiscal year, September and October, the deficit was $63 billion. In part, that is because of when receipts come and when expenditures come and not a chunk of income is coming in. But last year it was $35 billion in the same period. So that is $28 billion more.

There has not been this much of a rise in the first 2 months of the fiscal year in a long time. Last year, unfortunately, we suffered a budget deficit, year long. Perhaps we will recover, but most who are projecting say probably not for a few months.

This may not make any difference to Senators one way or another. The mood has changed because we have been talking about war expenditures, about expenditures for New York City and elsewhere, on rebuilding. We are talking on and off about a stimulus package that may contain everything from tax cuts to substantial safety net enhancements. Perhaps we are all now of a mood that, in fact, we are in deficit finance. Therefore, the problem of dealing with it is different. And farmers, after all, should not be discriminated if we are going to have deficit finance for other people. On the farm we ought to be thinking about that.

That would make more sense if this were a 1-year bill, but it is not. It is 5 years in the Senate version. The bill that passed the House is 10 years. I have no idea where the conference will come out on these things. We are not writing the final bill. The House bill assumes really a perpetual agricultural crisis for the entire decade. It was written with the thought that a portion of that $3 trillion surplus ought to be spoken for, and quickly, by agriculture. Many members on the House committee would still contend that if we do not speak quickly, it will be gone. We have had some testimony to that effect from Senators, and some tempering by the majority leader who said the other day, not right away.

We would have to act in a timely way, but on the other hand it would not disappear at midnight at the end of this year. Well, maybe not theoretically, but actually it is gone. We are in a deficit situation, and these will be expenditures on top of that.

Why do I bring all of this up? Because essentially the scoring by the budget authorities in the commodity section of the Harkin substitute is $27.6 billion for a 5-year bill—from 2002 to 2006. The Harkin substitute has about $1.8 billion on the nutrition side in that 5-year period.

Now, my bill has markedly different results, and I will try to explain some of them because this is not magic. My bill costs only $5.6 billion in the commodity title in the first 5 years—not 27.6, but 5.6. My nutrition section is $3.7 billion, roughly double the $1.8 billion in the Harkin substitute. The figure of 5.6 would seem dramatically low for any sort of safety net operation, but it comes through the scoring process because we are phasing out a number of agricultural subsidy programs. So with the cost of these 6-percent vouchers for every dollar of agricultural income, which mounts up to a lot of money, lots more people are being included, lots more States and farms. But as you subtract the cost of the current agricultural subsidy programs, the net of this comes down to 5.6 for the 5-year period of time.

I think that is an important contribution, in large part because I believe that theoretically my bill satisfies the safety net situation for more farmers and more States and more situations than does the Harkin substitute, however well motivated that might have been and generous in its payments. Clearly, demonstrably, tens of million of people are affected by this, and all the various States are going to be better off in the ripple effect of agricultural spending, farm families and farm communities.

Furthermore, I believe that at a fairly small cost in the aggregate of all of this, the humaneness of nutrition changes is very important. I believe they will lead to greater social justice as we continue with welfare reform and the thought that there ought to be a meal for every American, even as we try to work with Americans to find work and responsibility.

I appreciate the attention of the Chair to what has been an extended presentation. But this is a serious attempt to markedly change agricultural policy in this country. I appreciate that such changes are not easy to make, not easy to explain, and are worthy of a great deal of study. Nevertheless, I have attempted to do my best as one who has witnessed farm bills for 25 years and heard the debates and seen the results, and as one of perhaps a few Senators who actually experienced the results of these farm bills on my own farm property. It is not a large farm—604 acres, located now inside the city limits of Indianapolis, given the extension of our city on various occasions. But it is a corn farm, soybean farm, and a tree farm. It has made money for the last 45 years every year. We were fortunate. But, at the same time, I mention that because I will admit that the amount we have made is very small as a return on invested capital or what the farm was worth.

That is the problem for all farms in America. I recognize that acutely, as one whose small wealth is tied up in this sort of thing. A 4-percent return on invested capital is roughly what I see as sort of a gold standard that you work by. That is true whether it is the Lugar farm or all farm income in America. This past year was a bit over a trillion dollars, and with net-net farm income of something over $40 billion, the 4 percent bobs up even as you look at USDA's figures. That makes farming a difficult proposition, and it always will be.

These debates will continue because we are not talking about persons who are likely to be wealthy across the broad spectrum—a few cases, maybe deservedly so, from ingenuity, work, and perseverance—but the broad spectrum is mostly in difficulty.

Under those circumstances, I talk about a realistic safety net that I think can be perpetuated at fairly low cost and is unlikely to have the political reaction or re-reaction from other taxpayers at various points when they visit these programs.

Mr. President, I yield the floor, as others may have comments about this amendment. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. REID. Mr. President, on behalf of the majority leader, I announce for the Senate there will be no more rollcall votes tonight.

I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The bill clerk proceeded to call the roll.

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

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

Mr. HARKIN. Mr. President, I want to speak for a little bit on the amendment now before us offered by the ranking member of our committee, Senator LUGAR.

The nutrition title is one of the most important titles in our farm bill. This is a part of the farm bill that talks about who we are and what we are about as a nation. To the extent we help people in lower income brackets, people who may be out of work, the elderly, the disabled, newly arrived immigrants, those who qualify because of income or status to have better nutrition, it helps all of us. It helps our health care system because these people are not always going off to an emergency room to get help; their health is better. It lessens the load on our health care system.

Second, it helps in education. Kids who are fed, if they have a good nutritious breakfast, learn better. We know that. It also helps our farmers. This is a market. As one of my friends from my old days in the House—God rest him—Jerry Litton used to always say—he was a great Irishman. He died tragically in a plane crash. He represented a rural part of Missouri across the State line from my district. He used to say, if you are going to give a dollar to someone in this country, give it to

someone who is poor. They will spend it on food and that helps my farmers and it helps all of the country. And that is still true today.

So to the extent we help these nutrition programs and bolster the nutrition programs, it helps our farmers. It is food. In any way you look at it, helping boost nutrition programs in this country is a win for everybody.

In light of some of the cuts we have had in spending, in light of the downturn in the economy that we are experiencing now, in many ways if you just looked at that, Senator LUGAR's proposal might make sense insofar as it expands spending on our nutrition programs. Keep in mind we have about $6.2 billion over 10 years for nutrition in our bill. The amount of money we have put in is about double what the House added in their nutrition program. I thought we did a good job in committee. Senator LUGAR's amendment doubles what we had. I can see a lot of people might want to support that. That is pretty enticing.

Keep in mind this bill is a balanced bill. We had to balance all the various interests with all the money we have. Therefore, when you look at that and try to balance the interests, you have to recognize you can't just boost one without drastically affecting the other. When you boost nutrition, it does help the farmers. But the Lugar amendment takes away loan rates. It phases them all out. Talk about something hurting our farmers, the occupant of the Chair knows how important loan rates are to farmers and to their livelihood. You cannot say, just by giving poor people more food this will more than make up for it. It will not.

The Lugar amendment also takes out all of the direct payments. We have to help farmers bolster their income. All of the price support programs for dairy, peanuts, sugar, will be phased out. Again, trying to keep a balance, we have to keep these programs for farmers, to help them and their families. We also have to meet our nutritional needs for low-income people. That is what we did in a responsible fashion in our bill.

Again, we have made changes. We opened it up more for immigrants, children, disabled, refugees, people seeking asylum. We have changed these things. We have opened it up and made it better. We had an increase in food stamp benefits to make up for the cuts that went on that we have endured over the last 5 years. Again, keep in mind the Food Stamp Program is an entitlement. If you qualify, you get it. Therefore, if there is more of a downturn in the economy and we have more people seeking assistance, they will not be denied food stamps.

There is no limit in our bill. We don't say just so much and no more. If you are entitled, you get it. I don't want anyone to think somehow if the recession deepens, if more people are out of work or they are out of work longer, that somehow they will be severely restricted in the food stamps they get. That is not so.

Mr. DORGAN. Will the Senator yield?

Mr. HARKIN. I am delighted to yield.

Mr. DORGAN. Mr. President, is it not the case that the piece of legislation that the Senator from Iowa brought to the floor of the Senate in both conservation and nutrition substantially improves what was written in the bill approved by the House of Representatives?

Mr. HARKIN. Doubles it.

Mr. DORGAN. If I might inquire further, the farm bill comes from the Senate Agriculture Committee, and in both areas of nutrition and conservation at a very substantial increase over present funding and over the funding of this proposal in the bill offered by the House of Representatives.

Mr. HARKIN. That is true.

Mr. DORGAN. Is it not the case that in the other area—we have nutrition, conservation, and then commodities—area, commodities, which is the support basically for that which the family farm is producing, that is the area where we need the help? The Senator from Iowa has produced a piece of legislation that in nutrition and conservation has substantial increases, and we are trying to preserve significant help for farmers who are out there trying to make a living during collapsed prices.

I ask, is it the belief of the Senator from Iowa that what we need to do is now make sure that we have a decent price support for family farmers during tough times, especially a countercyclical price support that kicks in when commodity prices collapse? Is that the Senator's intent?

Mr. HARKIN. I thank my friend from North Dakota for asking these questions. The Senator is absolutely right. We significantly increase both nutrition and conservation. As I mentioned earlier, we doubled it, and then we provided for a commodity program that has not only loan rates and direct payments but they are countercyclical. That is kind of a 50-cent word, but basically the prices really go down. We come in and help the farmers stay afloat. And we have a balance.

I believe we have met our responsibility in meeting the nutritional needs of the people of this country.

Senator LUGAR goes even farther, and I will talk a little bit more at length about that, but we have met our responsibility in nutrition. We have met it on conservation. As the Senator points out, we have to meet it on commodities. We have to meet our obligation to keep our family farmers afloat and in business all over this country. That is what we have done.

Quite frankly, the amendment of my friend from Indiana will phase out loan rates to zero. Not a little bit—to zero. It does away with all the direct payments that we had to our farmers, all price supports for dairy, peanuts, sugar—all are phased out. Everything is taken away. That is not in the best interests of people who are on food stamps or our kids who need nutrition. That is not in their best interests. We have to have a balance.

Mr. DORGAN. Mr. President, I know the Senator is in the middle of a presentation, but the description of the underlying amendment sounds very much like the current law, Freedom to Farm, which had at its roots the notion that farmers should essentially accept whatever the marketplace offers and we do not need a farm program, so they set up 7 years of declining payments, after which there is no farm program. The presumption was that this would ''transition''—that was the operative word in Freedom to Farm—farmers out of a farm program.

The experience of the past 6 years is it has been a miserable failure. It does not work. It sounds like the proposition here is to do less of the same. The old ''more of the same''—this is less of the same, and the same didn't work.

I ask the Senator from Iowa if he believes as I do that I do not give a hoot in terms of the commodity portion. I don't give a hoot about a bushel of grain. I care about a family who is trying to raise that grain or produce that grain on a farm. I care about the network of producers who represent family farmers living under this, trying to raise a family and raise a crop and whose hopes and dreams rest on the question of whether, when they get that crop off the field, everything is favorable that year when they take it to the elevator. It rests on the question, Is there a decent price somewhere above or near the cost of production? The answer in the past 5 or 6 years has been no. The more you sell, the more you raise; the more you produce, the more you are going to lose.

So isn't it the case that really, while conservation and nutrition are very important—and in my judgment no one fights harder for that than the Senator from Iowa; he takes a back seat to no one. But isn't it also the case that the so-called commodity title with respect to what it represents in support for families, support for those economic all-stars in America, family farmers, ranks right up there with all the other considerations? In my judgment, it is right at the top of the considerations of why we should do a farm bill. Would the Senator concur with that?

Mr. HARKIN. I like the way my friend from North Dakota has portrayed it because I think that is absolutely right, looking at both of them. I was just thinking about that when the Senator was asking the question.

When we think about the nutrition side of it, we think of the families; we think of the kids; we think of the people involved and what it does to help them in their lives. When we think of the commodity programs, we should not be thinking of a bushel of wheat or a bushel of corn or a bale of cotton or hundredweight of rice or whatever. We ought to be thinking about the families who are involved in production. What are they like? What are they doing?

What are they doing for our country? How are they living? What are they doing for rural America? And what are we going to do if we lose them all? What happens when they get wiped out?

I think the Senator from North Dakota has really, again, pointed out that we have to have this balance in this bill. The commodity title is one that does not go to support it. The Senator is absolutely right. It doesn't go to support a bushel of corn or a bushel of wheat. It goes to support a family farmer—their spouse, their kids, their livelihood, their communities all over rural America. The Senator is absolutely right on that.

(Mrs. CLINTON assumed the chair.)

Mr. DORGAN. Madam President, if the Senator will yield for one additional question, the commodity title is important here. We have an amendment that is now pending and I believe another major amendment that will follow it at some point, offered by two of our other colleagues. Both of these amendments tend to chip away at the commodity title and support for family farmers. The amendment pending does that. The amendment pending just eviscerates price supports for family farmers. But there is another one coming that is a major initiative that also just squeezes down this price support in a way that really doesn't provide much help at all to family farmers.

It is very important, in my judgment, for us to turn back these two amendments because if we don't, we will be here scratching and clawing and debating a farm bill that doesn't really have much merit with respect to the livelihood of families who are trying to make a living on American farms.

So our job, it seems to me, is to try to defeat the amendments that, in the commodities title, shrink that support for families who are trying to live on this country's farms.

If I might, I held a hearing in the State of Iowa with my colleague, Senator HARKIN. We had testimony about the big crop farms and all the big agrifactories in this country that are growing up, the behemoth enterprises. Everyplace a family farmer looks, they see somebody buying their grain, somebody buying their livestock, somebody hauling their grain. If they look at the railroads, mostly they are looking at monopolies. They say to the farmer: By the way, here is the price. If you don't like it, tough luck.

If I might take one moment to say to the Senator from Iowa, Do you know a farmer in North Dakota, my State, pays more to ship grain from North Dakota to the west coast than a farmer from Iowa does moving grain from Iowa through North Dakota to the west coast? Why? Because the railroad says they have to.

A farmer from Bismarck, ND, puts a carload of grain on the track at Bismarck and ships it to Chicago—let me give you the breakdown on the transaction here. If he ships a carload of grain 400 miles, Bismarck to Minneapolis, they charge him $2,300. But if a farmer in Minneapolis puts a carload of wheat on the track in Minneapolis and ships it to Chicago, about the same distance—$2,300? No, $1,000. So the North Dakota farmer pays $2,300 to send a carload of wheat 400 miles, and the farmer on the next segment, Minneapolis to Chicago, pays $1,000—less than half.

Why? Because on the second segment there is competition; on the first there is not. The monopoly says: Here is what you are going to pay, and you will pay through the nose, and if you don't like it, tough luck.

For chemicals—spray, fertilizer—it is the same thing: Here is what you pay. Farm equipment, same thing. Virtually everywhere the farmer looks, grain trade—they ship that kernel of wheat and puff it up or crisp it or shred it and put it on the shelf, and they sell the grain the farmer got nothing for for $4 for a small cardboard box. It is just the farmer who doesn't get a due return, but the people who crisp it and puff it are making money hand over fist.

The only people losing their shirts for 6 years are the family farmers because commodity prices have collapsed. The family farmers have taken a financial bath. They are hanging on by their financial fingertips, and everybody who touches the product that farmers produce has been making money with it. The railroads are making big money hauling it. The cereal manufacturers are making big money crisping it and popping it. It is just the farmer. And people say it doesn't matter.

It matters to this country. This country's character is formed by who we are, what we have as elements of producers.

The fact is, we need family farmers as part of our culture. They create the family values that move from family farms to small towns to big cities and nourish and refresh this country. They are a very important part of our economy.

The Senator from Iowa has been very generous with his time, but I want to say on—I know he is speaking against this amendment—this amendment takes the commodity title and says we are going to reduce support for families. That is not the right approach; it is exactly the wrong direction; and it means we have not learned anything in the last 6 years. What we should have learned in the last 6 years is that we need countercyclical price supports. As the Senator said, that is a 50-cent word, but what it means is you provide help to the people who need help—not Freedom to Farm—which says we provide help no matter what the price is. When people need help, we lend a helping hand because they are helping this country mightily. They are our all-stars.

I thank the Senator for his leadership and his help in opposing this amendment.

Mr. HARKIN. I thank the Senator for his eloquence and for his focus on what this is all about.

I know a lot of what the Senator from North Dakota said about shipping of the grain is hard to follow. I understand that. But I hope the Senator from North Dakota makes the point time and time and time again here in this debate on this farm bill. That is that the family farmer is at sort of the end of the whip out there. If we don't have a good competition title and if we don't have something that helps those family farmers to have more bargaining power, they are lost. They are lost.

I thank the Senator from North Dakota for pointing that out. I hope he continues to do that. I say to my friend from North Dakota also, actually the amendment by the Senator from Indiana would be less than Freedom to Farm. There would be less support there for agriculture than Freedom to Farm.

I did want to correct the statement I made. I said the Lugar amendment would phase out all of the loan rates. I guess that is not quite right. I guess I didn't read it closely enough. Actually, by 2006 they would phase it down to 1 percent.

I guess that is about nothing, now that I think about it. But there is 1 percent of the previous 5-year average, which really is kind of laughable when you think about it. But it was pointed out to me it wasn't zero, it was 1 percent of the previous 5-year price. Right now we are at about 85 percent, if I am not mistaken. So you go from 85 percent of the previous 5 years to 1 percent.

I want the record to be clear, the Lugar amendment does not completely phase out loan rates. It brings it down to 1 percent. So there, I just wanted to make sure that was correct.

I also wanted to point out that in talking about the support for families, for low-income families, to make sure they get enough nutrition, our bill provides $780 million additional money for commodity purchases for food assistance. So there is three-quarters of a billion dollars more to purchase fruits and vegetables, things such as that, meats, meat products, that would go to help low-income families meet their nutritional needs.

The Lugar amendment has much less in it than I have in mine.

Mr. REID. Madam President, will the Senator yield for a unanimous consent request?

Mr. HARKIN. Yes.

Mr. REID. This has been cleared with the chairman and ranking member of the committee. Following this unanimous consent agreement, anyone who wants to talk on this amendment can talk as long as they wish tonight.

Madam President, I ask unanimous consent that when the Senate resumes consideration of S. 1731 tomorrow morning, Wednesday, December 12, there be 60 minutes of debate

prior to a vote in relation to the Lugar amendment No. 2473 with the time equally divided and controlled in the usual form, that no second-degree amendments be in order, nor to the language proposed to be stricken prior to the vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

Mr. REID. I appreciate very much the Senator yielding for this important matter.

Mr. HARKIN. Madam President, I understand we will come in tomorrow morning and I will make my comments at that time on the Lugar amendment.

Mr. REID. Madam President, if the Senator will yield, the unanimous consent agreement didn't call for it, but the Senate will come in at 9:30 tomorrow morning, and the Senator from Iowa and the Senator from Indiana, Mr. LUGAR, will control the time.

Mr. HARKIN. There will be 1 hour for debate from 9:30 a.m. until 10:30 a.m. equally divided, and the vote will occur on the Lugar amendment at 10:30 tomorrow morning?

Mr. REID. Yes.

Mr. HARKIN. I thank the leader. I will have more to say about this tomorrow morning.

But the Lugar amendment takes away all of the programs that we have for farmers and gives them a voucher by which they can go out and purchase a whole farm revenue insurance program which will give them a guarantee of up to 80 percent. They can contribute an amount at least equal to the amount of the voucher to a risk management stabilization account, and they can redeem the voucher for cash payment and use the payment to carry out one or more risk management strategies that are sufficient to guarantee a net income from all agricultural enterprises of at least 80 percent.

That is pretty convoluted. Quite frankly, at a time when our farmers are just about at their wit's end right now to take what we carefully fashioned in a bipartisan fashion—and this is a bipartisan bill that we have on the floor—and just throw it out for an experiment, I think we just can't do that right now. That would disrupt all of agriculture and it would disrupt the markets. It would be chaos. The adoption of the Lugar amendment would just mean chaos. The markets would not know what to do. Farmers would not know what to do. Bankers would not know what to do. A farmer going in to get a loan early next year for seed and fertilizer or maybe to buy a piece of equipment or get the necessary funds to farm—that is the way people farm. They go in and get the credit. The banker says: I don't know what to do because I do not know what kind of program there is. With the Lugar amendment, they would have absolutely no idea what they would be doing.

I think the Lugar amendment is probably something you put out there to debate and people talk about it and they think about it. Maybe you massage it around for a while, but it is not something you just do all of a sudden and leap off the deep end.

We cannot take our loan rates down to 1 percent. We cannot do away with direct payments. We can't take away all of the price supports over the next 5 years for dairy and for peanuts, sugar and everything else. That would be catastrophic.

While I applaud Senator LUGAR for his strong support—and I know it is genuine and sincere—for nutrition and nutrition programs, the way he has gone about getting the money by devastating the commodity title is in no one's best interest. It is not in the best interests of low-income families; it is not in the best interests of our farm families; and certainly it is not in the best interests of our country.

I reserve my remarks for tomorrow morning. 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. SESSIONS. Madam President, I ask unanimous consent the order for the quorum call be rescinded.

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

Mr. SESSIONS. Madam President, I ask unanimous consent to be allowed to proceed as in morning business for 15 minutes.

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

(The remarks of Mr. SESSIONS pertaining to the introduction of S. 1804 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

Mr. PRESIDING OFFICER. The clerk will call the roll.

The senior assistant bill 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.

Mr. REID. Madam President, I ask unanimous consent that the previous order with respect to the debate time on the Lugar amendment No. 2473 be modified to provide for a reduction of 10 minutes—5 minutes from each side—with the remaining provision remaining in effect.

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

Mr. REID. Madam President, we will vote at approximately 10:20 tomorrow morning, maybe 10:25.

MORNING BUSINESS

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to a period for morning business, with Senators allowed to speak therein for a period not to exceed 5 minutes.

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

MODIFICATION OF COMMERCE, SCIENCE, AND TRANSPORTATION COMMITTEE RULES

Mr. HOLLINGS. Madam President, the Senate Committee on Commerce, Science, and Transportation has adopted modified rules governing its procedures for the 107th Congress. Pursuant to Rule XXVI, paragraph 2, of the Standing Rules of the Senate, on behalf of myself and Senator MCCAIN, I ask unanimous consent that a copy of the Committee rules be printed in the RECORD.

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

RULES OF THE U.S. SENATE COMMITTEE ON COMMERCE, SCIENCE, AND TRANSPORTATION

I. MEETINGS OF THE COMMITTEE

1. The regular meeting dates of the Committee shall be the first and third Tuesdays of each month. Additional meetings may be called by the Chairman as he may deem necessary or pursuant to the provisions of paragraph 3 of rule XXVI of the Standing Rules of the Senate.

2. Meetings of the Committee, or any Subcommittee, including meetings to conduct hearings, shall be open to the public, except that a meeting or series of meetings by the Committee, or any Subcommittee, on the same subject for a period of no more than 14 calendar days may be closed to the public on a motion made and seconded to go into closed session to discuss only whether the matters enumerated in subparagraphs (A) through (F) would require the meeting to be closed, followed immediately by a record vote in open session by a majority of the members of the Committee, or any Subcommittee, when it is determined that the matter to be discussed or the testimony to be taken at such meeting or meetings—

(A) will disclose matters necessary to be kept secret in the interests of national defense or the confidential conduct of the foreign relations of the United States;

(B) will relate solely to matters of Committee staff personnel or internal staff management or procedure;

(C) will tend to charge an individual with crime or misconduct, to disgrace or injure the professional standing of an individual, or otherwise to expose an individual to public contempt or obloquy, or will represent a clearly unwarranted invasion of the privacy of an individual;

(D) will disclose the identity of any informer or law enforcement agent or will disclose any information relating to the investigation or prosecution of a criminal offense that is required to be kept secret in the interests of effective law enforcement;

(E) will disclose information relating to the trade secrets of, or financial or commercial information pertaining specifically to, a given person if—

(1) an Act of Congress requires the information to be kept confidential by Government officers and employees; or

(2) the information has been obtained by the Government on a confidential basis, other than through an application by such person for a specific Government financial or other benefit, and is required to be kept secret in order to prevent undue injury to the competitive position of such person; or

(F) may divulge matters required to be kept confidential under other provisions of law or Government regulations.

3. Each witness who is to appear before the Committee or any Subcommittee shall file with the Committee, at least 24 hours in advance of the hearing, a written statement of his testimony in as many copies as the Chairman of the Committee or Subcommittee prescribes.

4. Field hearings of the full Committee, and any Subcommittee thereof, shall be scheduled only when authorized by the Chairman and ranking minority member of the full Committee.

II. QUORUMS

1. A majority of members shall constitute a quorum for official action of the Committee when reporting a bill, resolution, or nomination. Proxies shall not be counted in making a quorum.

2. Eight members shall constitute a quorum for the transaction of all business as may be considered by the Committee, except for the reporting of a bill, resolution, or nomination. Proxies shall not be counted in making a quorum.

3. For the purpose of taking sworn testimony a quorum of the Committee and each Subcommittee thereof, now or hereafter appointed, shall consist of one Senator.

III. PROXIES

When a record vote is taken in the Committee on any bill, resolution, amendment, or any other question, a majority of the members being present, a member who is unable to attend the meeting may submit his or her vote by proxy, in writing or by telephone, or through personal instructions.

IV. BROADCASTING OF HEARINGS

Public hearings of the full Committee, or any Subcommittee thereof, shall be televised or broadcast only when authorized by the Chairman and the ranking minority member of the full Committee.

V. SUBCOMMITTEES

1. Any member of the Committee may sit with any Subcommittee during its hearings or any other meeting but shall not have the authority to vote on any matter before the Subcommittee unless he or she is a Member of such Subcommittee.

2. Subcommittees shall be considered de novo whenever there is a change in the chairmanship, and seniority on the particular Subcommittee shall not necessarily apply.

VI. CONSIDERATION OF BILLS AND RESOLUTIONS

It shall not be in order during a meeting of the Committee to move to proceed to the consideration of any bill or resolution unless the bill or resolution has been filed with the Clerk of the Committee not less than 48 hours in advance of the Committee meeting, in as many copies as the Chairman of the Committee prescribes. This rule may be waived with the concurrence of the Chairman and the ranking minority member of the full Committee.

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 this 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 in August 1991 in San Francisco, CA. A gay person was assaulted while walking in the city's Castro neighborhood. The assailants, both 17-year-old females, were later found guilty on all counts of felony assault and hate crime violations in connection with the incident.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

IN MEMORY OF STAFF SERGEANT BRIAN CODY PROSSER

Mrs. BOXER. Madam President, on December 5, three American soldiers: Staff Sergeant Brian Cody Prosser, Master Sergeant Jefferson Donald Davis, and Sergeant First Class Daniel Henry Petithory, all members of the Fifth Special Forces Group, lost their lives near Kandahar, Afghanistan. My heart goes out to their families, their loved ones, and many friends for this sudden and unexpected loss.

Cody Prosser was from Frazier Park, a small mountain community in my home State of California, where he is remembered as an idealistic young man and natural soldier, a patriot destined for military service. He was a local hero and star athlete, known for his leadership qualities on and off the football field. Cody joined the Army's Special Forces shortly after his high school graduation, and had served his country with pride and distinction for 10 years.

Staff Sergeant Prosser paid the supreme price defending liberty and justice, and his sacrifice will never be forgotten. His name joins the ranks of other members of the armed forces who bravely died for our Nation.

As America continues to respond to the horrific events of September 11, I ask my colleagues to join me in recognizing Cody Prosser's outstanding, singular service and offering our heartfelt thanks to him and the others who gave their lives in defense of the freedoms we hold so dear.

I extend my deepest condolences and the thanks of a grateful Nation to the family he left behind, his beloved wife Shawna, his brothers Mike, Reed and Jarudd Prosser, and loving parents Brian and Ingrid.

NOMINATION OF JORGE L. ARRIZURIETA

Mr. ALLEN. Madam President, I rise today in strong support of President Bush's nominee to be U.S. Alternative Executive Director to the Inter-American Development Bank, Jorge L. Arrizurieta. I ask unanimous consent that letters of support for this nomination from our colleagues, Senator GRAHAM and Senator FRIST, as well as letters of support from Governor Bush of Florida, the Undersecretary of the Treasury for International Affairs, Mr. John Taylor, and the Special Assistant to the Assistant Attorney General, Mr. Jeffrey Ross, be printed in the RECORD at the conclusion of my remarks.

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

(See Exhibit 1.)

Mr. ALLEN. Mr. Arrizurieta's background represents a strong combination of public service at the Federal, State, and local levels. Previously, Mr. Arrizurieta worked for five years as the Director of State Projects for our former colleague Senator Mack where he did an outstanding job. He was also appointed by Governor Jeb Bush of Florida to the Post Secondary Education Planning Commission, where he was elected Vice Chairman by his colleagues.

For the past eight years, Mr. Arrizurieta has been closely associated with corporate ventures of Mr. Wayne Huizenga, a southern Florida entrepreneur. As Vice President of Public Affairs for Huizenga Holdings, Mr. Arrizurieta has had the opportunity to meet and work with a broad variety of government and business leaders throughout the country and the Western Hemisphere. In this capacity he has worked on developing extensive business development outreach efforts in the Latin American and Caribbean region.

Aside from these commitments, Mr. Arrizurieta has devoted his time and effort to many charitable, community and business organizations, including the Make A Wish Foundation, the Florida Chamber of Commerce, La Liga Contra el Cancer, and the Florida FTAA, Free Trade Area of the Americas, initiative as a founding member of its Board of Directors.

Jorge Arrizurieta is the son of Cuban immigrants, is fluent in Spanish, and has a strong understanding of Latin American culture. His government affairs and community relations background will serve him well in a position where people and diplomatic skills are highly valued to advance the interests of the United States, and the efficacy of the bank as a political institution.

I would like to note that a misimpression may have been left by questions raised at Mr. Arrizurieta's nomination hearing before the Committee on Foreign Relations, regarding a bank on whose board he serves. I call my colleagues' attention to the very helpful letter of clarification from the Department of Justice which I have entered into the RECORD and which should resolve any questions that arose during the Committee hearing.

The nomination of Mr. Arrizurieta will come before the Committee on Foreign Relations soon. I urge my colleagues on the Committee to join me in voting to favorably report this nomination. Once the nomination has been reported from the Committee, I urge the Majority Leader to bring the nomination promptly before the Senate so that President Bush and the American people will have the benefit of Mr. Arrizurieta's strong background and

experience on the Inter-American Development Bank.

EXHIBIT 1

U.S. SENATE,
Washington, DC, November 27, 2001.

Hon. JOSEPH R. BIDEN, Jr.,
Chairman, Senate Foreign Relations Committee, Dirksen Building, U.S. Senate, Washington, DC.

DEAR CHAIRMAN BIDEN: I write today to support the Administration's nominee for U.S. Alternate Executive Director to the Inter-American Development Bank, Jorge Arrizurieta, and ask that you also support this nomination.

The son of Cuban immigrants, Jorge is a fellow Floridian, and an American success story. Coupled with his fluency in Spanish and strong understanding of the Latin American culture, Jorge has a strong background in government and community relations in Florida's large Latin-American community.

Mr. Arrizurieta's work with Senator Mack was well regarded and extremely valuable to the Senator and all Floridians. At the Huizenga organization he began his work as the Director of Community Relations for the Florida Marlins Baseball Club. The team's focus on marketing to Latin America and the Caribbean allowed Mr. Arrizurieta the opportunity to meet and work with many government and business leaders in the region and assist the team in their efforts to become ''The Team of the Americas.''

His current duties at Huizenga Holdings include managing the government relations for its business interests as diverse as the Miami Dolphins Football Club, Pro Player Stadium, and Autonation, Inc., the largest automotive retailer in the world.

Notwithstanding these responsibilities, Mr. Arrizurieta has continued to make time to give back to his community. His unselfish devotion to the Make A Wish Foundation, his work with the Annenberg Educational Challenge, his key role with the Florida FTAA (Free Trade Area of the Americas) effort as a member of its Board of Directors and his appointed position to the State of Florida's Post Secondary Education Planning Commission, where he was elected Vice Chairman by his colleagues, have prepared Mr. Arrizurieta very well for this important position.

Jorge Arrizurieta's proven background in community and government relations will serve him well in a position where people and diplomatic skills are highly valued to advance the partnership between the U.S. and in the Americas. I urge you to support his nomination.

Sincerely,

BOB GRAHAM,
U.S. Senator.

U.S. SENATE,
Washington, DC, December 5, 2001.

Hon. JOSEPH R. BIDEN, Jr.,
Committee on Foreign Relations, U.S. Senate, Washington, DC.

DEAR CHAIRMAN BIDEN: I write today to support the Administration's nominee for U.S. Alternate Executive Director to the Inter-American Development Bank, Jorge Arrizurieta.

Mr. Arrizurieta is currently Vice-President of Public Affairs for Huizenga Holding, Inc., managing government relations for its business interests as diverse as The Miami Dolphins Football Club, Pro-Player Stadium, various real estate holdings, and AutoNation, Inc., the largest automotive retailer in the world.

In addition, Mr. Arrizurieta is no stranger to public service. He served as Senator Connie Mack's Director of State Projects, and was Vice-Chairman of the State of Florida's Post Secondary Education Planning Commission. Mr. Arrizurieta has always distinguished himself as an accomplished and trusted leader. His integrity and commitment to his community will serve him well.

Mr. Arrizurieta has the talents and skills required to be an effective and respected representative for the United States at the InterAmerican Development Bank, and I urge your favorable consideration of him for U.S. Alternative Executive Director.

Sincerely,

BILL FRIST,
U.S. Senator.

GOVERNOR OF THE STATE OF FLORIDA,
November 30, 2001.

Hon. JOSEPH R. BIDEN, Jr.,
Chairman, Senate Foreign Relations Committee, Dirksen Building, U.S. Senate, Washington, DC.

DEAR CHAIRMAN BIDEN: I write today to strongly support the nomination of, Jorge Arrizurieta for US Alternate Executive Director of the InterAmerican Development Bank, and that you also support this nomination.

I have known Jorge for over 15 years. The Arrizurieta family was among the first families I came to know upon my move to Miami. I have watched Jorge for many years in a variety of political, business and community efforts. I can assure you Jorge has the ability, the integrity and dedication that will be required of him in this most important position.

Jorge's abilities and good work were very visible during his five years with Senator Connie Mack's office. For the last eight years he has been associated with Wayne Huizenga's organization in a variety of positions. From the Director of Community Relations position with the Florida Marlins, to the current position where he serves as the holding company's Vice President of Public Affairs, he has always been very effective and enjoyed the respect of his peers. These positions have prepared him very well for his return to public service.

I appointed Jorge to a position on the State's Post Secondary Education Planning Commission, where his colleagues elected him Vice Chairman. Here again he served successfully and with extreme dedication. Through his role on the commission, he was very helpful to our efforts in the reorganization of the state's education system.

Jorge has all the ingredients required to do an effective job in an area where diplomatic and business skills are required in equal measure. Jorge has always made me proud of his work and commitment to our nation. I know he will serve our country very successfully and effectively. I urge you to support this excellent nomination.

Sincerely,

JEB BUSH.

DEPARTMENT OF THE TREASURY,
Washington, DC, November 27, 2001.

Hon. JOSEPH R. BIDEN, Jr.,
Chairman, Senate Foreign Relations Committee, Dirksen Building, U.S. Senate, Washington, DC.

DEAR CHAIRMAN BIDEN: I write today to strongly support the Administration's nominee for U.S. Alternate Executive Director to the Inter-American Development Bank, Jorge Arrizurieta, and ask that you also support this nomination.

Mr. Arrizurieta's background is a strong combination of public service and government and community relations in Florida's Latin-American community. Previously, Mr. Arrizurieta performed public service in government as the Director of State Projects for Senator Connie Mack, in which I understand his work was extremely well regarded. He was also appointed to the State of Florida Post Secondary Education Planning Commission and was elected Vice Chairman by his colleagues.

Mr. Arrizurieta was also the Director of Community Relations for the Florida Marlins Baseball Club. The team's focus on marketing to Latin America and the Caribbean allowed Mr. Arrizurieta the opportunity to meet and work with many government and business leaders in the region and assist the team in their efforts to become ''The Team of the Americas.'' In this capacity he worked in developing extensive business development outreach efforts in the Latin American and Caribbean region.

His responsibilities at Huizenga Holdings include managing the government relations for its business interests as diverse as the Miami Dolphins Football Club, Pro Player Stadium, Autonation, Inc. (the largest automotive retailer in the world) and Alamo and National Rental Car.

Notwithstanding these commitments, Mr. Arrizurieta has donated his time and effort to our society through his devotion to many charitable, community and business organizations—including the Make A Wish Foundation and the Florida FTAA (Free Trade Area of the Americas) effort as a founding member of its Board of Directors.

To sum up, Jorge Arrizurieta is an accomplished Hispanic-American. He is the son of Cuban immigrants, is fluent in Spanish, and has a strong understanding of the Latin American culture. His proven background in government affairs and community relations will serve him well in a position where people and diplomatic skills are highly valued to advance the interests and influence of the U.S. The Atlantic U.S. Executive Director to the Inter-American Development Bank takes policy direction from the Treasury Department, and I hope to have the opportunity to work, and achieve success with, Mr. Arrizurieta in this capacity.

If you or your staff would like to meet Mr. Arrizurieta, he is available at any time. I urge you to support this excellent nomination.

Sincerely,

JOHN B. TAYLOR,
Under Secretary for International Affairs.

U.S. DEPARTMENT OF JUSTICE,
CRIMINAL DIVISION,
Washington, DC, June 12, 1998.

Mr. JAVIER AGUIRRE,
Chairman of the Board and Chief Executive Officer, International Finance Bank, Miami, FL.

DEAR MR. AGUIRRE: The purpose of this letter is to correct any misimpressions that might have resulted from the May 20, 1998, joint U.S. Department of the Treasury and Department of Justice press release captioned: ''Operation Casablanca Continues Its Sweep: Money Laundering Case Extends to Venezuela.'' The press release misidentified International Finance Bank as being a Venezuelan bank. Further, the press release should be read as stating only that accounts at International Finance Bank received funds wired through the undercover operation. Neither International Finance Bank nor any of its employees were the subject of the criminal indictments returned as a result of Operation Casablanca.

We understand that, despite this fact, you are concerned over downstream news accounts suggesting or even stating that your institution or its employees were involved in the laundering of drug money through accounts in your bank. The public material released from the Justice and Treasury Departments does not indicate that your bank or any bank employee was charged with any criminal wrongdoing. I know you feel the

public may reach a contrary conclusion because the name of your bank was mentioned in public documents, but I again assure you that the indictment and public statements convey nothing more than a list of the Venezuelan banks through which undercover drug funds were laundered.

Please feel free to circulate the contents of this letter as you deem appropriate.

Sincerely,

L. JEFFREY ROSS,
Special Assistant to the Assistant Attorney General.

DEPARTMENT OF DEFENSE APPROPRIATIONS

Mr. BINGAMAN. Madam President, Last week I offered an amendment on behalf of Senator DOMENICI and myself. It authorizes State and local transit authorities that receive Federal transit assistance to purchase transit buses through the General Services Administration. Because of GSA's limited experience with transit buses, the amendment provides for the pilot program to be managed by the Federal Transit Administration.

Currently only the Washington Metropolitan Area Transit Authority has the option to purchase buses through the General Services Administration. The pilot program would open up that option to other public transit agencies around the country that also receive Federal transit assistance. However, the pilot program is limited only to heavy-duty transit buses and intercity coaches. The initial pilot program would end on December 31, 2003.

The General Services Administration currently offers three heavy-duty transit buses and two intercity coaches. GSA selected these suppliers as a result of competitive solicitations, and the companies had to bid attractive terms and prices in order to win those 5-year contracts.

GSA intends to expand its existing sources of simply to a full multiple-award schedule with a larger variety of vehicles and choices of optional equipment. GSA indicates this process will take 12 to 18 months. Therefore, our amendment directs GSA to complete the multiple-award schedule by December 31, 2003, and authorizes state and local transit authorities that receive Federal transit assistance to purchase heavy-duty transit buses and intercity coaches off these GSA schedules. This authority would expire on December 31, 2006.

Allowing additional public transit agencies the option to purchase these buses from GSA could result in substantial options and prices would help streamline the procurement process, which could be especially valuable to some of the smaller communities. Purchasing buses through GSA will help stretch each dollar of Federal transit funding a little bit farther.

I believe it is very important to point out that this pilot program is limited only to transit buses and intercity coaches. It has no effect on companies that supply other types of buses or vehicles, pharmaceuticals, or any other product that currently can be purchased through the General Services Administration. I believe transit buses are a unique situation. Purchases through the GSA should be allowed. There are only a few bus manufacturers in America today and most buses for public transit are purchased using Federal funds provided by the Federal Transit Administration.

Our bus manufacturers are not having an easy time. Our amendment will help expedite bus purchases by eliminating the cost of responding to myriad requests for proposals from public transit agencies. Our amendment will also help the public transit agencies by reducing the cost of preparing the requests for proposals and assessing the responses. I do believe this is a meritorious amendment. It is one I would very much like to see adopted as part of this legislation. I urge my colleagues to support it. The amendment has the support of the Federal Transit Administration, bus manufacturers, and public transit agencies across the Nation.

I ask unanimous consent that a letter from the American Public Transportation Association be printed in the RECORD.

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

AMERICAN PUBLIC TRANSPORTATION ASSOCIATION,
Washington, DC, December 7, 2001.

Hon. JEFF BINGAMAN,
Chairman, Committee on Energy and Natural Resources, Dirksen Senate Office Building, Washington, DC.

DEAR MR. CHAIRMAN: I write regarding a provision the Senate is expected to take up as part of the defense appropriations bill that would allow recipients of funds under the federal transit program to purchase heavy-duty and intercity buses from the General Services Administration schedule of contracts.

The Business Member Board of Governors of the American Public Transportation Association (APTA) considered a similar provision in a meeting on Sunday, September 30, 2001. They voted in support of the measure.

Further, on December 7, 2001, APTA's Legislative Committee considered this new provision and unanimously agreed to support it. While APTA's governing body has not had an opportunity formally to consider the provision, our public transit members are supportive of measures that would simplify and standardize the federal procurement process, as this provision would do. We are particularly pleased to note that under the provision GSA, with assistance from the Federal Transit Administration, would be required to establish and publish a multiple award schedule for heavy-duty buses, which means that any heavy-duty or intercity bus manufacturer would be provided an opportunity to participate in the program.

Please have your staff contact Daniel Duff, APTA's Chief Counsel & Vice President, Government Affairs, should you have any questions about this matter. He may be reached at (202) 496–4860 or internet e-mail *dduff@apta.com.*

Sincerely yours,

WILLIAM W. MILLAR,
President.

D.C. FAMILY COURT REFORM

Ms. LANDRIEU. Madam President, I would like to take this opportunity to note for the record a few important points. As you may know, the fiscal year 2002 Appropriations Act for the District of Columbia, which is on its way to the President's desk as we speak, included a total of $24 million dollars for the purpose of funding the reforms provided for under the Family Court Reform Act of 2001. As Chairman and Ranking Member of the DC Appropriations Subcommittee, Senator DEWINE and I felt very strongly that these funds were a necessary prerequisite for the kind of change we envisioned. This money was provided to the Courts with the expectation that it would be used to affect this reform in the most immediate and effective way possible. Having worked with the Courts for the better part of this past year, we are confident that they will work diligently towards implementing a unified family court, staffed with highly trained and experienced judges, attorneys and court personnel. We expect that they will do their best to ensure that the this family court is structured in such a way as to reflect its founding principle, ''One family, One Judge'', a critical component in an effective child welfare system. And finally, we hope that the chief judge, the Child and Family Services Agency and others will go beyond the letter of the law and embrace its spirit, that the safety and well being of our children must remain our paramount concern.

With that said, I would like to make clear our intent in including language which restricts the total distribution of the $24 million until the family court reform plan is received and reviewed by Congress. It should be noted that one hundred percent of the DC Superior Court's operating budget is paid for with Federal funds. Therefore, Congress has a unique obligation to ensure that the day-to-day operations of this court reflect the best practices in each and every area of law under its jurisdiction. The Family Court Reform Act of 2001 lays out a broad set of guidelines for the reform of the family court in the District. Under the provisions of the DC Appropriations bill, within 90 days of the date of its enactment, the Courts are to submit to congress a plan for the immediate transition to a unified family court system. Within 30 days of receipt of this report, the General Accounting Office is to provide Congress with an independent review of this plan. Finally, after a 30 day review period in Congress, the funds earmarked for family court reform are to be distributed to the Court and to the Mayor to implement these reforms.

Our intent in arranging the distribution of funds in this way was to ensure that the money added to the Court's budget for the purpose of family court reform would remain available to carry out the reform plan. In the short time since the congress passed the DC Appropriations conference report, modification to the authorization bill have

expedited the time in which the Court's are required to hire magistrate judges and their support personnel. The DC Courts have the ability to use funds from their general operating budget to hire magistrates, their staff, or any other activity, before the family court reform funds are available. We recognize that certain requirements of the family Court Reform Act of 2001 require immediate action and we encourage the Court to take the necessary steps to provide for a seamless transition.

If the constraints on family court reform funds contained in the DC Appropriations bill prove to be unfeasible, I am committed to revisiting those constraints when Congress reconvenes in January. The Senate Appropriations Committee does not intend to hinder the implementation of the Family Court Reform Act in any way. We hope that we can work with our colleagues in the House to clarify this issue if necessary.

THE 60TH ANNIVERSARY OF THE DOVER AIR FORCE BASE

Mr. BIDEN. Madam President, on December 20, 1941, the 112th Observation Squadron of the Ohio National Guard arrived in Dover, DE, to begin conducting anti-submarine patrols. It was the first military unit to serve at what is now known as the Dover Air Force Base.

The history of the Base actually goes back 2 years further, to 1939, when in response to the Nazi invasion of Poland, the Civilian Aviation Administration, CAA, offered State and local governments on both coasts financial help to build municipal airports. The CAA offered to build one airfield in each of Delaware's three counties; the State did not pursue the offer, but New Castle and Sussex Counties accepted. Kent County passed the issue to the city of Dover, our State capital, and the Dover leaders agreed and purchased the land for a new airfield, in what has been hailed many times since as ''the best investment the city ever made.''

In addition to the anti-submarine mission during World War II, Dover's airfield was used, once the Corps of Engineers had done some of its magic, to train fighter squadrons and then, in 1944, as the site for classified air-launched rocket tests, experiments that led to the use of air-to-surface rockets in both the European and the Pacific Theaters.

After the war, the airfield was placed on caretaker status, and although it remained inactive for the rest of the 1940s, the name was officially changed to Dover Air Force Base in January 13, 1948. Control of the Base was transferred to the Ninth Air Force in February 1949. In February 1951, the Dover Air Force Base was reactivated and put under the jurisdiction of the Air Defense Command, ADC, with different fighter squadrons using the airfield over the course of the next 7 years.

The foundation for a permanent mission was laid when, recognizing Dover's strategic location, the Military Air Transport Service, MATS, assumed control and began, with an appropriation from Congress, to transform the Base into the East Coast embarkation point and foreign clearing base. Four units of the Atlantic Division were organized at Dover: the 1607th Air Base Group, the 1607th Air Base Squadron, the 1607th Maintenance and Supply Squadron, and the 1607th Medical Group. In November 1953, the first two transport squadrons were assigned, forming the core of the 1607th Air Transport Wing, and in December of that year, the Secretary of the Air Force designated the Dover Air Force Base as a permanent military installation.

In 1955, the Aerial Port Mortuary responsibilities were transferred to Dover, and many Americans have become familiar with the Base for its prominence and exceptional service in fulfilling that duty. To offer an incomplete list, the Port Mortuary has received the remains of casualties of the war in Vietnam, a number of plane and helicopter crashes involving military personnel, the mass suicide in Guyana, the attack on the Marine barracks in Beirut, the *Challenger* explosion, the USS *Stark*, Pan Am 103, the USS *Iowa*, the Khobar Towers bombing, the 1998 bombing in Kenya, and most recently, victims of the September 11 attack on the Pentagon.

From the mid-1950s to the mid-Sixties, to offer another incomplete list, Dover Air Force Base participated in Project Ice Cube to construct a Defense Early Warning Network in Northern Canada; the airlift to help combat a polio outbreak in Argentina; Operation Good Hope to Jordan; the Amigo Airlift in response to a devastating earthquake in Chile; an airlift of relief supplies to Honduras after Hurricane Hattie; the airlift of United Nations peacekeepers to the Belgian Congo; the Cuban Missile Crisis; the relief airlift following the Great Alaskan Earthquake; and the delivery of supplies to Guadeloupe Island after Hurricane Cleo, as well as supporting the deepening involvement in Vietnam.

In January 1966, a reorganization led to the designation of the Military Airlift Command and the activation of the 436th Military Airlift Wing to assume command of the Base. The 436th, by the way, has its own proud history, going back to the famed 436th Troop Carrier Group, TCG, which participated in just about every major European campaign of World War II, from Normandy to Operation Market Garden to Bastogne to Operation Varsity.

In 1968, the 912th Military Airlift Group, Associate, along with the 326th Military Airlift, the 912th Support, and the 912th Material Squadrons, were activated at Dover, giving the Base a total of four active and one reserve military airlift squadrons. In 1973, the 512th Military Airlift Wing, A, which is now the 512th Airlift Wing, A, was activated as a replacement to the 912th and its subordinates; the 512th AW remains a key part of Dover's mission. From 1971 to 1973, the transition was undertaken to make Dover home to the first all C–5 equipped wing in the Air Force.

During the Vietnam war, Dover aircrews participated in, among others, Operation Blue Light in January 1966 and Operation Eagle Thrust in 1967, an incredibly ambitious military airlift into a combat zone for which Dover personnel received their first Air Force Outstanding Unit Award.

Among other most notable missions in which Dover crews have participated are Operation Nickel Grass, during which Dover's C–5s flew 71 missions, more than 2,000 hours, delivering more than 5,000 tons of cargo. That operation is considered by many to have been the first real test of the C–5 aircraft. Dover crews also successfully dropped and test-fired a Minuteman I ICBM in 1974, and delivered a 40-ton superconducting magnet to Moscow in 1977 as part of a joint energy research program. The mission to Moscow earned the crew the Mackay Trophy for the most meritorious flight of the year. Missions to Zaire and, in the cause of joint verification, another to the Soviet Union also earned Mackay Trophies for Dover captains and crews.

Dover crews helped evacuate Americans from Iran in 1978, and supported the Marine operation in Lebanon in 1983–84. Dover's C–5s flew 27 missions in the invasion on Grenada also in 1983, and assisted with the clean-up after the *Valdez* oil spill in 1989. Eighteen missions were flown by Dover crews in Operation Just Cause in Panama, and in Operations Desert Shield and Desert Storm, the Persian Gulf War, Dover's C–5s logged more than 30,000 flying hours. Since then, Dover crews have flown in Operation Restore Hope in Somalia; in Operation Joint Endeavor in Bosnia-Herzegovina, in Operations Desert Thunder and Desert Fox in 1998; and in Operation Allied Force against the military structure of Slobodan Milosevic.

Among recent humanitarian missions have been the airlift to Central America following Hurricane Mitch; Joint Task Force Shining Hope to aid Kosovar refugees; airlifts to Turkey following the earthquakes of 1999; the 436 AW also responded to the earthquake that same year in Taiwan; and Operation Atlas Response in Mozambique after the devastating flooding there last year.

And, of course, there is Operation Enduring Freedom, our common cause in which our military men and women bear so much of the burden, the risk and the sacrifice. Our prayers and thanks are with them every day, including the 200 men and women from the 512 Air Reserve Wing who have been activated. I would also note that the 436th Airlift Wing received its 13th Air Force Outstanding Unity Award in October.

I share this history with my colleagues and with the Nation today, not only because the 60th anniversary of the Dover Air Force Base represents our proud military tradition so well, but also because the history of the Dover Air Force Base is very much a part of the history of Delaware. We do not merely co-exist with the Base; it is a part of our State family, a part of our community of friends and neighbors. And so we are especially proud, and so very grateful to those who have served.

Congratulations to Colonel Scott Wuesthoff, the current Commander of the 436th Airlift Wing, to Colonel Bruce Davis, who just assumed command of the 512th Airlift Wing, and to all personnel who serve out of Dover, on the 60th anniversary of the Air Force Base, with the respect and thanks of your neighbors in Delaware, and of all your fellow citizens.

ADDITIONAL STATEMENTS

IDAHO TEACHER WINS PRESTIGIOUS AWARD

• Mr. CRAIG. Madam President, I rise today to recognize a teacher from Idaho who has achieved national recognition for her work in physical education. Danette Lansing, from Eagle, ID, has been chosen to receive the Disney American Teacher Award, one of only 36 teachers chosen for such an honor. In fact, she was chosen from among that select group as one of the top ten teachers in the Nation, and the top teacher in the ''Wellness/Sports'' category.

It is a great honor for the people of Idaho that a teacher from our State has won this award. It has always been my belief that the education system in Idaho is one of the finest in the Nation, and having a teacher from Idaho chosen for the Disney American Teacher Award only reinforces this belief. Our State has produced many fine teachers and students over the years, and this award is merely an outward indication of what Idahoans already know.

One look at her career shows why she was chosen for this award. As a physical education teacher, she has done much for the students of Eagle Elementary School to make them more active and increase their physical health. As Bart Roen of Disney said about Miss Lansing's selection: ''If I had to pick one thing, it's the creativity . . . the kinds of things she does and how well it ties in with what she teaches the kids.'' For example, her success in creating a walking club at Eagle Elementary School has not only students walking during lunch, but also teachers and neighbors.

Not surprisingly, this is not the first award Miss Lansing has won. In 1999, she was named Idaho's Physical Education Teacher of the Year. However, these awards pale in comparison to the high praise her students have for her. In fact, one of my own staff members had children who were students of Miss Lansing's, and he reports that she was one of their favorite teachers. It has been obvious to the people of Eagle and the State of Idaho that she is a great teacher, now it will be obvious to the Nation.

As you can see, Danette Lansing is truly a treasure for her school, for Idaho, and indeed for the Nation in general. Teachers like Miss Lansing make education a rewarding experience for students and parents alike. I am proud that she was chosen for the American Teacher Award. She is a great example for the rest of the State and the Nation, and I hope this award gives her a platform so she can help other teachers to have the same success she has.•

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Ms. Evans, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BIDEN, from the Committee on Foreign Relations, without amendment:

S. 1803: An original bill to authorize appropriations under the Arms Export Control Act and the Foreign Assistance Act of 1961 for security assistance for fiscal years 2002 and 2003, and for other purposes. (Rept. No. 107–122).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. SARBANES for the Committee on Banking, Housing, and Urban Affairs.

*Eduardo Aguirre, Jr., of Texas, to be First Vice President of the Export-Import Bank of the United States for a term expiring January 20, 2005.

*J. Joseph Grandmaison, of New Hampshire, to be a Member of the Board of Directors of the Export-Import Bank of the United States for a term expiring January 20, 2005.

Kenneth M. Donohue, Sr., of Virginia, to be Inspector General, Department of Housing and Urban Development.

*Nomination was reported with recommendation that it be confirmed subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

(Nominations without an asterisk were reported with the recommendation that they be confirmed.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second times by unanimous consent, and referred as indicated:

By Mr. BREAUX:

S. 1795. A bill to suspend temporarily the duty on railway passenger coaches of stainless steel; to the Committee on Finance.

By Mr. BREAUX:

S. 1796. A bill to extend temporarily the duty on railway car body shells of stainless steel having an aggregate capacity of 140 passengers; to the Committee on Finance.

By Mr. BREAUX:

S. 1797. A bill to suspend temporarily the duty on railway car body shells for electric multiple unit gallery commuter coaches made of stainless steel; to the Committee on Finance.

By Mr. BREAUX:

S. 1798. A bill to extend temporarily the duty on railway car body shells of stainless steel; to the Committee on Finance.

By Mr. DURBIN (for himself, Mr. THOMPSON, and Mr. AKAKA):

S. 1799. A bill to strengthen the national security by encouraging and assisting in the expansion and improvement of educational programs to meet critical needs at the elementary, secondary, and higher education levels; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DURBIN (for himself, Mr. THOMPSON, Mr. AKAKA, and Ms. COLLINS):

S. 1800. A bill to strengthen and improve the management of national security, encourage Government service in areas of critical national security, and to assist government agencies in addressing deficiencies in personnel possessing specialized skills important to national security and incorporating the goals and strategies for recruitment and retention for such skilled personnel into the strategic and performance management systems of Federal agencies; to the Committee on Governmental Affairs.

By Ms. LANDRIEU (for herself and Mr. BOND):

S. 1801. A bill to amend chapter 36 of title 39, United States Code, to provide for a permanent postal rate for certain educational bound printed matter, and for other purposes; to the Committee on Governmental Affairs.

By Ms. LANDRIEU:

S. 1802. A bill to accelerate the effective date for the expansion of adoption tax credit and the adoption assistance programs by 1 year; to the Committee on Finance.

By Mr. BIDEN:

S. 1803. An original bill to authorize appropriations under the Arms Export Control Act and the Foreign Assistance Act of 1961 for security assistance for fiscal years 2002 and 2003, and for other purposes; from the Committee on Foreign Relations; placed on the calendar.

By Mr. SESSIONS (for himself, Mr. ALLEN, Mr. HUTCHINSON, and Mr. SMITH of New Hampshire):

S. 1804. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives for economic recovery and provide for the payment of emergency extended unemployment compensation; to the Committee on Finance.

By Mr. DEWINE (for himself, Mr. SCHUMER, Mr. VOINOVICH , Mrs. BOXER, Mr. WARNER, Mrs. CLINTON, Mr. ALLEN, Mrs. FEINSTEIN, Mr. FITZGERALD, and Mr. DURBIN):

S. 1805. A bill to convert certain temporary judgeships to permanent judgeships, extend a

judgeship, and for other purposes; to the Committee on the Judiciary.

By Mr. REED (for himself, Mr. ENZI, Mr. JOHNSON, Mr. CHAFEE, Mr. GRAHAM, Ms. COLLINS, Ms. LANDRIEU, Mr. HUTCHINSON, Mr. INOUYE, Mr. COCHRAN, and Mr. WELLSTONE):

S. 1806. A bill to amend the Public Health Service Act with respect to health professions programs regarding the practice of pharmacy; to the Committee on Health, Education, Labor, and Pensions.

By Mr. HATCH:

S. 1807. A bill to amend the National Capital Revitalization and Self-Government Improvement Act of 1997 to permit any Federal law enforcement to enter into a cooperative agreement with the Metropolitan Police Department of the District of Columbia to assist the Department in carrying out crime prevention and law enforcement activities in the District of Columbia if deemed appropriate by the Chief of the Department and the United States Attorney for the District of Columbia, and for other purposes; to the Committee on Governmental Affairs.

SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. MCCAIN:

S. Res. 189. A resolution to amend the rules of the Senate to improve legislative efficiency, and for other purposes; to the Committee on Rules and Administration.

By Mr. DASCHLE (for himself and Mr. LOTT):

S. Res. 190. A resolution authorizing the taking of a photograph in the Chamber of the United States Senate; considered and agreed to.

By Mr. HATCH (for himself, Mr. BIDEN, Mr. HELMS, Mr. KENNEDY, and Mr. SMITH of Oregon):

S. Con. Res. 92. A concurrent resolution recognizing Radio Free Europe/Radio Liberty's success in promoting democracy and its continuing contribution to United States national interests; to the Committee on Foreign Relations.

ADDITIONAL COSPONSORS

S. 170

At the request of Mr. REID, the name of the Senator from Wyoming (Mr. ENZI) was added as a cosponsor of S. 170, a bill to amend title 10, United States Code, to permit retired members of the Armed Forces who have a service-connected disability to receive both military retired pay by reason of their years of military service and disability compensation from the Department of Veterans Affairs for their disability.

S. 267

At the request of Mr. AKAKA, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 267, a bill to amend the Packers and Stockyards Act of 1921, to make it unlawful for any stockyard owner, market agency, or dealer to transfer or market nonambulatory livestock, and for other purposes.

S. 548

At the request of Mr. HARKIN, the name of the Senator from South Dakota (Mr. JOHNSON) was added as a cosponsor of S. 548, a bill to amend title XVIII of the Social Security Act to provide enhanced reimbursement for, and expanded capacity to, mammography services under the medicare program, and for other purposes.

S. 767

At the request of Mr. REED, the name of the Senator from Connecticut (Mr. DODD) was added as a cosponsor of S. 767, a bill to extend the Brady background checks to gun shows, and for other purposes.

S. 940

At the request of Mr. DODD, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 940, a bill to leave no child behind.

S. 1125

At the request of Mr. MCCONNELL, the names of the Senator from Connecticut (Mr. DODD) and the Senator from Wisconsin (Mr. FEINGOLD) were added as cosponsors of S. 1125, a bill to conserve global bear populations by prohibiting the importation, exportation, and interstate trade of bear viscera and items, products, or substances containing, or labeled or advertised as containing, bear viscera, and for other purposes.

S. 1274

At the request of Mr. KENNEDY, the name of the Senator from Alabama (Mr. SHELBY) was added as a cosponsor of S. 1274, a bill to amend the Public Health Service Act to provide programs for the prevention, treatment, and rehabilitation of stroke.

S. 1478

At the request of Mr. SANTORUM, the name of the Senator from Massachusetts (Mr. KERRY) was added as a cosponsor of S. 1478, a bill to amend the Animal Welfare Act to improve the treatment of certain animals, and for other purposes.

S. 1675

At the request of Mr. BROWNBACK, the name of the Senator from Texas (Mr. GRAMM) was added as a cosponsor of S. 1675, a bill to authorize the President to reduce or suspend duties on textiles and textile products made in Pakistan until December 31, 2004.

S. 1704

At the request of Mr. WELLSTONE, the name of the Senator from Florida (Mr. NELSON) was added as a cosponsor of S. 1704, a bill to amend the Clayton Act to make the antitrust laws applicable to the elimination or relocation of major league baseball franchises.

S. 1707

At the request of Mr. JEFFORDS, the names of the Senator from Nevada (Mr. REID), the Senator from Alaska (Mr. MURKOWSKI), the Senator from South Dakota (Mr. DASCHLE), and the Senator from New York (Mr. SCHUMER) were added as cosponsors of S. 1707, a bill to amend title XVIII of the Social Security Act to specify the update for payments under the medicare physician fee schedule for 2002 and to direct the Medicare Payment Advisory Commission to conduct a study on replacing the use of the sustainable growth rate as a factor in determining such update in subsequent years.

S. 1749

At the request of Mr. KENNEDY, the names of the Senator from South Dakota (Mr. DASCHLE) and the Senator from Kentucky (Mr. BUNNING) were added as cosponsors of S. 1749, a bill to enhance the border security of the United States, and for other purposes.

S. 1752

At the request of Mr. CORZINE, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1752, a bill to amend the Public Health Service Act with respect to facilitating the development of microbicides for preventing transmission of HIV and other sexually transmitted diseases.

S. 1779

At the request of Mr. BIDEN, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 1779, a bill to authorize the establishment of ''Radio Free Afghanistan'', and for other purposes.

S. 1788

At the request of Mr. SCHUMER, the name of the Senator from New York (Mrs. CLINTON) was added as a cosponsor of S. 1788, a bill to give the Federal Bureau of Investigation access to NICS records in law enforcement investigations, and for other purposes.

S. 1793

At the request of Ms. COLLINS, the names of the Senator from Nevada (Mr. ENSIGN), the Senator from Kansas (Mr. ROBERTS), and the Senator from South Dakota (Mr. JOHNSON) were added as cosponsors of S. 1793, a bill to provide the Secretary of Education with specific waiver authority to respond to conditions in the national emergency declared by the President on September 14, 2001.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DURBIN (for himself, Mr. THOMPSON, and Mr. AKAKA):

S. 1799. A bill to strengthen the national security by encouraging and assisting in the expansion and improvement of educational programs to meet critical needs at the elementary, secondary, and higher education levels; to the Committee on Health, Education, Labor, and Pensions.

By Mr. DURBIN (for himself, Mr. THOMPSON, Mr. AKAKA, and Ms. COLLINS):

S. 1800. A bill to strengthen and improve the management of national security, encourage Government service in areas of critical national security, and to assist government agencies in addressing deficiencies in personnel possessing specialized skills important to national security and incorporating the goals and strategies for recruitment and retention for such skilled personnel into the strategic and performance management systems of Federal agencies; to the Committee on Governmental Affairs.

Mr. DURBIN. Madam President, in the fall of 1957, the United States received a national wake-up call. The Soviet Union launched sputnik into orbit. The space race was on, and we were already behind. Not only were we caught off guard by sputnik, it was suddenly clear that major changes had to be made to preserve our national security and to pull ahead in scientific and technological innovation.

One year later, Congress passed landmark legislation, the National Defense Education Act. The purpose of the act was to ''strengthen the national defense and to encourage and assist in the expansion and improvement of educational program to meet critical national needs.'' The National Defense Education Act provided assistance to State and local school systems to strengthen instruction in science, math, foreign languages, and other critical subjects. It also created low-interest student loan programs and fellowships to open the door to higher education to a greater number of young people. This coordinated national effort helped our Nation meet its goals.

By 1969, Americans had landed on the Moon. The United States was the most technologically advanced Nation in the world. A new generation of highly skilled mathematicians, scientists, and technology experts staffed laboratories, universities, and Federal agencies. Colleges and universities had established centers for foreign language study and research.

Sadly, this Nation received another wake-up call on September 11, 2001.

The week after the attacks, FBI Director Robert Mueller made a public plea for Arabic and Farsi speakers to assist as translators, illustrating the alarming deficiency in fluent speakers of languages crucial to our national security needs. It does our Nation no good to have sophisticated weapons programs if we don't have the scientists to back them up. It does our Nation no good to have expanded intelligence gathering capabilities if what we retrieve sits untranslated. The United States must have the brainpower to match its firepower.

Today I join Senators THOMPSON and AKAKA to introduce two initiatives that serve two important purposes, to meet the immediate needs of the Federal Government in areas of national security, and to make investments in our future through investments in education.

The Homeland Security Federal Workforce Act authorizes funds for key national security agencies to repay student loans for employees in national security positions who pledge to serve for a minimum of three years. This expands the existing loan forgiveness program for Federal employees by permitting these agencies to repay up to $10,000 per year in student loans.

The bill also establishes a National Security Fellowship Program for graduate students who agree to enter Federal service in a position key to national security upon the completion of their degree. The fellowship program will also be open to current Federal employees, encouraging the enhancement and development of their skills.

To give Federal employees more flexibility and experience, the bill creates a National Security Service Corps to allow Federal employees to serve in rotational assignments in other agencies with national security responsibilities.

Along with these immediate remedies, homeland security and preparedness depend on a well-educated citizenry who leave school with the tools they need to succeed in science, math, technology, and foreign languages. Unless broader education reforms are implemented, we will continue to find ourselves playing catch-up to secure the skilled professionals our government needs.

The Homeland Security Education Act would fund partnerships between local school districts and foreign language departments in institutions of higher education. These new foreign language partnerships will provide intensive professional development opportunities for foreign language teachers at every level from kindergarten to 12th grade. The partnerships will foster contact and communication between university faculty and K–12 teachers in order to improve teachers' knowledge of the languages they teach as well as their teaching skills. Partnerships would also use grant funds to recruit foreign language majors to the classroom. Our bill will give priority to partnerships that include high-need school districts and that put a focus on the less-commonly taught languages.

Our bill will encourage more undergraduates to complete degrees in mathematics, science, engineering, and the less-commonly taught foreign languages by establishing a program to forgive the interest on a borrower's student loans if he or she earns a degree in one of these subjects. The program aims to provide an incentive for students who are interested in these areas of study to earn their degrees.

The bill establishes grants for partnerships between school districts and private entities to help schools improve science and math curriculum, upgrade laboratory facilities, and purchase scientific equipment. In turn, the private sector partner will donate technology or equipment to the school district; provide scholarships for district students to study math, science, or engineering at college; establish internship or mentoring opportunities for district students; or sponsor programs aimed at young people who are underrepresented in the fields of math, science, and engineering.

In order to stay on top of innovations in science and technology, more professionals in these fields will have to also be proficient in a foreign language. This is imperative to our national security, even some scientific documents and articles in the public domain are beyond the translation capabilities of our government. The Homeland Security Education Act would make grants available to colleges and universities to establish programs in which students take courses in science, math and technology taught in a foreign language. Funds will also support immersion programs for students to take science and math courses in a non-English speaking country.

The Homeland Security Education Act authorizes $20 million for the National Flagship Language Initiative, which was funded as a one-year pilot program in this year's Defense Appropriations bill. The funds will be used to provide institutional grants to universities to graduate specific numbers of students with the foreign language proficiencies needed by the government. Participating institutions will make available a negotiated number of slots to student applicants who are Federal employees.

With these bills, we hope to address some of the gaps in homeland security that have been identified by numerous experts and panels, including the Hart-Rudman Commission on National Security in the 21st century. We must do everything possible to ensure that our intellectual preparedness is equal to that of our military preparedness. Without these investments, we may find that the war against terrorism is unwinnable, and our status in the global community severely diminished.

Our Nation has demonstrated that we have the moral resolve to fight a war to end terrorism. We must match that resolve with the willingness make investments in education and training that will pay off well into the next century.

Mr. AKAKA. Madam President, as chairman of the Subcommittee on International Security, Proliferation, and Federal Services, I am honored to work with my colleagues from the Governmental Affairs Committee, Senator DURBIN and Senator THOMPSON, to introduce the Homeland Security Federal Workforce Act and the Homeland Security Education Act.

Alarmed at the Soviet Union's successful launch of the first space vehicle, Congress passed the National Defense Education Act of 1958. Our country faced a changed national security landscape, and our Government was determined to make certain the United States never came up short again in the areas of math, science, technology and foreign languages.

Although we face new national security threats, our Government's response is built on the talents and dedication of our Federal workforce. Recently the U.S. Commission on National Security/21st Century, also known as the Hart-Rudman Commission, concluded that ''. . . the excellence of American public servants is the foundation upon which an effective national security strategy must rest . . . because future success will require

the mastery of advanced technology . . . as well as leading-edge concepts of governance.''

The recent terrorist attacks strengthened our will and exposed the weaknesses of our great country. We were quickly reminded of the importance of our Federal Government and its workforce. For every essential service these attacks disrupted, we expected our government to respond quickly and effectively, and those in government did.

However, the events of September 11 and the anthrax attacks through the mails underscored how much government needs people with the critical skills to fill critical national security positions. We need to recruit the best people with the best skills and ensure that government service remains attractive. Our legislation does that.

The Homeland Security Federal Workforce Act and the Homeland Security Education Act provide needed tools and resources to agencies expressly for hiring new employees in critical national security positions and establishes a student loan repayment program and fellowships to future and current federal employees in exchange for government service.

It provides additional training opportunities for the great people already committed to the Federal service whose expertise guide agencies daily in meeting their missions. For example, Federal employees in national security positions will be eligible to apply for fellowships, which includes full tuition and a stipend, to pursue degrees in fields deemed critical to national security.

Our bills also respond to future national security needs by helping schools better prepare students for the demands of the 21st century. We must act now to identify and develop the right balance of skills in science, math, and foreign languages. We must make resources available to our schools and their teachers so that our students graduate with a greater proficiency in these areas.

The bills will strengthen the specific foreign language skills that the Government has identified as critical to our national security. We would help establish an advanced foreign language program that matches foreign language program efforts in leading universities with national security requirements.

I would like to note that the University of Hawaii is recognized as a model university in foreign language instruction and is noted for the strength of its faculty and curriculum particularly in Mandarin Chinese, Korean, and Japanese, language deemed important by the Defense Language Institute. The University of Hawaii is also an authority in the development of enhanced foreign language teaching methods.

I look forward to working with my colleagues to see that this bipartisan legislation is passed.

By Mr. SESSIONS (for himself, Mr. ALLEN, Mr. HUTCHINSON, and Mr. SMITH of New Hampshire):

S. 1804. A bill to amend the Internal Revenue Code of 1986 to provide tax incentives for economic recovery and provide for the payment of emergency extended unemployment compensation; to the Committee on Finance.

Mr. SESSIONS. Madam President, the economy has been struggling for about a year now. We have had a number of difficulties that have made our economy not as healthy as we would like it to be. Oddly enough, for the week of September 11, according to the hearing we had in the Joint Economic Committee, unemployment actually dropped. There was an increase in employment that week. So maybe our economy was moving in the right direction. But immediately after September 11, and the shock this Nation went through, we slipped back into what has now been called a recession.

Factories are closing in a number of places. Quite a few have closed in my State. It has been quite discouraging that this tends to happen more often in small towns where you have just a few businesses. That is where you see more of the closings than in the urban areas.

The National Bureau of Economic Research has declared that we have slipped into recession. And the terrorist attacks have hurt us in a lot of different ways involving jobs for families in America. So I have been pushing for some time that we make sure we complete this Congress with a good, healthy stimulus package.

I have raised that observation with quite a number of people. But we are not, to my knowledge, making any progress. I have referred to the people who I understand are working on it as ''the masters of the universe.'' They are back there somewhere outside of this Chamber, working and manipulating and talking to people about what ought to be in the package. And, yes, they take input, and I have talked to them, and other people have talked to them—and I did not suggest it is not a tough job; it is a tough job—but we are getting close to the time when we should recess, and people are suggesting that we might even complete this Congress without a stimulus package. I think that would be a very bad mistake.

Even the most conservative economists have suggested we would have a one-half of 1 percent increase in the GDP if we have a stimulus package of $75 billion to $100 billion. I believe that is clearly worth the effort. That one-half of 1 percent, in an economy as large as ours, is very significant. It means many people will continue to have jobs that they would not have otherwise. It means that many people will be working and paying taxes to the Government which will help us with our deficit situation. It means many people will be working and taking care of their families and not going into debt and will be buying things, such as at the grocery store, that they would not otherwise be buying.

So I think we need to be sure we move in that direction. That is why I have offered today S. 1804, which is cosponsored by Senators TIM HUTCHINSON, GEORGE ALLEN, and BOB SMITH. And I intend to move this bill if we do not see progress. Really, I intend to seek a vote on it if it is in any way appropriate and possible this session.

Let me mention a few things that are in the bill which I think are common sense and would be good policy. One of the things I have been wrestling with is the earned-income tax credit. This is a program that began in 1975. It is now a $31 billion program that provides a tax credit to low-income working Americans. It is designed to make work more beneficial and more rewarding so that, particularly, families can live off of low-income jobs. In fact, the program is quite generous for a family of four or more who qualify appropriately. They can receive $4,000 a year. An average family with one qualifying child, that receives the earned-income tax credit, receives almost $2,000 a year. On average, it is over $1,900 per year that they receive.

This totals out, if you figure it on an hourly basis for the average family of four that receives the earned-income tax credit, to almost $1 an hour pay raise over whatever they are making. If they are making $6 an hour and they get another $1, that is a big increase. If you are at $5 an hour and you get $1 an hour, that is a 20-percent increase in your pay. It is more than that in take-home because you don't have any withholding out of a tax credit.

The way this thing has been working, however, is not healthy. The way this thing has been working is, the money goes to the worker when they fill out their income-tax return the next year. In February or March, when they fill out the tax return, they get this $1,900 in a lump sum check sometime in the spring after they worked.

Congress wrestled with that. They didn't believe that was furthering a policy of the Congress, and so they tried to provide the credit on the worker's paycheck. In years past, in the 1970s and all, when this passed, people didn't have the computers we have today, and requiring small businesses to calculate this and put it on the paycheck caused some grief. But today, because everything is automated, it is much easier to do.

In recent years, Congress tried to do something about it. In 1978, they passed legislation that said a worker could have it put on their paycheck if they want to. Oddly enough, only 5 percent of workers have chosen this or know they can.

Therein lies a problem, and there are several reasons. One, they probably don't know about it. Another one is that oftentimes they are told that if you get this advanced payment on your check instead of getting a refund next year, you may owe money to the Government next year. And that caused some to not take advantage of it. At

any rate, only 5 percent of Americans are taking advantage of this policy.

I believe it ought to be the policy. I believe the policy was founded to begin with, with the idea of helping people, encouraging people to go to work. If you are not making much more than the minimum wage, sometimes people may wonder if they are not better staying at home on welfare. The money should be put on there. Most economists, most good public policy students of the situation believe that.

That is one of the points of this stimulus bill that I have. Let me tell you why it is such a good stimulus package. It is good because the money for people who have worked this year, who receive the benefit of the earned-income tax credit, they will get their refund next year.

What my proposal says is in January, they would begin to receive next year's $1,900, on their paycheck. Current law allows a recipient to get about 60 percent of their earned income tax credit in advance, on their paycheck. We calculate, of the $31 billion that is annually being spent on the earned income tax credit, this proposal would bring to the average worker, infused into the economy next fiscal year, $15 billion, a year before the time it would normally be in the economy. I believe that is good public policy. It is good to encourage work. It will help people who need money now to take care of their families. It will be coming to them in a regular way, and it will help them take care of their families.

That would be a good stimulus package. It would help us next year when we have to balance the budget because we would have $15 billion less to spend on the tax refunds because it would have been paid out throughout this fiscal year. It would help us get back into a balanced budget which is important. This year, we are not going to be in a balanced budget. We are going to be in deficit unfortunately. Next year, we have an opportunity to get out. This package in that regard would help us do so.

I strongly believe that is a good thing that should be considered. It would infuse money into the economy and have a net drain on the economy of zero over a 2-year period, except perhaps some interest loss to the Government.

Another matter that we believe should be in this package is a proposal for relief for those who are unemployed. Everybody has been talking about that. We ought to be able to reach agreement on that. Senator BAUCUS had a proposal. The House Republicans had a proposal that came out of that chamber. A centrist proposal has been put forward by Senators COLLINS, SMITH and LANDRIEU that hits the area about right. It increases the weeks for unemployment for up to 13 additional weeks, and it begins calculating that for anybody who was unemployed at the time of September 11. It is more expansive in that regard. We have a good bipartisan unemployment compensation package.

Another thing it is time for us to do would be to complete the reduction of the 27-percent tax bracket down to the 25-percent tax bracket. We committed to doing that over the 10-year tax plan. This would accelerate that next year, and working Americans would receive a little more take-home money every week as a result of a reduction in that tax rate. That has a lot of support.

One thing that has not been mentioned, but I strongly believe would be one of the most beneficial proposals, is to advance the child tax credit. Under our current 10-year tax reduction package that passed, we will increase the child tax credit for families to $1,000, but it will take nine years for it to become $1,000. I believe for next year alone we ought to do that. So every family who obviously is hurt the most in a recessionary environment would receive an additional $400 per child tax credit that they could use to help their families. That would be a good impact.

The cost of that is about $20 billion in terms of estimated revenue lost to the Government, but it is a real stimulus into the economy, into the hands of families who will be spending it on their children. It will help keep the economy moving in a healthy way. That is a good step. It is good public policy. Families trying to raise children would have additional income to take care of them.

A lot of people are at a point where they have had to cash in stocks and other investments that they have and have taken losses for it. For individuals, this allows them to deduct those losses on their tax return, but the limit on loss deductions is $3,000 per year. We believe that, particularly in light of the fact that many people may be cashing in investments, we should at least raise it up to $5,000 per year which could be helpful to people in desperate circumstances.

One other thing that is important—and Senator ALLEN has been a champion of this and has won me over—is the need to provide a tax credit to encourage American families to become technologically literate, to encourage American families to purchase computers for children who are in school so they will have a computer at home so they can become a part of the high-tech world that is all about us today. He has proposed, and we have put as a part of this bill, a $500 tax credit for the purchase of software or computer systems for a family. To really get a jolt out of it, we are only going to propose that for a 3-month period. And the computer companies, I am sure, and all the marketing companies and the stores will be promoting that you have a $500 rebate on your purchase of a computer for your family, if you have a student in school.

I think that is a good step. The computer industry has been hurting badly, and having this money available could get them off the ground, get them moving again and, at the same time, help children, help them become educated and to become an active part of the high-tech world in which we now live.

Some of the matters that are in the legislation we proposed, I don't believe there is a single thing in it that somebody could say is a special interest. It has a business provision. It has Senator BAUCUS's 10-percent advance depreciation, which would encourage businesses to purchase equipment and allow them to depreciate a little faster, and encourage them, perhaps, to recapitalize in their business. That was Senator BAUCUS's 1-year proposal.

I don't believe there is anything in this bill that does violence to fairness or justice. I don't think there is anything in this bill that in any way could be considered special interest or unfair. I believe we have a simple package—myself and the three Senators who have introduced this with me—that would infuse $75 billion into the economy, with virtually no bureaucracy, virtually no overhead, targeted to middle and lower income America—putting $75 billion into their hands early, allowing them to spend it and get this economy going again.

I am not sure businesses—and I have heard a number of economists say this—are in a mood to do a lot of investing in new equipment to produce a lot more product if there is nobody to buy. So I think that the way we proceed would be to allow people who have families and who work every day, and who need every dollar they get to survive—give them a little bit more to take home. If they do, they will spend it and help get the economy moving again. If nothing else, it will help them get by, whether it improves the economy or not.

Of course, we do have $5 billion in grant money to the States that would allow them to deal with emergency situations in their States for people who are hurting also. That has been a bipartisan project, and it has a little more than has been proposed in the President's request. We think that is a good figure that everybody can rally around.

I believe getting a tax stimulus package together and passed is not that hard. It doesn't have to be lockstep the way everybody is negotiating now. They have dug in on every position. Some of the issues in my package they are dealing with and some of them they are not considering. My provisions do the job just as well—in fact, better than what I am hearing discussed in a lot of ways.

I think the majority leader needs to be sure we don't get to the end of this session without time to bring this up. If they can't reach an agreement, we are going to have a problem. The bill was up and amendments were being offered. When debate and amendments were not shut off, the bill was pulled down. It has gone behind closed doors and we are sitting around here saying: Maybe they will reach an agreement; maybe they will not reach an agreement.

I have a bill that I think we need to vote on if we can't get some agreement with which I and other Members are comfortable. We need to vote on this bill because it is a good bill. It is not that complicated in any way to administer or put together.

I thank the Chair for her attention. I look forward to further discussions on this issue. I certainly look forward to making sure before this Congress recesses we bring up and pass legislation that will help this economy. I don't know how much it would take to do it. The experts say $75 billion is worth half a GDP percentage point in growth. That is good news. I think it is exactly the kind of shot that might be helpful.

If we don't pass something, that could be a sad event also. In fact, the markets and people might lose confidence even more than they have already if we don't pass a stimulus package. It is a double burden to move that forward.

I thank the Chair for listening. I thank my colleagues in the Senate for their consideration of this legislation. We look forward to making sure a stimulus package clears before we recess.

I yield the floor.

By Mr. REED (for himself, Mr. ENZI, Mr. JOHNSON, Mr. CHAFEE, Mr. GRAHAM, Ms. COLLINS, Ms. LANDRIEU, Mr. HUTCHINSON, Mr. INOUYE, Mr. COCHRAN, and Mr. WELLSTONE):

S. 1806. A bill to amend the Public Health Service Act with respect to health professions programs regarding the practice of pharmacy; to the Committee on Health, Education, Labor, and Pensions.

Mr. REED. Madam President, I rise today, joined by my colleagues, Senator JOHNSON of South Dakota and Senator ENZI of Wyoming, to introduce legislation that will address the growing shortage of pharmacists.

The Pharmacists Education Act takes a multi-faceted approach to the problem of workforce shortages in the pharmacy sector. In December 2000, the Health Resources and Services Administration, HRSA, Bureau of Health Professions published a report entitled, ''The Pharmacist Workforce: A Study of the Supply and Demand for Pharmacists''. This study considered the factors influencing the demand for pharmacists in the health care sector and also looked at the ability of our academic institutions to supply the quantity of pharmacy students required to meet this growing demand. The report concluded that there was indeed evidence of a shortage in the field, due primarily to the rapid increase in demand for pharmacists and the array of services they provide, coupled with a constrained ability to expand the number of pharmacy education programs to accommodate the need for more practicing pharmacists. The study also indicated that the shortage was unlikely to abate in the future without significant changes to the current system.

Pharmacists represent the third largest health professional group in the United States with about 190,000 active pharmacists last year. This figure is expected to grow to 224, 500 by 2010. Yet, despite this anticipated increase in the number of practicing pharmacists, the demand for the services is expected to continue to outpace supply. A recent employment survey conducted by the National Association of Chain Drug stores found that the number of vacancies among their member companies had increased by 1,000 positions in the last six months alone.

Remarkable advancements in medical science have made treatments for diseases once thought impossible to treat a reality. And what is possible is quickly what is practiced in the medical profession. Many of these dynamic breakthroughs have been in the area of pharmaceuticals.

These remarkable changes in health care have resulted in dramatic upswings in the number of retail prescriptions dispensed annually, from 1.9 billion in 1992 to 2.8 billion in 1999. Moreover, as medications become more complex and diverse, and our population becomes older and sicker, the role of the pharmacist in the health care setting has become evermore important. For these reasons, my colleagues and I felt it was very important that steps be taken to avert a more serious shortage of these critical health professionals.

The Pharmacy Education Act seeks to enhance not only the supply of pharmacists, by providing much needed support to Colleges of Pharmacy, it also aims to improve the distribution of pharmacists by building upon the National Health Service Corps. Specifically, the bill expands eligibility of certain existing Federal grant programs to Colleges of Pharmacy to upgrade and expand facilities and laboratory space and recruit and retain talented faculty to educate pharmacy students.

The bill also provides a number of new sources of financial aid to students interested in pursuing a career in pharmacy. First, the bill allows students entering pharmacy school and students who have graduated with a PharmD degree to apply for National Health Service Corps, NHSC, Scholarship and Loan Repayment funds. Second, it allows students who demonstrate financial need to apply for scholarships to qualifying schools of pharmacy.

This bill is endorsed by a number of organizations, including the American Association of Colleges of Pharmacy, the National Association of Chain Drug Stores, National Community Pharmacists Association, American College of Clinical Pharmacy and American Society of Health-System Pharmacists.

Increasing demand for pharmacists makes it imperative that a proactive response to current trends be undertaken before the situation becomes critical. I hope my colleagues will join me in seeking expeditious consideration and passage of this timely and important legislation.

I ask unanimous consent that the text of the Pharmacy Education Act be printed in the RECORD.

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

S. 1806

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 ''Pharmacy Education Aid Act of 2001''.

SEC. 2. FINDINGS.

Congress makes the following findings:

(1) Pharmacists are an important link in our Nation's health care system. A critical shortage of pharmacists is threatening the ability of pharmacies to continue to provide important prescription related services.

(2) In the landmark report entitled ''*To Err is Human: Building a Safer Health System*'', the Institute of Medicine reported that medication errors can be partially attributed to factors that are indicative of a shortage of pharmacists (such as too many customers, numerous distractions, and staff shortages).

(3) Congress acknowledged in the Healthcare Research and Quality Act of 1999 (Public Law 106-129) a growing demand for pharmacists by requiring the Secretary of Health and Human Services to conduct a study to determine whether there is a shortage of pharmacists in the United States and, if so, to what extent.

(4) As a result of Congress' concern about how a shortage of pharmacists would impact the public health, the Secretary of Health and Human Services published a report entitled ''*The Pharmacist Workforce: A Study in Supply and Demand for Pharmacists*'' in December of 2000.

(5) *The Pharmacist Workforce: A Study in Supply and Demand for Pharmacists*'' found that ''While the overall supply of pharmacists has increased in the past decade, there has been an unprecedented demand for pharmacists and for pharmaceutical care services, which has not been met by the currently available supply'' and that the ''evidence clearly indicates the emergence of a shortage of pharmacists over the past two years''.

(6) The same study also found that ''The factors causing the current shortage are of a nature not likely to abate in the near future without fundamental changes in pharmacy practice and education.'' The study projects that the number of prescriptions filled by community pharmacists will increase by 20 percent by 2004. In contrast, the number of community pharmacists is expected to increase by only 6 percent by 2005.

(7) The demand for pharmacists will increase as prescription drug use continues to grow.

SEC. 3. INCLUSION OF PRACTICE OF PHARMACY IN PROGRAM FOR NATIONAL HEALTH SERVICE CORPS.

(a) INCLUSION IN CORPS MISSION.—Section 331(a)(3) of the Public Health Service Act (42 U.S.C. 254d(a)(3)) is amended—

(1) in subparagraph (D), by adding at the end the following: ''Such term includes pharmacist services.''; and

(2) by adding at the end the following:

''(E)(i) The term 'pharmacist services' includes drug therapy management services furnished by a pharmacist, individually or on behalf of a pharmacy provider, and such services and supplies furnished incident to

the pharmacist's drug therapy management services, that the pharmacist is legally authorized to perform (in the State in which the individual performs such services) in accordance with State law (or the State regulatory mechanism provided for by State law).''.

(b) SCHOLARSHIP PROGRAM.—Section 338A of the Public Health Service Act (42 U.S.C. 254*l*) is amended—

(1) in subsection (a)(1), by inserting ''pharmacists,'' after ''physicians,''; and

(2) in subsection (b)(1), by inserting ''pharmacy'' after ''dentistry,''.

(c) LOAN REPAYMENT PROGRAM.—Section 338B of the Public Health Service Act (42 U.S.C. 254*l*–1) is amended—

(1) in subsection (a)(1), by inserting ''pharmacists,'' after ''physicians,''; and

(2) in subsection (b)(1), by inserting ''pharmacy,'' after ''dentistry,''.

(d) FUNDING.—Section 338H(b)(2) of the Public Health Service Act (42 U.S.C. 254q(b)(2)) is amended in subparagraph (A), by inserting before the period the following: '', which may include such contracts for individuals who are in a course of study or program leading to a pharmacy degree''.

SEC. 4. CERTAIN HEALTH PROFESSIONS PROGRAMS REGARDING PRACTICE OF PHARMACY.

(a) IN GENERAL.—Part E of title VII of the Public Health Service Act (42 U.S.C. 294n et seq) is amended—

(1) by redesignating section 770 as section 771; and

(2) by adding at the end the following subpart:

''Subpart 3—Certain Workforce Programs

''SEC. 771. PRACTICING PHARMACIST WORKFORCE.

''(a) RECRUITING AND RETAINING STUDENTS AND FACULTY.—

''(1) IN GENERAL.—The Secretary may make awards of grants or contracts to qualifying schools of pharmacy (as defined in subsection (f)) for the purpose of carrying out programs for recruiting and retaining students and faculty for such schools, including programs to provide scholarships for attendance at such schools to full-time students who have financial need for the scholarships and who demonstrate a commitment to becoming practicing pharmacists or faculty.

''(2) PREFERENCE IN PROVIDING SCHOLARSHIPS.—An award may not be made under paragraph (1) unless the qualifying school of pharmacy involved agrees that, in providing scholarships pursuant to the award, the school will give preference to students for whom the costs of attending the school would constitute a severe financial hardship.

''(b) LOAN REPAYMENT PROGRAM REGARDING FACULTY POSITIONS.—

''(1) IN GENERAL.—The Secretary may establish a program of entering into contracts with individuals described in paragraph (2) under which the individuals agree to serve as members of the faculties of qualifying schools of pharmacy in consideration of the Federal Government agreeing to pay, for each year of such service, not more than $20,000 of the principal and interest of the educational loans of such individuals.

''(2) ELIGIBLE INDIVIDUALS.—The individuals referred to in paragraph (1) are individuals who—

''(A) have a doctoral degree in pharmacy or the pharmaceutical sciences; or

''(B) are enrolled in a school of pharmacy and are in the final academic year of such school in a program leading to such a doctoral degree.

''(3) REQUIREMENTS REGARDING FACULTY POSITIONS.—The Secretary may not enter into a contract under paragraph (1) unless—

''(A) the individual involved has entered into a contract with a qualifying school of pharmacy to serve as a member of the faculty of the school for not less than 2 years;

''(B) the contract referred to in subparagraph (A) provides that, in serving as a member of the faculty pursuant to such subparagraph, the individual will—

''(i) serve full time; or

''(ii) serve as a member of the adjunct clinical faculty and in so serving will actively supervise pharmacy students for 25 academic weeks per year (or such greater number of academic weeks as may be specified in the contract); and

''(C) such contract provides that—

''(i) the school will, for each year for which the individual will serve as a member of the faculty under the contract with the school, make payments of the principal and interest due on the educational loans of the individual for such year in an amount equal to the amount of such payments made by the Secretary for the year;

''(ii) the payments made by the school pursuant to clause (i) on behalf of the individual will be in addition to the pay that the individual would otherwise receive for serving as a member of such faculty; and

''(iii) the school, in making a determination of the amount of compensation to be provided by the school to the individual for serving as a member of the faculty, will make the determination without regard to the amount of payments made (or to be made) to the individual by the Federal Government under paragraph (1).

''(4) APPLICABILITY OF CERTAIN PROVISIONS.—The provisions of sections 338C, 338G, and 338I shall apply to the program established in paragraph (1) to the same extent and in the same manner as such provisions apply to the National Health Service Corps Loan Repayment Program established in subpart III of part D of title III, including the applicability of provisions regarding reimbursements for increased tax liability and provisions regarding bankruptcy.

''(5) WAIVER REGARDING SCHOOL CONTRIBUTIONS.—The Secretary may waive the requirement established in paragraph (3)(C) if the Secretary determines that the requirement will impose an undue financial hardship on the school involved.

''(c) INFORMATION TECHNOLOGY.—The Secretary may make awards of grants or contracts to qualifying schools of pharmacy for the purpose of assisting such schools in acquiring and installing computer-based systems to provide pharmaceutical education. Education provided through such systems may be graduate education, professional education, or continuing education. The computer-based systems may be designed to provide on-site education, or education at remote sites (commonly referred to as distance learning), or both.

''(d) FACILITIES.—The Secretary may award grants under section 1610 for construction projects to expand, remodel, renovate, or alter existing facilities for qualifying schools of pharmacy or to provide new facilities for the schools.

''(e) REQUIREMENT REGARDING EDUCATION IN PRACTICE OF PHARMACY.—With respect to the qualifying school of pharmacy involved, the Secretary shall ensure that programs and activities carried out with Federal funds provided under this section have the goal of educating students to become licensed pharmacists, or the goal of providing for faculty to recruit, retain, and educate students to become licensed pharmacists.

''(f) QUALIFYING SCHOOL OF PHARMACY.—For purposes of this section, the term 'qualifying school of pharmacy' means a college or school of pharmacy (as defined in section 799B) that, in providing clinical experience for students, requires that the students serve in a clinical rotation in which pharmacist services (as defined in section 331(a)(3)(E)) are provided at or for—

''(1) a medical facility that serves a substantial number of individuals who reside in or are members of a medically underserved community (as so defined);

''(2) an entity described in any of subparagraphs (A) through (L) of section 340B(a)(4) (relating to the definition of covered entity);

''(3) a health care facility of the Department of Veterans Affairs or of any of the Armed Forces of the United States;

''(4) a health care facility of the Bureau of Prisons;

''(5) a health care facility operated by, or with funds received from, the Indian Health Service; or

''(6) a disproportionate share hospital under section 1923 of the Social Security Act.

''(g) AUTHORIZATION OF APPROPRIATIONS.—For the purpose of carrying out this section, there are authorized to be appropriated such sums as may be necessary for each of the fiscal years 2002 through 2006.''.

(b) TECHNICAL AND CONFORM AMENDMENTS.—Section 1610(a) of the Public Health Service Act (42 U.S.C. 300r(a)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (A)—

(i) in clause (i), by striking ''or'' at the end thereof;

(ii) in clause (ii), by striking the period and inserting ''; or''; and

(iii) by adding at the end the following:

''(iii) expand, remodel, renovate, or alter existing facilities for qualifying schools of pharmacy or to provide new facilities for the schools in accordance with section 771(d).'';

(B) in subparagraph (B)—

(i) in clause (i), by striking ''and'' at the end thereof;

(ii) in clause (ii)(II), by striking the period and inserting ''; or''; and

(iii) by adding at the end the following:

''(iii) a qualifying school of pharmacy (as defined in section 771(f)).'';

(2) by striking the first sentence of paragraph (3) and inserting the following: ''There are authorized to be appropriated for grants under paragraph (1)(A)(iii), such sums as may be necessary.''; and

(3) by adding at the end the following:

''(4) RECAPTURE OF PAYMENTS.—If, during the 20-year period beginning on the date of the completion of construction pursuant to a grant under paragraph (1)(A)(iii)—

''(A) the school of pharmacy involved, or other owner of the facility, ceases to be a public or nonprofit private entity; or

''(B) the facility involved ceases to be used for the purposes for which it was constructed (unless the Secretary determines, in accordance with regulations, that there is good cause for releasing the school or other owner from such obligation);

the United States is entitled to recover from the school or other owner of the facility the amount bearing the same ratio to the current value (as determined by an agreement between the parties or by action brought in the United States District Court for the district in which such facility is situated) of the facility as the amount of the Federal participation bore to the cost of the construction of such facility.''.

By Mr. HATCH:

S. 1807. A bill to amend the National Capital Revitalization and Self-Government Improvement Act of 1997 to permit any Federal law enforcement agency to enter into a cooperative agreement with the Metropolitan Police Department of the District of Columbia to assist the Department in carrying out crime prevention and law

enforcement activities in the District of Columbia if deemed appropriate by the Chief of the Department and the United States Attorney for the District of Columbia, and for other purposes; to the Committee on Governmental Affairs.

Mr. HATCH. Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1807

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 ''District of Columbia Police Coordination Amendment Act of 2001''.

SEC. 2. PERMITTING ADDITIONAL FEDERAL LAW ENFORCEMENT AGENCY TO ENTER INTO COOPERATIVE AGREEMENTS WITH METROPOLITAN POLICE DEPARTMENT OF THE DISTRICT OF COLUMBIA.

Section 11712(d) of the National Capital Revitalization and Self-Government Improvement Act of 1997 (D.C. Code, sec. 4–192(d)) is amended by adding at the end the following:

''(33) Any other law enforcement agency of the Federal government that the Chief of the Metropolitan Police Department and the United States Attorney for the District of Columbia deem appropriate to enter into an agreement pursuant to this section.''.

STATEMENTS ON SUBMITTED RESOLUTIONS

SENATE RESOLUTION 189—TO AMEND THE RULES OF THE SENATE TO IMPROVE LEGISLATIVE EFFICIENCY, AND FOR OTHER PURPOSES

Mr. MCCAIN submitted the following resolution; which was referred to the Committee on Rules and Administration:

S. RES. 189

Resolved, That rule XXV of the Standing Rules of the Senate is amended to read as follows:

''RULE XXV

''STANDING COMMITTEES

''1. The following standing committees shall be appointed at the commencement of each Congress, and shall continue and have the power to act until their successors are appointed, with leave to report by bill or otherwise on matters within their respective jurisdictions:

''(a)(1) **Committee on National Priorities,** to which committee shall be referred all concurrent resolutions on the budget (as defined in section 3(4) of the Congressional Budget Act of 1974) and all other matters required to be referred to committee under titles III and IV of that Act, and messages, petitions, memorials, and other matters relating thereto.

''(2) Such committee shall have the duty—

''(A) to report the matters required to be reported by committee under titles III and IV of the Congressional Budget Act of 1974;

''(B) to make continuing studies of the effect on budget outlays of relevant existing and proposed legislation and to report the results of such studies to the Senate on a recurring basis;

''(C) to request and evaluate continuing studies of tax expenditures, to devise methods of coordinating tax expenditures, policies, and programs with direct budget outlays, and to report the results of such studies to the Senate on a recurring basis; and

''(D) to review, on a continuing basis, the conduct by the Congressional Budget Office of its functions and duties.

''(b)(1) **Committee on Agricultural Policy,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

''1. Agricultural economics and research.

''2. Agricultural extension services and experiment stations.

''3. Agricultural production, marketing, and stabilization of prices.

''4. Agriculture and agricultural commodities.

''5. Animal industry and diseases.

''6. Crop insurance and soil conservation.

''7. Farm credit and farm security.

''8. Food from fresh waters.

''9. Inspection of livestock, meat, and agricultural products.

''10. Pests and pesticides.

''11. Plant industry, soils, and agricultural engineering.

''12. Rural development, rural electrification, and watersheds.

''(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of Government programs, projects, or activities relating primarily to the subjects specified in paragraph (b)(1), except as provided in subparagraph (a).

''(c)(1) **Committee on Defense Policy,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

''1. Aeronautical and space activities peculiar to or primarily associated with the development of weapons systems or military operations.

''2. Common defense.

''3. Department of Defense, the Department of the Army, the Department of the Navy, and the Department of the Air Force, generally.

''4. Maintenance and operation of the Panama Canal, including administration, sanitation, and government of the Canal Zone.

''5. Military research and development.

''6. National security aspects of nuclear energy.

''7. Naval petroleum reserves, except those in Alaska.

''8. Pay, promotion, retirement, and other benefits and privileges of members of the Armed Forces, including overseas education of civilian and military dependents.

''9. Selective Service system.

''10. Strategic and critical materials necessary for the common defense.

''(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of Government programs, projects, or activities relating primarily to the subjects specified in paragraph (c)(1), except as provided in subparagraph (a).

''(d)(1) **Committee on Commercial Policy,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

''1. Coast Guard.

''2. Coastal zone management.

''3. Communications.

''4. Construction and maintenance of highways, and highway safety.

''5. Inland waterways, except construction.

''6. Interstate commerce.

''7. Marine and ocean navigation, safety, and transportation, including navigational aspects of deepwater ports.

''8. Marine fisheries.

''9. Merchant marine and navigation.

''10. Nonmilitary aeronautical and space sciences.

''11. Oceans, weather, and atmospheric activities.

''12. Regulation of consumer products and services, including testing related to toxic substances, other than pesticides.

''13. Regulation of interstate common carriers, including railroads, buses, trucks, vessels, pipelines, and civil aviation.

''14. Science, engineering, and technology research and development and policy.

''15. Sports.

''16. Standards and measurement.

''17. Transportation.

''18. Transportation and commerce aspects of Outer Continental Shelf lands.

''19. Regional economic development.

''20. Financial aid to commerce and industry.

''21. Public works, bridges, and dams.

''(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of Government programs, projects, or activities relating primarily to the subjects specified in paragraph (d)(1), except as provided in subparagraph (a).

''(e)(1) **Committee on Economic Policy,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

''1. Bonded debt of the United States, except as provided in the Congressional Budget Act of 1974.

''2. Deposits of public moneys.

''3. Revenue measures generally, except as provided in the Congressional Budget Act of 1974.

''4. Revenue measures relating to the insular possessions.

''5. Banks, banking, and financial institutions.

''6. Deposit insurance.

''7. Federal monetary policy, including the Federal Reserve System.

''8. Issuance and redemption of notes.

''9. Money and credit, including currency and coinage.

''(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of Government programs, projects, or activities relating primarily to the subjects specified in paragraph (e)(1), except as provided in subparagraph (a).

''(f)(1) **Committee on Energy Policy,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

''1. Coal production, distribution, and utilization.

''2. Energy policy.

''3. Energy regulation and conservation.

''4. Energy-related aspects of deepwater ports.

''5. Energy research and development.

''6. Extraction of minerals from oceans and Outer Continental Shelf lands.

''7. Hydroelectric power, irrigation, and reclamation.

''8. Mining education and research.

''9. Mining, mineral lands, mining claims, and mineral conservation.

''10. Naval petroleum reserves in Alaska.

''11. Nonmilitary development of nuclear energy.

''12. Oil and gas production and distribution.

''13. Solar energy systems.

''(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of Government programs, projects, or activities relating primarily to the subjects specified in paragraph (f)(1), except as provided in subparagraph (a).

''(g)(1) **Committee on Environmental Policy,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

''1. Air pollution.

''2. Environmental aspects of Outer Continental Shelf lands.

''3. Environmental effects of toxic substances, other than pesticides.

''4. Environmental policy.

''5. Environmental research and development.

''6. Fisheries and wildlife.

''7. Flood control and improvements of rivers and harbors, including environmental aspects of deepwater ports.

''8. Noise pollution.

''9. Nonmilitary environmental regulation and control of nuclear energy.

''10. Ocean dumping.

''11. Solid waste disposal and recycling.

''12. Water pollution.

''13. Water resources.

''14. Forestry, and forest reserves and wilderness areas.

''15. National parks, recreation areas, wild and scenic rivers, historical sites, military parks and battlefields, and on the public domain, preservation of prehistoric ruins and objects of interest.

''16. Public lands and forests, including farming and grazing thereon, and mineral extraction therefrom.

''(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of Government programs, projects, or activities relating primarily to the subjects specified in paragraph (g)(1), except as provided in subparagraph (a).

''(h)(1) **Committee on Foreign Policy,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

''1. Acquisition of land and buildings for embassies and legations in foreign countries.

''2. Boundaries of the United States.

''3. Diplomatic service.

''4. Foreign economic, military, technical, and humanitarian assistance.

''5. Foreign loans.

''6. International activities of the American Red Cross and the International Committee of the Red Cross.

''7. International aspects of nuclear energy, including nuclear transfer policy.

''8. International conferences and congresses.

''9. International law as it relates to foreign policy.

''10. International Monetary Fund and other international organizations established primarily for international monetary purposes.

''11. Intervention abroad and declarations of war.

''12. Measures to foster commercial intercourse with foreign nations and to safeguard American business interests abroad.

''13. Trusteeships of the United States, including territorial possessions of the United States.

''14. Oceans and international environmental and scientific affairs as they relate to foreign policy.

''15. Protection of United States citizens abroad and expatriation.

''16. Relations of the United States with foreign nations generally.

''17. Treaties and executive agreements.

''18. United Nations and its affiliated organizations.

''19. World Bank group, the regional development banks, and other international organizations established primarily for development assistance programs.

''20. Foreign trade promotion, export, and export controls.

''21. Interoceanic canals generally, unless otherwise provided.

''22. Customs and ports of entry and delivery.

''23. Reciprocal trade agreements.

''24. Tariffs and import quotas, and matters related thereto.

''25. Organization and management of United States nuclear export policy.

''(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of Government programs, projects, or activities relating primarily to the subjects specified in paragraph (h)(1), except as provided in subparagraph (a).

''(i)(1) **Committee on Governmental Policy,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

''1. Archives of the United States.

''2. Budget and accounting measures, except as provided in the Congressional Budget Act of 1974.

''3. Census and collection of statistics, including economic and social statistics.

''4. Congressional organizations, except for any part of the matter that amends the rules of order of the Senate.

''5. Federal Civil Service.

''6. Government information.

''7. Intergovernmental relations.

''8. Municipal affairs of the District of Columbia.

''9. Organization and reorganization of the executive branch of the Government.

''10. Postal Service.

''11. Status of officers of the United States, including their classification, compensation, and benefits.

''12. Renegotiation of governmental contracts.

''13. Public buildings and improved grounds of the United States generally, including Federal buildings in the District of Columbia.

''(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of Government programs, projects, or activities relating primarily to the subjects specified in paragraph (i)(1), except as provided in subparagraph (a).

''(j)(1) **Committee on Judicial Policy,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

''1. Apportionment of Representatives.

''2. Bankruptcy, mutiny, espionage, and counterfeiting.

''3. Civil liberties.

''4. Constitutional amendments.

''5. Federal courts and judges.

''6. Holidays and celebrations.

''7. Immigration and naturalization.

''8. Interstate compacts generally.

''9. Judicial proceedings, civil and criminal, generally.

''10. Local courts in the territories and possessions.

''11. Measures relating to claims against the United States.

''12. National penitentiaries.

''13. Patent Office.

''14. Patents, copyrights, and trademarks.

''15. Protection of trade and commerce against unlawful restraints and monopolies.

''16. Revisions and codification of the statutes of the United States.

''17. State and territorial boundary lines.

''(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of Government programs, projects, or activities relating primarily to the subjects specified in paragraph (j)(1), except as provided in subparagraph (a).

''(k)(1) **Committee on Social Policy,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

''1. Measures relating to education, labor, health, and public welfare.

''2. Arts and humanities.

''3. Biomedical research and development.

''4. Child labor.

''5. Domestic activities of the American Red Cross.

''6. Equal employment opportunity.

''7. Gallaudet College, Howard University, and Saint Elizabeth's Hospital.

''8. Handicapped individuals.

''9. Labor standards.

''10. Mediation and arbitration of labor disputes.

''11. Occupational safety and health, including the welfare of miners.

''12. Private pension plans.

''13. Public health.

''14. Railroad retirement program.

''15. Regulation of foreign laborers.

''16. Student loans.

''17. Wages and hours of labor.

''18. Food stamp programs.

''19. Human nutrition.

''20. School nutrition programs.

''21. Public housing.

''22. Nursing homes including construction.

''23. National social security.

''24. Public health programs, including health programs under the Social Security Act.

''(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of Government programs, projects, or activities relating primarily to the subjects specified in paragraph (k)(1), except as provided in subparagraph (a).

''(l)(1) **Committee on Native American Programs,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to Native Americans generally, and Native American Programs.

''(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of government programs, projects, or activities relating primarily to the subjects specified in paragraph (l)(1), except as provided in subparagraph (a).

''(m)(1) **Committee on Senior American Programs,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to senior Americans generally, and to the Older Americans Act.

''(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of Government programs, projects, or activities relating primarily to the subjects specified in paragraph (m)(1), except as provided in subparagraph (a).

''(n)(1) **Committee on Veteran American Programs,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

''1. Compensation of veterans.

''2. Life insurance issued by the Government on account of service in the Armed Forces.

''3. National cemeteries.

''4. Pensions of all wars of the United States, general and special.

''5. Readjustment of servicemen to civilian life.

''6. Soldiers and sailors civil relief.

''7. Veterans' hospitals, medical care and treatment of veterans.

''8. Veterans' measures generally.

''9. Vocational rehabilitation and education of veterans.

''(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of Government programs, projects, or activities relating primarily to the subjects specified in paragraph (n)(1), except as provided in subparagraph (a).

''(o)(1) **Committee on Entrepreneurial American Programs,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating to the Small Business Administration.

''(2) Any proposed legislation reported by such committee which relates to matters other than the functions of the Small Business Administration shall, at the request of any standing committee having jurisdiction over the subject matter extraneous to the functions of the Small Business Administration, be considered and reported by such standing committee prior to its consideration by the Senate; and likewise measures reported by other committees directly relating to the Small Business Administration shall, at the request of the Committee on Entrepreneurial American Programs for its consideration of any portions of the measure dealing with the Small Business Administration, be considered and reported by this committee prior to its consideration by the Senate.

''(3) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of Government programs, projects, or activities relating primarily to the subjects specified in paragraphs (o)(1) and (o)(2), except as provided in subparagraph (a).

''(p)(1) **Committee on Senate Rules,** to which committee shall be referred all proposed legislation, messages, petitions, memorials, and other matters relating primarily to the following subjects:

''1. Administration of the Senate office buildings and the Senate wing of the Capitol, including the assignment of office space.

''2. Congressional organization relative to rules and procedures, and Senate rules and regulations, including floor and gallery rules.

''3. Corrupt practices.

''4. Credentials and qualifications of members of the Senate, contested elections, and acceptance of incompatible offices.

''5. Federal elections generally, including the election of the President, Vice President, and members of Congress.

''6. Government Printing Office, and the printing and correction of the Congressional Record, as well as those matters provided under rule XI.

''7. Meetings of the Congress and attendance of the members.

''8. Payments of money out of the contingent fund of the Senate or creating a charge upon the same (except that any resolution relating to substantive matter within the jurisdiction of any other standing committee of the Senate shall first be referred to such committee).

''9. Presidential succession.

''10. Purchase of books and manuscripts and erection of monuments to the memory of individuals.

''11. Senate Library and statuary, art, and pictures in the Capitol and Senate office buildings.

''12. Services to the Senate, including the Senate restaurant.

''13. United States Capitol and congressional office buildings, the Library of Congress, the Smithsonian Institution (and the incorporation of similar institutions), and the Botanic Gardens.

''(2) There shall also be referred to such committee all proposed legislation, messages, petitions, memorials, and other matters relating to the appropriation, or to the rescission of the appropriation, of revenue for the support of Government programs, projects, or activities relating primarily to the subjects specified in paragraph (p)(1), except as provided in subparagraph (a).

''2. (a) Except as otherwise provided by paragraph 4 of this rule, the Leadership Committee, known as the Committee on National Priorities, shall consist of not less than 28 Senators nor more than 33 Senators.

''(b) Except as otherwise provided by paragraph 4 of this rule, each of the following standing committees shall consist of not more than the number of Senators set forth in the following table on the line on which the name of that committee appears:

''LEGISLATIVE POLICY COMMITTEES

''Committee:	Members
Agricultural Policy	17
Defense Policy	17
Commercial Policy	17
Economic Policy	17
Energy Policy	17
Environmental Policy	17
Foreign Policy	17
Governmental Policy	17
Judicial Policy	17
Social Policy	17

''(c) Except as otherwise provided by paragraph 4 of this rule, each of the following standing committees shall consist of not more than the number of Senators set forth in the following table on the line on which the name of that committee appears:

''LEGISLATIVE PROGRAM COMMITTEES

''Committee:	Members
Native American Programs	9
Veteran American Programs	11
Senior American Programs	19
Entrepreneurial American Programs	19

''(d) Except as otherwise provided by paragraph 4 of this rule, each of the following committees and standing committees shall consist of the number of Senators set forth in the following table on the line on which the name of that committee appears:

''ADMINISTRATIVE COMMITTEES

''Committee:	Members
Senate Rules	15
Senate Ethics	6
Senate Intelligence	15

''3. (a) Notwithstanding the provisions of paragraph 4, and except as otherwise provided by this paragraph—

''(1) each Senator shall serve on no more than two committees listed in subparagraph 2(b).

''(2) each Senator serving as either a chairman or a ranking member of any committee listed in subparagraph 2(b) shall serve on the committee listed in subparagraph 2(a).

''(3) each Senator serving as either a chairman or a ranking member of any committee listed in subparagraph 2(c) shall also serve on the committee listed in subparagraph 2(a).

''(4) in addition to those Senators serving on the committee listed in subparagraph 2(a) by virtue of their serving as chairman or ranking member of a committee listed in subparagraph 2(b), not more than 5 Senators shall be appointed by the majority leader of the Senate to serve on the committee listed in subparagraph 2(a) for the purpose of making the overall balance of majority and minority members on the committee the same as the relative balance between the majority and minority members of the Senate.

''(5) service by a Senator on any committee listed in subparagraph 2(c) shall not limit the ability of such Senator to serve on any other committee or standing committee.

''(b) By agreement entered into by the majority leader and the minority leader, the membership of one or more standing committees may be increased temporarily from time to time by such number or numbers as may be required to accord to the majority party a majority of the membership of all standing committees. Members of the majority party in such numbers as may be required for that purpose may serve as members of three standing committees listed in subparagraph 2(b). No such temporary increase in the membership of any Standing committee under this subparagraph shall be continued in effect after the need therefore has ended. No standing committee may be increased in membership under this subparagraph by more than two members in excess of the number prescribed for that committee by paragraph 2(b).

''(c) No Senator shall serve at any one time as chairman of more than one subcommittee of each standing committee of the Senate.

''4. Notwithstanding any provision of rule XXIV of the Standing Rules of the Senate, the appointment of committees or standing committees as prescribed by this title shall be on the basis of each Senator's continuous service in the Senate, except that such appointment shall be in accordance with the following limitations:

''(a) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Agriculture, Nutrition, and Forestry or who were serving on the Subcommittee on Agriculture, Rural Development, and Related Agencies of the Committee on Appropriations may serve on the Committee on Agricultural Policy.

''(b) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Armed Services or who were serving on the Subcommittee on Defense or the Subcommittee on Military Construction of the Committee on Appropriations may serve on the Committee on Defense Policy.

''(c) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Commerce, Science, and Transportation or who were serving on the Subcommittee on Transportation and Related Agencies of the Committee on Appropriations may serve on the Committee on Commercial Policy.

''(d) Only those Senators who on the day preceding the effective date of this title were

serving as members of the Committee on Finance or the Committee on Banking, Housing and Urban Affairs may serve on the Committee on Economic Policy.

''(e) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Energy and Natural Resources or who were serving on the Subcommittee on Energy and Water Development of the Committee on Appropriations, may serve on the Committee on Energy Policy.

''(f) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Environment and Public Works or who were serving on the Subcommittee on Interior and Related Agencies of the Committee on Appropriations may serve on the Committee on Environmental Policy.

''(g) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Foreign Relations or who were serving on the Subcommittee on Foreign Operations of the Committee on Appropriations may serve on the Committee on Foreign Policy.

''(h) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Governmental Affairs or who were serving on the Subcommittee on Treasury, Postal Service, and General Government or the Subcommittee on the District of Columbia or on the Subcommittee on HUD-Independent Agencies of the Committee on Appropriations may serve on the Committee on Governmental Policy.

''(i) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on the Judiciary or who were serving on the Subcommittee on Commerce, Justice, State, the Judiciary, and Related Agencies of the Committee on Appropriations may serve on the Committee on Judicial Policy.

''(j) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Labor and Human Resources or who were serving on the Subcommittee on Labor, Health and Human Services, Education, and Related Agencies of the Committee on Appropriations, may serve on the Committee on Social Policy.

''(k) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Rules and Administration or who were serving on the Subcommittee on Legislative Branch of the Committee on Appropriations may serve on the Committee on Senate Policy.

''(l) Only those Senators who on the day preceding the effective date of this title were serving as members of the Select Committee on Indian Affairs may serve on the Committee on Native American Programs.

''(m) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Veterans' Affairs may serve on the Committee on Veteran Programs.

''(n) Only those Senators who on the day preceding the effective date of this title were serving as members of the Special Committee on Aging may serve on the Committee on Senior American Programs.

''(o) Only those Senators who on the day preceding the effective date of this title were serving as members of the Committee on Small Business may serve on the Committee on Senior American Programs.

''5. Upon the effective date of this title, the Select Committee on Ethics shall become the Committee on Senate Ethics, and the Select Committee on Intelligence shall become the Committee on Intelligence Oversight. However, the membership, functions, and duties of such committees shall remain unchanged.''.

SEC. 2. Paragraphs 1, 2, 3, 4, 6, and 7 of rule XVI of the Standing Rules of the Senate are repealed, and paragraphs 5 and 8 are renumbered as paragraphs ''1'' and ''2'', respectively.

SEC. 3. Subparagraph (b) of paragraph 4 of rule XVII of the Standing Rules of the Senate is amended by striking out ''(except the Committee on Appropriations)''.

SEC. 4. Rule XXVI of the Standing Rules of the Senate is amended—

(a) by striking out ''(except the Committee on Appropriations)'' in each instance where it appears,

(b) by striking out ''(except the Committee on Appropriations and the Committee on the Budget)'' in each instance where it appears, and inserting in lieu thereof the following ''(except the Committee on National Priorities)'',

(c) by striking out ''The prohibition contained in the preceding sentence shall not apply to the Committee on Appropriations or the Committee on the Budget.'' in subparagraph 5(a) and inserting in lieu thereof ''The prohibition contained in the preceding sentence shall not apply to the Committee on National Priorities.'',

(d) by striking out the last sentence of subparagraph 10(b), and

(e) by striking out ''(except those by the Committee on Appropriations)'' in subparagraph 11(b).

SEC. 5. The provisions of this resolution shall take effect on the first day of the first Congress following the date of its adoption by the Senate.

Mr. MCCAIN. Madam President, for many years I have spoken at length, both on and off of the Senate floor, about the need to curb pork barrel spending and reduce overall government waste. Around this time each year, I often engage in lengthy debates over the latest excesses in the appropriations bills, which, almost invariably, are stuffed to the gills with earmarks and pet projects.

It was noted last week that H.R. 3338, this year's $317 billion Department of Defense Appropriations bill, was the most expensive appropriations bill to ever pass the United States Senate. Unlike some of my colleagues, I do not believe this is something for which we deserve praise. Bills like H.R. 3338, before it was modified due to the efforts of other Republican Senators who share my concern, are prime examples of how we are failing the American taxpayers who foot the bill for our excesses.

Time and again, I have called my colleagues' attention to the harmful practice of earmarking, of putting parochial interests before national ones, and of funding projects in an ad hoc manner devoid of a unifying policy or goal.

Last week, Secretary Rumsfeld, after briefing a group of Senators about the war effort, was asked what the Senate could do to help. One of several requests by the Secretary was that we in Senate stop funding projects the military did not ask for or need. As my colleague from Arizona, Senator KYL, recounted last Friday night during debate on the DoD appropriations bill, the reaction to this statement was ''other than that, what can we do?''

Today I offer an answer. It is premised on the recognition that part of the problem lies in the current structure of the Senate, which delegates to separate committees the functions of authorization and appropriating funds. Currently, there are no effective restrictions on funding projects that have not been considered by a single committee with technical expertise and broad policy perspective. I should mention that I do not necessarily think these are the authorizing committees.

To help provide a unified, uniform policy basis for our spending of taxpayers' money, I am introducing a resolution today to reorganize the committees of the United States Senate with the hope of helping to eliminate spending on unauthorized and unconsidered pet projects.

Under this Resolution most of the existing committees would be dissolved and reconstituted as policy, administrative, or leadership committees. The Resolution would merge the functions of the authorizing and appropriations committees by having members of the existing appropriations subcommittees serve with current members of the existing authorizing committee on newly created ''policy committees'' that correspond to the issues they currently cover.

This resolution is not a new idea. It was introduced during four previous Congresses by one of our former colleagues, Nancy Kassebaum. I was a proud cosponsor of this legislation then, and I find it particularly timely now. This is a sound proposal for real reform, and I hope that my colleagues will join me in supporting it.

SENATE RESOLUTION 190—AUTHORIZING THE TAKING OF A PHOTOGRAPH IN THE CHAMBER OF THE UNITED STATES SENATE

Mr. DASCHLE (for himself and Mr. LOTT) submitted the following resolution; which was considered and agreed to:

S. RES. 190

Resolved, That paragraph 1 of Rule IV of the Rules for the Regulation of the Senate Wing of the United States Capitol (prohibiting the taking of pictures in the Senate Chamber) be temporarily suspended for the sole and specific purpose of permitting the Senate Photographic Studio to photograph the United States Senate in actual session on Wednesday, January 23, 2002, at the hour of 2:30 p.m.

SEC. 2. The Sergeant at Arms of the Senate is authorized and directed to make the necessary arrangements therefor, which arrangements shall provide for a minimum of disruption to Senate proceedings.

SENATE CONCURRENT RESOLUTION 92—RECOGNIZING RADIO FREE EUROPE/RADIO LIBERTY'S SUCCESS IN PROMOTING DEMOCRACY AND ITS CONTINUING CONTRIBUTION TO UNITED STATES NATIONAL INTERESTS

Mr. HATCH (for himself, Mr. BIDEN, Mr. HELMS, Mr. KENNEDY, and Mr. SMITH of Oregon) submitted the following concurrent resolution; which was referred to the Committee on Foreign Relations:

S. CON. RES. 92

Whereas on May 1, 1951, Radio Free Europe inaugurated its full schedule of broadcast services to the people of Eastern Europe and, subsequently, Radio Liberty initiated its broadcast services to the peoples of the Soviet Union on March 1, 1953, just before the death of Stalin;

Whereas now fifty years later, Radio Free Europe/Radio Liberty (in this concurrent resolution referred to as ''RFE/RL'') continues to promote democracy and human rights and serve United States national interests by fulfilling its mission ''to promote democratic values and institutions by disseminating factual information and ideas'';

Whereas Radio Free Europe and Radio Liberty were established in the darkest days of the cold war as a substitute for the free media which no longer existed in the communist-dominated countries of Central and Eastern Europe and the Soviet Union;

Whereas Radio Free Europe and Radio Liberty developed a unique form of international broadcasting known as surrogate broadcasting by airing local news about the countries to which they broadcast as well as providing regional and international news, thus preventing the communist governments from establishing a monopoly on the dissemination of information and providing an alternative to the state-controlled, party dominated domestic media;

Whereas the broadcast of uncensored news and information by Radio Free Europe and Radio Liberty was a critical element contributing to the collapse of the totalitarian communist governments of Central and Eastern Europe and the Soviet Union;

Whereas since the fall of the Iron Curtain, RFE/RL has continued to inform and therefore strengthen democratic forces in Central Europe and the countries of the former Soviet Union, and has contributed to the development of a new generation of political and economic leaders who have worked to strengthen civil society, free market economies, and democratic government institutions;

Whereas United States Government funding established and continues to support international broadcasting, including RFE/RL, and this funding is among the most useful and effective in promoting and enhancing the Nation's national security over the past half century;

Whereas RFE/RL has successfully downsized in response to legislative mandate and adapted its programming to the changing international broadcast environment in order to serve a broad spectrum of target audiences—people living in fledgling democracies where private media are still weak and do not enjoy full editorial independence, transitional societies where democratic institutions and practices are poorly developed, as well as countries which still have tightly controlled state media;

Whereas RFE/RL continues to provide objective news, analysis, and discussion of domestic and regional issues crucial to democratic and free-market transformations in emerging democracies as well as strengthening civil society in these areas;

Whereas RFE/RL broadcasts seek to combat ethnic, racial, and religious intolerance and promote mutual understanding among peoples;

Whereas RFE/RL provides a model for local media, assists in training to encourage media professionalism and independence, and develops partnerships with local media outlets in emerging democracies;

Whereas RFE/RL is a unique broadcasting institution long regarded by its audience as an alternative national media that provides both credibility and security for local journalists who work as its stringers and editors in the broadcast region; and

Whereas RFE/RL fosters closer relations between the United States and other democratic states, and the states of Central Europe and the former Soviet republics: Now therefore be it

Resolved by the Senate (the House of Representatives concurring), That the Congress—

(1) congratulates the editors, journalists, and managers of Radio Free Europe/Radio Liberty on a half century of effort in promoting democratic values, and particularly their contribution to promoting freedom of the press and freedom of expression in areas of the world where such liberties have been denied or are not yet fully institutionalized; and

(2) recognizes the major contribution of Radio Free Europe/Radio Liberty to the growth of democracy throughout the world and its continuing efforts to advance the vital national interests of the United States in building a world community that is more peaceful, democratic, free, and stable.

Mr. HATCH. Madam President, amidst the focus and sustained attention we have all had on the matters of the first global war of the 21st century, we do not wish to miss the 50th year anniversary of one of the most important tools developed in our foreign policy arsenal in the 20th century. I am referring to the 50th anniversary of the inauguration of Radio Free Europe, which first broadcast its full schedule of radio programming into central and eastern Europe on May 1, International Workers' Day, one of the most famous communist holidays, in 1951.

Two years later, Radio Liberty began its broadcasting programs to the peoples of the Soviet Union. An era of puncturing the state-imposed silence of totalitarian regimes had begun.

Today, I am happy to submit a resolution commemorating the 50 years of the ''Radios,'' as they have come to be known. I am happy to have as co-sponsors the chairman and the ranking member of the Senate Foreign Relations Committee, as well as Senator KENNEDY and Senator SMITH of Oregon.

The Radios were the main component in what some would call America's propaganda efforts. Along with the Voice of America, which broadcasts about American affairs throughout the world, revealing to audiences restricted from freedom of the media the real stories of this country, the Radios were a central tool in broadcasting local news and information back into the captive countries of central and eastern Europe and Eurasia.

Totalitarian communism required complete government control of every aspect of society, that is what totalitarianism is. In addition to controlling every aspect of an individual's life, totalitarianism required that all information, be it cultural, educational or informational, must also be controlled. Totalitarianism cannot function, communism cannot dominate, tyranny cannot succeed, if they must compete with independent media that promotes a free exchange of ideas and views.

That was the role of the Radios. It was an understanding of this basic dynamic of totalitarian communism which led our policymakers, 50 years ago, to realize that one of the most effective, in fact, most threatening, tools we could deploy was the use of a free media. And thus was born the Radios, Radio Free Europe for broadcasting to eastern and central Europe and Radio Liberty for broadcasting into the Soviet Union's realm.

When peoples' minds can grasp differing views, news not controlled by the state, then the state does not completely own them. When the state cannot own them, the state will eventually have to serve, not dominate, its citizens.

It is the freedom of information, wedded to technology, originally radio, then television, now the Internet, that gave hope, that sustained resistance and that ultimately made one of the central contributions to the collapse of these regimes against which we waged a Cold War through the latter half of the 20th century.

Now, 50 years after their inception, it is fitting that we pass this resolution to honor the Radios and their many contributors, editors, journalists, broadcasters and technicians, who staffed them through all of these years.

It is also worthwhile, as we pause to honor this mission, to recognize that the Radios had bipartisan support throughout these years. America's foreign policy, after all, is most vibrant, most dynamic, most successful, when it operates with bipartisan support. That is why our colleagues in the House passed this concurrent resolution with 404 votes.

It is also worthwhile to note that there are very valuable lessons to be learned from this successful aspect of American foreign policy, and to recognize that the supporters of the Radios have, in fact, applied these lessons to the new post-Cold War context.

Yes, it has become a cliche in the past 10 years that we are in a ''post-Cold War'' era. The question that has remained largely unanswered, however, is how does the U.S. respond to this era? Some have suggested that we reached an ''end of history,'' where liberal democracy essentially triumphs around the globe. Some suggested that the end of geopolitical competition in a bipolar era would reduce America's role or obligations in the world.

In response, some have suggested, more caustically and in retrospect since that dark September 11 day, that America went on holiday for the last 10

years, eschewing our vigilance against global threats and riding on a historic wave of prosperity underlined by a false assumption that economic growth eliminated all global challenges and threats.

An American foreign policy expert noted, shortly after the end of the Cold War, that ''the world has changed the way it looks, but not the way it works.'' I agree. There still remain regimes that oppress their peoples; there still remain movements that see the United States as their enemy; there still remain forces that seek to destroy us.

It is no coincidence that these regimes and movements depend on controlling and suppressing freedom of thought and expression wherever they hold sway. None of the countries on our terrorism list has free media. And certainly one of the most repressive regimes in recent memory was that of the now defunct and despicable Taliban regime.

Our colleagues have introduced legislation promoting a ''Radio Free Afghanistan'' to assist the transition to a post-Taliban era for that nation we abandoned and neglected for the last decade. My colleague, Senator BIDEN, in response to the September 11 attacks, has correctly noted that there is much, much more that we can do in terms of broadcasting accurate news and information to large parts of the Arab and Islamic world. Senator BIDEN has a long-standing dedication to these broadcasting tools of our foreign policy. I have seen his first proposal for an enhanced international broadcasting function, and am anxious to support it.

As those who have always supported the Radios know, a lot of the lessons for our future use of surrogate broadcasting comes from the lessons learned through the Radios since 1989. The Radios themselves have evolved. No longer broadcasting into closed societies, they have adapted their mission to the changed circumstances, they have become key players in these societies in transition. As a result of congressional oversight and the leadership of the Radios, the Radios have reshaped their missions to support the transition to democracy of the many nations of the former communist bloc, who are all in various stages of transition, some fully democratic, others struggling, and even others backsliding.

One of the most disturbing aspects of America's temporary retreat following the end of the Cold War was the notion that, with communism defeated, these societies of the former Soviet bloc would inevitably blossom into stable democracies. This has proved contrary to history, and, as we saw in many cases during the 1990s, was contrary to fact. While communism is defeated, a stable democratic society must be developed and nurtured, often by well-meaning citizens with little experience of the societies they seek to achieve. Central in effecting this transition is a free media, and I am happy to say that the Radios are playing a key role, a role carefully calibrated to their stages of political and economic development.

In societies still governed by repressive regimes, such as Belarus and Turkmenistan, the Radios continue to broadcast news that the local populations can trust and continue to puncture state-controlled media with fresh and objective analysis. In transition societies, such as Russia and Serbia, the Radios, in addition to providing useful news and analysis, provide a model of modern, professional media that these societies study and use to advance their own nascent media institutions.

America does not have all of the ideas, nor all of the solutions, to the problems of the world. But our system is based on the fundamental conviction that there must be a free exchange of ideas. And history has demonstrated that we have worked best, most productively, most peacefully, with nations that share this conviction. The Radios both emulated this fundamental principle and applied it to advance our national security. Let us pause for a moment and recognize this by passing this resolution commemorating their 50th anniversary.

AMENDMENTS SUBMITTED AND PROPOSED

SA 2467. Mr. HUTCHINSON (for himself and Mrs. LINCOLN) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table.

SA 2468. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2469. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2470. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2471. Mr. DASCHLE (for Mr. HARKIN) proposed an amendment to the bill S. 1731, supra.

SA 2472. Mr. CRAPO (for himself, Mr. BINGAMAN, Mr. DOMENICI, Mr. BROWNBACK, Mr. CRAIG, and Mr. VOINOVICH) proposed an amendment to amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) supra.

SA 2473. Mr. LUGAR (for himself and Mr. DOMENICI) proposed an amendment to amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) supra.

SA 2474. Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2475. Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2476. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2477. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2478. Mr. REID (for Mr. LIEBERMAN (for himself and Mr. THOMPSON)) proposed an amendment to the bill H.R. 2336, An act to extend for 4 years, through December 31, 2005, the authority to redact financial disclosure statements of judicial employees and judicial officers.

SA 2479. Mr. REID (for Mr. LIEBERMAN) proposed an amendment to the bill H.R. 2336, supra.

SA 2480. Mr. REID (for Mr. LIEBERMAN) proposed an amendment to the bill H.R. 2199, to amend the National Capital Revitalization and Self-Government Improvement Act of 1997 to permit any Federal law enforcement agency to enter into a cooperative agreement with the Metropolitan Police Department of the District of Columbia to assist the Department in carrying out crime prevention and law enforcement activities in the District of Columbia if deemed appropriate by the Chief of the Department and the United States Attorney for the District of Columbia, and for other purposes.

TEXT OF AMENDMENTS

SA 2467. Mr. HUTCHINSON (for himself and Mrs. LINCOLN) submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumes abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of subtitle C of title X and insert the following:

SEC. 10___. ANIMAL AND PLANT HEALTH INSPECTION SERVICE.

(a) DEFINITIONS.—In this section:

(1) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture, acting through the Administrator of the Service.

(2) SERVICE.—The term ''Service'' means the Animal and Plant Health Inspection Service of the Department of Agriculture.

(b) EXEMPTION.—Notwithstanding any other provision of law, any migratory bird management carried out by the Secretary shall be exempt from the National Environmental Policy Act of 1969 (42 U.S.C. 4321 et seq.) (including regulations).

(c) PERMITS; MANAGEMENT.—An agent, officer, or employee of the Service that carries out any activity relating to migratory bird management may, under the Migratory Bird Treaty Act (16 U.S.C. 703 et seq.)—

(1) issue a depredation permit to a stakeholder or cooperator of the Service; and

(2) manage and take migratory birds.

SA 2468. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . STUDY, EVALUATION AND REPORT ON THE CREATION OF A LITTER BANK BY THE DEPARTMENT OF AGRICULTURE AT THE UNIVERSITY OF ARKANSAS.

The Secretary shall conduct a study to evaluate and report back to Congress on the creation of a litter bank by the Department of Agriculture at the University of Arkansas for the purpose of enhancing health and viability of watersheds in areas with large concentrations of animal producing units. The Secretary shall evaluate the needs and means by which litter may be collected and distributed to other watersheds to reduce potential point source and non point source phosphorous pollution. The report shall be submitted to Congress no later than six months after the enactment of this Act.

SA 2469. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place insert the following:

SEC. . OZARK FOOTHILLS RECREATION CONSERVATION & DEVELOPMENT COUNCIL FOR FOREST LANDOWNERS EDUCATION PROJECT IN BATESVILLE, ARKANSAS.

(a) AVAILABILITY OF FUNDS.—Of the amount authorized by this act, $200,000 is to be authorized for the Ozark Foothills Recreation Conservation & Development Council for the Forest Landowners Education Project in Batesville, Arkansas.

SA 2470. Mr. HUTCHINSON submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

TITLE ___—ANIMAL ENTERPRISE TERRORISM

SEC. ___01. ANIMAL ENTERPRISE TERRORISM.

(a) IN GENERAL.—Section 43(a) of title 18, United States Code, is amended to read as follows:

''(a) OFFENSE.—

''(1) IN GENERAL.—Whoever—

''(A) travels in interstate or foreign commerce, or uses or causes to be used the mail or any facility in interstate or foreign commerce for the purpose of causing physical disruption to the functioning of an animal enterprise; and

''(B) intentionally damages or causes the loss of any property (including animals or records) used by the animal enterprise, or conspires to do so,

shall be punished as provided for in subsection (b).

(b) PENALTIES.—Section 43(b) of title 18, United States Code, is amended to read as follows:

''(b) PENALTIES.—

''(1) ECONOMIC DAMAGE.—Any person who, in the course of a violation of subsection (a), causes economic damage not exceeding $10,000 to an animal enterprise shall be fined under this title or imprisoned not more than 6 months, or both.

''(2) MAJOR ECONOMIC DAMAGE.—Any person who, in the course of a violation of subsection (a), causes economic damage exceeding $10,000 to an animal enterprise shall be fined under this title or imprisoned not more than 3 years, or both.

''(3) SERIOUS BODILY INJURY.—Any person who, in the course of a violation of subsection (a), causes serious bodily injury to another individual shall be fined under this title or imprisoned not more than 20 years, or both.

''(4) DEATH.—Any person who, in the course of a violation of subsection (a), causes the death of an individual shall be fined under this title or imprisoned for life or for any term of years, or both.''.

(c) RESTITUTION.—Section 43(c) of title 18, United States Code, is amended—

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

(2) in paragraph (2), by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(3) for any other economic damage resulting from the offense.''.

SEC. ___02. NATIONAL ANIMAL TERRORISM INCIDENT CLEARINGHOUSE.

(a) DEFINITIONS.—In this section:

(1) ANIMAL ENTERPRISE.—The term ''animal enterprise'' has the same meaning as in section 43 of title 18, United States Code.

(2) CLEARINGHOUSE.—The term ''clearinghouse'' means the clearinghouse established under subsection (b).

(3) DIRECTOR.—The term ''Director'' means the Director of the Federal Bureau of Investigation.

(b) NATIONAL CLEARINGHOUSE.—The Director shall establish and maintain a national clearinghouse for information on incidents of violent crime and terrorism committed against or directed at any animal enterprise.

(c) CLEARINGHOUSE.—The clearinghouse shall—

(1) accept, collect, and maintain information on incidents described in subsection (b) that is submitted to the clearinghouse by Federal, State, and local law enforcement agencies, by law enforcement agencies of foreign countries, and by victims of such incidents;

(2) collate and index such information for purposes of cross-referencing; and

(3) upon request from a Federal, State, or local law enforcement agency, or from a law enforcement agency of a foreign country, provide such information to assist in the investigation of an incident described in subsection (b).

(d) SCOPE OF INFORMATION.—The information maintained by the clearinghouse for each incident shall, to the extent practicable, include—

(1) the date, time, and place of the incident;

(2) details of the incident;

(3) any available information on suspects or perpetrators of the incident; and

(4) any other relevant information.

(e) DESIGN OF CLEARINGHOUSE.—The clearinghouse shall be designed for maximum ease of use by participating law enforcement agencies.

(f) PUBLICITY.—The Director shall publicize the existence of the clearinghouse to law enforcement agencies by appropriate means.

(g) RESOURCES.—In establishing and maintaining the clearinghouse, the Director may—

(1) through the Attorney General, utilize the resources of any other department or agency of the Federal Government; and

(2) accept assistance and information from private organizations or individuals.

(h) COORDINATION.—The Director shall carry out the responsibilities of the Director under this section in cooperation with the Director of the Bureau of Alcohol, Tobacco, and Firearms.

SA 2471. Mr. DASCHLE (for Mr. HARKIN) proposed an amendment to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. SHORT TITLE; TABLE OF CONTENTS.

(a) SHORT TITLE.—This Act may be cited as the ''Agriculture, Conservation, and Rural Enhancement Act of 2001''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

TITLE I—COMMODITY PROGRAMS

Sec. 101. Definitions.

Subtitle A—Direct and Counter-Cyclical Payments

Sec. 111. Direct and counter-cyclical payments.
Sec. 112. Violations of contracts.
Sec. 113. Planting flexibility.

Subtitle B—Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments

Sec. 121. Nonrecourse marketing assistance loans and loan deficiency payments.
Sec. 122. Eligible production.
Sec. 123. Loan rates.
Sec. 124. Term of loans.
Sec. 125. Repayment of loans.
Sec. 126. Loan deficiency payments.
Sec. 127. Special marketing loan provisions for upland cotton.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

Sec. 131. Milk price support program.
Sec. 132. National dairy program.
Sec. 133. Dairy export incentive and dairy indemnity programs.
Sec. 134. Fluid milk promotion.
Sec. 135. Dairy product mandatory reporting.
Sec. 136. Funding of dairy promotion and research program.
Sec. 137. Dairy studies.

CHAPTER 2—SUGAR

Sec. 141. Sugar program.
Sec. 142. Storage facility loans.
Sec. 143. Flexible marketing allotments for sugar.

CHAPTER 3—PEANUTS

Sec. 151. Peanut program.
Sec. 152. Termination of marketing quotas for peanuts and compensation to peanut quota holders.

Subtitle D—Administration

Sec. 161. Adjustment authority related to Uruguay Round compliance.
Sec. 162. Suspension of permanent price support authority.
Sec. 163. Commodity purchases.
Sec. 164. Hard white wheat incentive payments.
Sec. 165. Payment limitations.

TITLE II—CONSERVATION

Subtitle A—Conservation Security

Sec. 201. Conservation security program.
Sec. 202. Funding.
Sec. 203. Partnerships and cooperation.
Sec. 204. Administrative requirements for conservation programs.

Sec. 205. Reform and assessment of conservation programs.
Sec. 206. Conservation security program regulations.
Sec. 207. Conforming amendments.

Subtitle B—Program Extensions

Sec. 211. Comprehensive conservation enhancement program.
Sec. 212. Conservation reserve program.
Sec. 213. Environmental quality incentives program.
Sec. 214. Wetlands reserve program.
Sec. 215. Water conservation program.
Sec. 216. Resource conservation and development program.
Sec. 217. Wildlife habitat incentive program.
Sec. 218. Farmland protection program.
Sec. 219. Expansion of State marketing programs.
Sec. 220. Grassland reserve program.
Sec. 221. State technical committees.
Sec. 222. Use of symbols, slogans, and logos.

Subtitle C—Organic Farming

Sec. 231. Organic Agriculture Research Trust Fund.
Sec. 232. Establishment of National Organic Research Endowment Institute.

Subtitle D—Regional Equity

Sec. 241. Allocation of conservation funds by State.

Subtitle E—Advisory Council and Federal Interagency Working Group on Upper Mississippi River

Sec. 251. Definitions.
Sec. 252. Establishment of Advisory Council on the Upper Mississippi River Stewardship Initiative.
Sec. 253. Federal Interagency Working Group.
Sec. 254. Authorization of appropriations.

Subtitle F—Miscellaneous

Sec. 261. Cranberry acreage reserve program.
Sec. 262. Klamath Basin.

TITLE III—TRADE

Subtitle A—Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

Sec. 301. United States policy.
Sec. 302. Provision of agricultural commodities.
Sec. 303. Generation and use of currencies by private voluntary organizations and cooperatives.
Sec. 304. Levels of assistance.
Sec. 305. Food Aid Consultative Group.
Sec. 306. Maximum level of expenditures.
Sec. 307. Administration.
Sec. 308. Assistance for stockpiling and rapid transportation, delivery, and distribution of shelf-stable prepackaged foods.
Sec. 309. Sale procedure.
Sec. 310. Prepositioning.
Sec. 311. Expiration date.
Sec. 312. Micronutrient fortification program.
Sec. 313. Farmer-to-farmer program.

Subtitle B—Agricultural Trade Act of 1978

Sec. 321. Export credit guarantee program.
Sec. 322. Market access program.
Sec. 323. Export enhancement program.
Sec. 324. Foreign market development cooperator program.
Sec. 325. Food for progress and education programs.
Sec. 326. Exporter assistance initiative.

Subtitle C—Miscellaneous Agricultural Trade Provisions

Sec. 331. Bill Emerson Humanitarian Trust.
Sec. 332. Emerging markets.
Sec. 333. Biotechnology and agricultural trade program.
Sec. 334. Surplus commodities for developing or friendly countries.
Sec. 335. Agricultural trade with Cuba.
Sec. 336. Sense of Congress concerning agricultural trade.

TITLE IV—NUTRITION PROGRAMS

Sec. 401. Short title.

Subtitle A—Food Stamp Program

Sec. 411. Encouragement of payment of child support.
Sec. 412. Simplified definition of income.
Sec. 413. Increase in benefits to households with children.
Sec. 414. Simplified determination of housing costs.
Sec. 415. Simplified utility allowance.
Sec. 416. Simplified procedure for determination of earned income.
Sec. 417. Simplified determination of deductions.
Sec. 418. Simplified definition of resources.
Sec. 419. Alternative issuance systems in disasters.
Sec. 420. State option to reduce reporting requirements.
Sec. 421. Benefits for adults without dependents.
Sec. 422. Preservation of access to electronic benefits.
Sec. 423. Cost neutrality for electronic benefit transfer systems.
Sec. 424. Alternative procedures for residents of certain group facilities.
Sec. 425. Availability of food stamp program applications on the Internet.
Sec. 426. Simplified determinations of continuing eligibility.
Sec. 427. Clearinghouse for successful nutrition education efforts.
Sec. 428. Transitional food stamps for families moving from welfare.
Sec. 429. Delivery to retailers of notices of adverse action.
Sec. 430. Reform of quality control system.
Sec. 431. Improvement of calculation of State performance measures.
Sec. 432. Bonuses for States that demonstrate high performance.
Sec. 433. Employment and training program.
Sec. 434. Reauthorization of food stamp program and food distribution program on Indian reservations.
Sec. 435. Coordination of program information efforts.
Sec. 436. Expanded grant authority.
Sec. 437. Access and outreach pilot projects.
Sec. 438. Consolidated block grants and administrative funds.
Sec. 439. Assistance for community food projects.
Sec. 440. Availability of commodities for the emergency food assistance program.
Sec. 441. Innovative programs for addressing common community problems.
Sec. 442. Report on use of electronic benefit transfer systems.
Sec. 443. Vitamin and mineral supplements.

Subtitle B—Miscellaneous Provisions

Sec. 451. Reauthorization of commodity programs.
Sec. 452. Partial restoration of benefits to legal immigrants.
Sec. 453. Commodities for school lunch programs.
Sec. 454. Eligibility for free and reduced price meals.
Sec. 455. Eligibility for assistance under the special supplemental nutrition program for women, infants, and children.
Sec. 456. Seniors farmers' market nutrition program.
Sec. 457. Fruit and vegetable pilot program.
Sec. 458. Congressional Hunger Fellows Program.
Sec. 459. Nutrition information and awareness pilot program.
Sec. 460. Effective date.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

Sec. 501. Direct loans.
Sec. 502. Financing of bridge loans.
Sec. 503. Limitations on amount of farm ownership loans.
Sec. 504. Joint financing arrangements.
Sec. 505. Guarantee percentage for beginning farmers and ranchers.
Sec. 506. Guarantee of loans made under State beginning farmer or rancher programs.
Sec. 507. Down payment loan program.
Sec. 508. Beginning farmer and rancher contract land sales program.

Subtitle B—Operating Loans

Sec. 511. Direct loans.
Sec. 512. Amount of guarantee of loans for tribal farm operations; waiver of limitations for tribal farm operations and other farm operations.

Subtitle C—Administrative Provisions

Sec. 521. Eligibility of limited liability companies for farm ownership loans, farm operating loans, and emergency loans.
Sec. 522. Debt settlement.
Sec. 523. Temporary authority to enter into contracts; private collection agencies.
Sec. 524. Interest rate options for loans in servicing.
Sec. 525. Annual review of borrowers.
Sec. 526. Simplified loan applications.
Sec. 527. Inventory property.
Sec. 528. Definitions.
Sec. 529. Loan authorization levels.
Sec. 530. Interest rate reduction program.
Sec. 531. Options for satisfaction of obligation to pay recapture amount for shared appreciation agreements.
Sec. 532. Waiver of borrower training certification requirement.
Sec. 533. Annual review of borrowers.

Subtitle D—Farm Credit

Sec. 541. Repeal of burdensome approval requirements.
Sec. 542. Banks for cooperatives.
Sec. 543. Insurance Corporation premiums.
Sec. 544. Board of Directors of the Federal Agricultural Mortgage Corporation.

Subtitle E—General Provisions

Sec. 551. Inapplicability of finality rule.
Sec. 552. Technical amendments.
Sec. 553. Effective date.

TITLE VI—RURAL DEVELOPMENT

Subtitle A—Empowerment of Rural America

Sec. 601. National Rural Cooperative and Business Equity Fund.
Sec. 602. Rural business investment program.
Sec. 603. Full funding of pending rural development loan and grant applications.
Sec. 604. Rural Endowment Program.
Sec. 605. Enhancement of access to broadband service in rural areas.
Sec. 606. Value-added agricultural product market development grants.
Sec. 607. National Rural Development Information Clearinghouse.

Subtitle B—National Rural Development Partnership

Sec. 611. Short title.
Sec. 612. National Rural Development Partnership.

Subtitle C—Consolidated Farm and Rural Development Act

Sec. 621. Water or waste disposal grants.

Sec. 622. Rural business opportunity grants.
Sec. 623. Rural water and wastewater circuit rider program.
Sec. 624. Multijurisdictional regional planning organizations.
Sec. 625. Certified nonprofit organizations sharing expertise.
Sec. 626. Loan guarantees for certain rural development loans.
Sec. 627. Rural firefighters and emergency personnel grant program.
Sec. 628. Emergency community water assistance grant program.
Sec. 629. Water and waste facility grants for Native American tribes.
Sec. 630. Water systems for rural and native villages in Alaska.
Sec. 631. Rural cooperative development grants.
Sec. 632. Grants to broadcasting systems.
Sec. 633. Business and industry loan modifications.
Sec. 634. Value-added intermediary relending program.
Sec. 635. Use of rural development loans and grants for other purposes.
Sec. 636. Simplified application forms for loan guarantees.
Sec. 637. Definition of rural and rural area.
Sec. 638. Rural entrepreneurs and microenterprise assistance program.
Sec. 639. Rural seniors.
Sec. 640. Children's day care facilities.
Sec. 641. Rural telework.
Sec. 642. Historic barn preservation.
Sec. 643. Grants for emergency weather radio transmitters.
Sec. 644. Bioenergy and biochemical projects.
Sec. 645. Delta Regional Authority.
Sec. 646. SEARCH grants for small communities.
Sec. 647. Northern Great Plains Regional Authority.

Subtitle D—Food, Agriculture, Conservation, and Trade Act of 1990

Sec. 651. Alternative Agricultural Research and Commercialization Corporation.
Sec. 652. Telemedicine and distance learning services in rural areas.

Subtitle E—Rural Electrification Act of 1936

Sec. 661. Bioenergy and biochemical projects.
Sec. 662. Guarantees for bonds and notes issued for electrification or telephone purposes.
Sec. 663. Expansion of 911 access.

TITLE VII—AGRICULTURAL RESEARCH, EDUCATION, AND EXTENSION AND RELATED MATTERS

Subtitle A—National Agricultural Research, Extension, and Teaching Policy Act of 1977

Sec. 701. Definitions.
Sec. 702. National Agricultural Research, Extension, Education, and Economics Advisory Board.
Sec. 703. Grants and fellowships for food and agricultural sciences education.
Sec. 704. Competitive research facilities grant program.
Sec. 705. Grants for research on the production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.
Sec. 706. Policy research centers.
Sec. 707. Human nutrition intervention and health promotion research program.
Sec. 708. Pilot research program to combine medical and agricultural research.
Sec. 709. Nutrition education program.
Sec. 710. Animal health and disease research programs.
Sec. 711. Research on national or regional problems.
Sec. 712. Education grants programs for Hispanic-serving institutions.
Sec. 713. Competitive grants for international agricultural science and education programs.
Sec. 714. Indirect costs.
Sec. 715. Research equipment grants.
Sec. 716. Agricultural research programs.
Sec. 717. Extension education.
Sec. 718. Availability of competitive grant funds.
Sec. 719. Joint requests for proposals.
Sec. 720. Supplemental and alternative crops.
Sec. 721. Aquaculture.
Sec. 722. Rangeland research.
Sec. 723. Biosecurity planning and response programs.

Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990

Sec. 731. National genetic resources program.
Sec. 732. Biotechnology risk assessment research.
Sec. 733. High-priority research and extension initiatives.
Sec. 734. Nutrient management research and extension initiative.
Sec. 735. Organic agriculture research and extension initiative.
Sec. 736. Agricultural telecommunications program.
Sec. 737. Assistive technology program for farmers with disabilities.

Subtitle C—Agricultural Research, Extension, and Education Reform Act of 1998

Sec. 741. Initiative for Future Agriculture and Food Systems.
Sec. 742. Partnerships for high-value agricultural product quality research.
Sec. 743. Precision agriculture.
Sec. 744. Biobased products.
Sec. 745. Thomas Jefferson Initiative for Crop Diversification.
Sec. 746. Integrated research, education, and extension competitive grants program.
Sec. 747. Support for research regarding diseases of wheat and barley caused by fusarium graminearum.
Sec. 748. Office of Pest Management Policy.
Sec. 749. Senior Scientific Research Service.

Subtitle D—Land-Grant Funding

CHAPTER 1—1862 INSTITUTIONS

Sec. 751. Carryover.
Sec. 752. Reporting of technology transfer activities.
Sec. 753. Compliance with multistate and integration requirements.

CHAPTER 2—1994 INSTITUTIONS

Sec. 754. Extension at 1994 institutions.
Sec. 755. Equity in Educational Land-Grant Status Act of 1994.
Sec. 756. Eligibility for integrated grants program.

CHAPTER 3—1890 INSTITUTIONS

Sec. 757. Authorization percentages for research and extension formula funds.
Sec. 758. Carryover.
Sec. 759. Reporting of technology transfer activities.
Sec. 760. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
Sec. 761. National research and training centennial centers.
Sec. 762. Matching funds requirement for research and extension activities.

CHAPTER 4—LAND-GRANT INSTITUTIONS

SUBCHAPTER A—GENERAL

Sec. 771. Priority-setting process.
Sec. 772. Termination of certain schedule A appointments.

SUBCHAPTER B—LAND-GRANT INSTITUTIONS IN INSULAR AREAS

Sec. 775. Distance education grants program for insular area land-grant institutions.
Sec. 776. Matching requirements for research and extension formula funds for insular area land-grant institutions.

Subtitle E—Other Laws

Sec. 781. Critical agricultural materials.
Sec. 782. Research facilities.
Sec. 783. Federal agricultural research facilities.
Sec. 784. Competitive, special, and facilities research grants.
Sec. 785. Risk management education for beginning farmers and ranchers.
Sec. 786. Aquaculture.

Subtitle F—New Authorities

Sec. 791. Definitions.
Sec. 792. Regulatory and inspection research.
Sec. 793. Emergency research transfer authority.
Sec. 794. Review of Agricultural Research Service.
Sec. 795. Technology transfer for rural development.
Sec. 796. Beginning farmer and rancher development program.
Sec. 797. Sense of Congress regarding doubling of funding for agricultural research.
Sec. 798. Rural policy research.
Sec. 798A. Priority for farmers and ranchers participating in conservation programs.
Sec. 798B. Organic production and market data initiatives.
Sec. 798C. Organically produced product research and education.
Sec. 798D. International organic research collaboration.

TITLE VIII—FORESTRY

Sec. 801. Office of International Forestry.
Sec. 802. McIntire-Stennis cooperative forestry research program.
Sec. 803. Sustainable forestry outreach initiative; renewable resources extension activities.
Sec. 804. Forestry incentives program.
Sec. 805. Sustainable forestry cooperative program.
Sec. 806. Sustainable forest management program.
Sec. 807. Forest fire research centers.
Sec. 808. Wildfire prevention and hazardous fuel purchase program.
Sec. 809. Enhanced community fire protection.
Sec. 810. Watershed forestry assistance program.
Sec. 811. General provisions.
Sec. 812. State forest stewardship coordinating committees.

TITLE IX—ENERGY

Sec. 901. Findings.
Sec. 902. Consolidated Farm and Rural Development Act.
Sec. 903. Biomass Research and Development Act of 2000.
Sec. 904. Rural Electrification Act of 1936.
Sec. 905. Carbon sequestration demonstration program.
Sec. 906. Sense of Congress concerning national renewable fuels standard.
Sec. 907. Sense of Congress concerning the bioenergy program of the Department of Agriculture.

TITLE X—MISCELLANEOUS

Subtitle A—Country of Origin and Quality Grade Labeling

Sec. 1001. Country of origin labeling.

Sec. 1002. Quality grade labeling of imported meat and meat food products.

Subtitle B—Crop Insurance

Sec. 1011. Continuous coverage.
Sec. 1012. Quality loss adjustment procedures.
Sec. 1013. Conservation requirements.

Subtitle C—General Provisions

Sec. 1021. Unlawful stockyard practices involving nonambulatory livestock.
Sec. 1022. Cotton classification services.
Sec. 1023. Protection for purchasers of farm products.
Sec. 1024. Penalties and foreign commerce provisions of the Animal Welfare Act.
Sec. 1025. Prohibition on interstate movement of animals for animal fighting.
Sec. 1026. Outreach and assistance for socially disadvantaged farmers and ranchers.
Sec. 1027. Public disclosure requirements for county committee elections.
Sec. 1028. Pseudorabies eradication program.
Sec. 1029. Tree assistance program.
Sec. 1030. National organic certification cost-share program.
Sec. 1031. Food Safety Commission.
Sec. 1032. Humane methods of animal slaughter.
Sec. 1033. Penalties for violations of Plant Protection Act.
Sec. 1034. Connecticut River Atlantic Salmon Commission.

Subtitle D—Administration

Sec. 1041. Regulations.
Sec. 1042. Effect of amendments.

TITLE I—COMMODITY PROGRAMS

SEC. 101. DEFINITIONS.

Section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202) is amended to read as follows:

"SEC. 102. DEFINITIONS.

''In this title:

''(1) AGRICULTURAL ACT OF 1949.—Except in section 171, the term 'Agricultural Act of 1949' means the Agricultural Act of 1949 (7 U.S.C. 1421 et seq.), as in effect prior to the suspensions under section 171(b)(1).

''(2) CONSIDERED PLANTED.—The term 'considered planted' means any acreage on the farm that—

''(A) producers on a farm were prevented from planting to a crop because of drought, flood, or other natural disaster, or other condition beyond the control of the eligible owners and producers on the farm, as determined by the Secretary; and

''(B) was not planted to another contract commodity (other than a contract commodity produced under an established practice of double cropping).

''(3) CONTRACT.—The term 'contract' means a contract entered into under subtitle B.

''(4) CONTRACT ACREAGE.—The term 'contract acreage' means the contract acreage determined under section 111(f).

''(5) CONTRACT COMMODITY.—The term 'contract commodity' means wheat, corn, grain sorghum, barley, oats, upland cotton, rice, and oilseeds.

''(6) CONTRACT PAYMENT.—The term 'contract payment' means a payment made under subtitle B pursuant to a contract.

''(7) DEPARTMENT.—The term 'Department' means the Department of Agriculture.

''(8) EXTRA LONG STAPLE COTTON.—The term 'extra long staple cotton' means cotton that—

''(A) is produced from pure strain varieties of the Barbadense species or any hybrid thereof, or other similar types of extra long staple cotton, designated by the Secretary, having characteristics needed for various end uses for which United States upland cotton is not suitable and grown in irrigated cotton-growing regions of the United States designated by the Secretary or other areas designated by the Secretary as suitable for the production of the varieties or types; and

''(B) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

''(9) LOAN COMMODITY.—The term 'loan commodity' means wheat, corn, grain sorghum, barley, oats, upland cotton, extra long staple cotton, rice, oilseeds, wool, mohair, honey, dry peas, lentils, and chickpeas.

''(10) OILSEED.—The term 'oilseed' means a crop of soybeans, sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, and, if designated by the Secretary, other oilseeds.

''(11) PAYMENT YIELD.—The term 'payment yield' means a payment yield determined under section 111(g).

''(12) PRODUCER.—

''(A) IN GENERAL.—The term 'producer' means an owner, operator, landlord, tenant, or sharecropper that—

''(i) shares in the risk of producing a crop; and

''(ii) is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

''(B) HYBRID SEED.—In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract.

''(13) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(14) STATE.—The term 'State' means—

''(A) a State;

''(B) the District of Columbia;

''(C) the Commonwealth of Puerto Rico; and

''(D) any other territory or possession of the United States.

''(15) UNITED STATES.—The term 'United States', when used in a geographical sense, means all of the States.''.

Subtitle A—Direct and Counter-Cyclical Payments

SEC. 111. DIRECT AND COUNTER-CYCLICAL PAYMENTS.

Sections 111 through 114 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211 through 7214) are amended to read as follows:

"SEC. 111. AUTHORIZATION FOR CONTRACTS.

''(a) IN GENERAL.—The Secretary shall offer to enter into a contract with an eligible owner or producer described in subsection (b) on a farm containing eligible cropland under which the eligible owner or producer will receive direct payments and counter-cyclical payments under sections 113 and 114, respectively.

''(b) ELIGIBLE OWNERS AND PRODUCERS.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), an owner or producer on a farm shall be eligible to enter into a contract.

''(2) TENANTS.—

''(A) SHARE-RENT TENANTS.—A producer on eligible cropland that is a tenant with a share-rent lease of the eligible cropland, regardless of the length of the lease, shall be eligible to enter into a contract, if the owner of the eligible cropland enters into the same contract.

''(B) CASH-RENT TENANTS.—

''(i) CONTRACTS WITH LONG-TERM LEASES.—A producer on eligible cropland that cash rents the eligible cropland under a lease expiring on or after the termination of the contract shall be eligible to enter into a contract.

''(ii) CONTRACTS WITH SHORT-TERM LEASES.—

''(I) IN GENERAL.—A producer that cash rents the eligible cropland under a lease expiring before the termination of the contract shall be eligible to enter into a contract.

''(II) OWNER'S CONTRACT INTEREST.—The owner of the eligible cropland may also enter into the same contract.

''(III) CONSENT OF OWNER.—If the producer elects to enroll less than 100 percent of the eligible cropland in the contract, the consent of the owner shall be required for a valid contract.

''(3) CASH-RENT OWNERS.—

''(A) IN GENERAL.—An owner of eligible cropland that cash rents the eligible cropland under a lease term that expires before the end of 2006 crop year shall be eligible to enter into a contract if the tenant declines to enter into the contract.

''(B) CONTRACT PAYMENTS.—In the case of an owner covered by subparagraph (A), the Secretary shall not make contract payments to the owner under the contract until the lease held by the tenant terminates.

''(c) COMPLIANCE WITH CERTAIN REQUIREMENTS.—Under the terms of a contract, the owner or producer shall agree, in exchange for annual contract payments—

''(1) to comply with applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

''(2) to comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

''(3) to comply with the planting flexibility requirements of section 118; and

''(4) to use a quantity of land on the farm equal to the contract acreage, for an agricultural or conserving use or related activity, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

''(d) PROTECTION OF INTERESTS OF CERTAIN PRODUCERS.—

''(1) TENANTS AND SHARECROPPERS.—In carrying out this subtitle, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

''(2) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of contract payments among the eligible producers on a farm on a fair and equitable basis.

''(e) ELIGIBLE CROPLAND.—

''(1) IN GENERAL.—Land shall be considered to be cropland eligible for coverage under a contract only if the land—

''(A) has with respect to a contract commodity—

''(i) contract acreage attributable to the land; and

''(ii) a payment yield; or

''(B) was subject to a conservation reserve contract under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) with a term that expired, or was voluntarily terminated, on or after the date of enactment of this paragraph.

''(2) QUANTITY OF ELIGIBLE CROPLAND COVERED BY CONTRACT.—An eligible owner or producer may enroll as contract acreage under this subtitle all or a portion of the eligible cropland on the farm.

''(3) VOLUNTARY REDUCTION IN CONTRACT ACREAGE.—An eligible owner or producer that enters into a contract may subsequently reduce the quantity of contract acreage covered by the contract.

''(f) CONTRACT ACREAGE.—

''(1) IN GENERAL.—Subject to subsection (h), for the purpose of making direct payments and counter-cyclical payments to eligible owners and producers on a farm, the Secretary shall provide the eligible owners and producers on the farm with an opportunity to elect 1 of the following methods as the method by which the contract acreages for the 2002 through 2006 crops of all contract commodities for a farm are determined:

''(A) The 4-year average of acreage planted or considered planted to a contract commodity for harvest, grazing, haying, silage, or other similar purposes during each of the 1998 through 2001 crop years.

''(B) The total of—

''(i) the contract acreage (as defined in section 102 (as in effect before the amendment made by section 101 of the Agriculture, Conservation, and Rural Enhancement Act of 2001)) that would have been used by the Secretary to calculate the payment for fiscal year 2002 under such section 102 for the contract commodity on the farm; and

''(ii) the 4-year average determined under subparagraph (A) for each oilseed produced on the farm.

''(C) In the case of land described in section 112(a)(3), land with eligible base, as determined by the Secretary.

''(2) PREVENTION OF EXCESS CONTRACT ACREAGES.—

''(A) REQUIRED REDUCTION.—If the total of the contract acreages for a farm, together with the acreage described in subparagraph (C), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of contract acreages for 1 or more contract commodities for the farm or peanut acres as necessary so that the total of the contract acreages and acreage described in subparagraph (C) does not exceed the actual cropland acreage of the farm.

''(B) SELECTION OF ACRES.—The Secretary shall give the eligible owners and producers on the farm the opportunity to select the contract acreages or peanut acres against which the reduction will be made.

''(C) OTHER ACREAGE.—For purposes of subparagraph (A), the Secretary shall include—

''(i) any peanut acres for the farm under chapter 3 of subtitle D;

''(ii) any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.); and

''(iii) any other acreage on the farm enrolled in a voluntary Federal conservation program under which production of any agricultural commodity is prohibited.

''(D) DOUBLE-CROPPED ACREAGE.—In applying subparagraph (A), the Secretary shall take into account additional acreage as a result of an established double-cropping history on a farm, as determined by the Secretary.

''(g) PAYMENT YIELDS.—

''(1) IN GENERAL.—Subject to paragraph (2) and subsection (h), an eligible owner or producer that has entered into a contract under this subtitle may make a 1-time election to have the payment yield for a payment for each of the 2002 through 2006 crops of all contract commodities for a farm be equal to—

''(A) an amount that is the greater of—

''(i) the average of the yield per harvested acre for the crop of the contract commodity for the farm for the 1998 through 2001 crop years, excluding—

''(I) any crop year for which the producers on the farm did not plant the contract commodity; and

''(II) at the option of the producers on the farm, 1 additional crop year; or

''(ii) the farm program payment yield described in subparagraph (B); or

''(B) the farm program payment yield established for the 1995 crop of a contract commodity under section 505 of the Agricultural Act of 1949 (7 U.S.C. 1465), as adjusted by the Secretary to account for any additional yield payments made with respect to that crop under section 505(b)(2) of that Act.

''(2) ASSIGNED YIELDS.—In the case of a farm for which yield records are unavailable for a contract commodity (including land of a farm that is devoted to an oilseed under a former conservation reserve contract described in section 112(a)(3)), the Secretary shall establish an appropriate payment yield for the contract commodity on the farm taking in consideration the payment yields applicable to the contract commodity under paragraph (1) for similar farms in the area, taking into consideration the yield election for the farm under subsection (h).

''(h) ELIGIBLE OWNER AND PRODUCER ELECTION OPTIONS.—

''(1) IN GENERAL.—In making elections under subsections (f) and (g), eligible owners and producers on a farm shall elect to have—

''(A)(i) contract acreage for the farm determined under subsection (f)(1)(A); and

''(ii) payment yields determined under subsection (g)(1)(A); or

''(B)(i) contract acreage for the farm determined under subsection (f)(1)(B); and

''(ii) payment yields determined under—

''(I) in the case of contract commodities other than oilseeds, subsection (g)(1)(B); and

''(II) in the case of oilseeds, subsection (g)(1)(A).

''(2) SINGLE ELECTION; TIME FOR ELECTION.—

''(A) SINGLE ELECTION.—The eligible owners and producers on a farm shall have 1 opportunity to make the election described in paragraph (1).

''(B) TIME FOR ELECTION.—Subject to section 112(a)(3), not later than 180 days after the date of enactment of this subsection, the eligible owners and producers on a farm shall notify the Secretary of the election made by the eligible owners and producers on the farm under paragraph (1).

''(3) EFFECT OF FAILURE TO MAKE ELECTION.—If the producers on a farm fail to make the election under paragraph (1), or fail to timely notify the Secretary of the selected option as required by paragraph (2), the eligible owners and producers on the farm shall be deemed to have made the election described in paragraph (1)(B) for the purpose of determining the contract acreages for all contract commodities on the farm.

''(4) APPLICATION OF ELECTION TO ALL CONTRACT COMMODITIES.—The election made under paragraph (1) or deemed to be made under paragraph (3) with respect to a farm shall apply to all of the contract commodities produced on the farm.

''SEC. 112. ELEMENTS OF CONTRACTS.

''(a) TIME FOR CONTRACTING.—

''(1) COMMENCEMENT.—To the extent practicable, the Secretary shall commence entering into contracts not later than 45 days after the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001.

''(2) DEADLINE.—Except as provided in paragraph (3), the Secretary may not enter into a contract after the date that is 180 days after the date of enactment of that Act.

''(3) CONSERVATION RESERVE LAND.—

''(A) IN GENERAL.—At the beginning of each fiscal year, the Secretary shall allow an eligible owner or producer on a farm covered by a conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) that terminated after the date specified in paragraph (2) to enter into or expand a contract to cover the eligible cropland of the farm that was subject to the former conservation reserve contract.

''(B) ELECTION.—For the fiscal year and crop year for which a contract acreage adjustment under subparagraph (A) is first made, the eligible owners and producers on the farm shall elect to receive—

''(i) direct payments and counter-cyclical payments under sections 113 and 114, respectively, with respect to the acreage added to the farm under this paragraph; or

''(ii) a prorated payment under the conservation reserve contract.

''(b) DURATION OF CONTRACT.—

''(1) BEGINNING DATE.—The term of a contract shall begin with—

''(A) the 2002 crop of a contract commodity; or

''(B) in the case of acreage that was subject to a conservation reserve contract described in subsection (a)(3), the date the contract was entered into or expanded to cover the acreage.

''(2) ENDING DATE.—Subject to sections 116 and 117, the term of a contract shall extend through the 2006 crop, unless earlier terminated by the eligible owners or producers on a farm.

''SEC. 113. DIRECT PAYMENTS.

''(a) IN GENERAL.—For each of the 2002 through 2006 fiscal years, the Secretary shall make direct payments available to eligible owners and producers on a farm that have entered into a contract to receive payments under this section.

''(b) PAYMENT AMOUNT.—The amount of a direct payment to be paid to the eligible owners and producers on a farm for a contract commodity for a fiscal year under this section shall be obtained by multiplying—

''(1) the payment rate for the contract commodity specified in subsection (c);

''(2) the contract acreage attributable to the contract commodity for the farm; and

''(3) the payment yield for the contract commodity for the farm.

''(c) PAYMENT RATE.—The payment rates used to make direct payments with respect to contract commodities for a fiscal year under this section are as follows:

''(1) WHEAT.—In the case of wheat:

''(A) For each of fiscal years 2002 and 2003, $0.450 per bushel.

''(B) For each of fiscal years 2004 and 2005, $0.225 per bushel.

''(C) For fiscal year 2006, $0.113 per bushel.

''(2) CORN.—In the case of corn:

''(A) For each of fiscal years 2002 and 2003, $0.270 per bushel.

''(B) For each of fiscal years 2004 and 2005, $0.135 per bushel.

''(C) For fiscal year 2006, $0.068 per bushel.

''(3) GRAIN SORGHUM.—In the case of grain sorghum:

''(A) For the 2002 fiscal year, $0.310 per bushel.

''(B) For the 2003 fiscal year, $0.270 per bushel.

''(C) For each of fiscal years 2004 and 2005, $0.135 per bushel.

''(D) For fiscal year 2006, $0.068 per bushel.

''(4) BARLEY.—In the case of barley:

''(A) For each of fiscal years 2002 and 2003, $0.200 per bushel.

''(B) For each of fiscal years 2004 and 2005, $0.100 per bushel.

''(C) For fiscal year 2006, $0.050 per bushel.

''(5) OATS.—In the case of oats:

''(A) For each of fiscal years 2002 and 2003, $0.050 per bushel.

''(B) For each of fiscal years 2004 and 2005, $0.025 per bushel.

''(C) For fiscal year 2006, $0.013 per bushel.

''(6) UPLAND COTTON.—In the case of upland cotton:

''(A) For each of fiscal years 2002 and 2003, $0.130 per pound.

''(B) For each of fiscal years 2004 and 2005, $0.065 per pound.

''(C) For fiscal year 2006, $0.0325 per pound.

''(7) RICE.—In the case of rice:

''(A) For each of fiscal years 2002 and 2003, $2.450 per hundredweight.

''(B) For each of fiscal years 2004 through 2006, $2.40 per hundredweight.

''(8) SOYBEANS.—In the case of soybeans:

''(A) For each of fiscal years 2002 and 2003, $0.550 per bushel.

''(B) For each of fiscal years 2004 and 2005, $0.275 per bushel.

''(C) For fiscal year 2006, $0.138 per bushel.

''(9) OILSEEDS (OTHER THAN SOYBEANS).—In the case of oilseeds (other than soybeans):

''(A) For each of fiscal years 2002 and 2003, $0.010 per pound.

''(B) For each of fiscal years 2004 and 2005, $0.005 per pound.

''(C) For fiscal year 2006, $0.0025 per pound.

''(d) TIME FOR PAYMENTS.—

''(1) INITIAL PAYMENT.—At the option of the eligible owners and producers on a farm, the Secretary shall pay 50 percent of the direct payment for a crop of a contract commodity for the eligible owners and producers on the farm on or after December 1 of the fiscal year, as determined by the Secretary.

''(2) FINAL PAYMENT.—The Secretary shall pay the final amount of the direct payment that is payable to the eligible owners and producers on a farm for a contract commodity under subsection (a) (less the amount of any initial payment made to the producers on the farm of the contract commodity under paragraph (1)) not later than September 30 of the fiscal year, as determined by the Secretary.

''SEC. 114. COUNTER-CYCLICAL PAYMENTS.

''(a) IN GENERAL.—For each of the 2002 through 2006 crop years, the Secretary shall make counter-cyclical payments to eligible owners and producers on a farm of each contract commodity that have entered into a contract to receive payments under this section.

''(b) PAYMENT AMOUNT.—The amount of the payments made to eligible owners and producers on a farm for a crop of a contract commodity under this section shall equal the amount obtained by multiplying—

''(1) the payment rate for the contract commodity specified in subsection (c);

''(2) the contract acreage attributable to the contract commodity for the farm; and

''(3) the payment yield for the contract commodity for the farm.

''(c) PAYMENT RATES.—

''(1) IN GENERAL.—The payment rate for a crop of a contract commodity under subsection (b)(1) shall equal the difference between—

''(A) the income protection price for the contract commodity established under paragraph (2); and

''(B) the total of—

''(i) the higher of—

''(I) the average price of the contract commodity during the first 5 months of the marketing year of the contract commodity, as determined by the Secretary; and

''(II) the loan rate for the crop of the contract commodity under section 132; and

''(ii) the direct payment for the contract commodity under section 113 for the fiscal year that precedes the date of a payment under this section.

''(2) INCOME PROTECTION PRICES.—The income protection prices for contract commodities under paragraph (1)(A) are as follows:

''(A) Wheat, $3.45 per bushel.

''(B) Corn, $2.35 per bushel.

''(C) Grain sorghum, $2.35 per bushel.

''(D) Barley, $2.20 per bushel.

''(E) Oats, $1.55 per bushel.

''(F) Upland cotton, $0.680 per pound.

''(G) Rice, $9.30 per hundredweight.

''(H) Soybeans, $5.75 per bushel.

''(I) Oilseeds (other than soybeans), $0.105 per pound.

''(d) TIME FOR PAYMENT.—The Secretary shall make counter-cyclical payments for each of the 2002 through 2006 crop years not later than 190 days after the beginning of marketing year for the crop of the contract commodity.''.

SEC. 112. VIOLATIONS OF CONTRACTS.

Section 116 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7216) is amended—

(1) in the first sentence of subsection (a)—

(A) by striking ''subsection (b)'' and inserting ''subsections (b) and (e)''; and

(B) by striking ''section 111(a)'' and inserting ''this subtitle'';

(2) in subsection (b), by striking ''If'' and inserting ''Except as provided in subsection (e), if''; and

(3) by adding at the end the following:

''(e) PLANTING FLEXIBILITY.—In the case of a first violation of section 118(b) by an eligible owner or producer that has entered into a contract and that acted in good faith, in lieu of terminating the contract under subsection (a), the Secretary shall require a refund or reduce a future contract payment under subsection (b) in an amount that does not exceed twice the amount otherwise payable under the contract on the number of acres involved in the violation.''.

SEC. 113. PLANTING FLEXIBILITY.

Section 118(b) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7218(b)) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on contract acreage:

''(A) Fruits.

''(B) Vegetables (other than lentils, mung beans, dry peas, and chickpeas).

''(C) In the case of the 2003 and subsequent crops of an agricultural commodity, wild rice.''; and

(2) in paragraph (2)(C), by striking ''1991 through 1995'' and inserting ''1996 through 2001''.

Subtitle B—Nonrecourse Marketing Assistance Loans and Loan Deficiency Payments

SEC. 121. NONRECOURSE MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS.

(a) IN GENERAL.—Sections 131(a) and 137 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231(a), 7237) are amended by striking ''2002'' each place it appears and inserting ''2006''.

(b) UPLAND COTTON.—Sections 134(e)(1), 136, and 136A(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7234(e)(1), 7236, 7236a(a)) are amended by striking ''2003'' each place it appears and inserting ''2007''.

SEC. 122. ELIGIBLE PRODUCTION.

Section 131 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231) is amended by striking subsection (b) and inserting the following:

''(b) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing loan under subsection (a) for any quantity of a loan commodity produced on the farm.''.

SEC. 123. LOAN RATES.

(a) IN GENERAL.—Section 132 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7232) is amended to read as follows:

''SEC. 132. LOAN RATES.

''(a) IN GENERAL.—Subject to subsection (b), the loan rate for a marketing assistance loan under section 131 for a loan commodity shall be—

''(1) in the case of wheat, $3.00 per bushel;

''(2) in the case of corn, $2.08 per bushel;

''(3) in the case of grain sorghum, $2.08 per bushel;

''(4) in the case of barley, $2.00 per bushel;

''(5) in the case of oats, $1.50 per bushel;

''(6) in the case of upland cotton, $0.55 per pound;

''(7) in the case of extra long staple cotton, $0.7965 per pound;

''(8) in the case of rice, $6.50 per hundredweight;

''(9) in the case of soybeans, $5.20 per bushel;

''(10) in the case of oilseeds (other than soybeans), $0.095 per pound;

''(11) in the case of graded wool, $1.00 per pound;

''(12) in the case of nongraded wool, $.40 per pound;

''(13) in the case of mohair, $2.00 per pound;

''(14) in the case of honey, $.60 per pound;

''(15) in the case of dry peas, $6.78 per hundredweight;

''(16) in the case of lentils, $12.79 per hundredweight;

''(17) in the case of large chickpeas, $17.44 per hundredweight; and

''(18) in the case of small chickpeas, $8.10 per hundredweight.

''(b) ADJUSTMENTS.—

''(1) IN GENERAL.—The Secretary may make appropriate adjustments in the loan rates for any loan commodity for differences in grade, type, quality, location, and other factors.

''(2) MANNER.—The adjustments under this subsection shall, to the maximum extent practicable, be made in such manner that the average loan rate for the loan commodity will, on the basis of the anticipated incidence of the factors described in paragraph (1), be equal to the loan rate provided under this section.''.

(b) CONFORMING AMENDMENT.—Section 162 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282) is repealed.

SEC. 124. TERM OF LOANS.

Section 133 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7233) is amended to read as follows:

''SEC. 133. TERM OF LOANS.

''In the case of each loan commodity, a marketing loan under section 131 shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.''.

SEC. 125. REPAYMENT OF LOANS.

Section 134(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7234(a)) is amended—

(1) by striking ''wheat, corn, grain sorghum, barley, oats, and oilseeds'' and inserting ''a loan commodity (other than upland cotton, rice, and extra long staple cotton)''; and

(2) in paragraph (2)—

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

(B) in subparagraph (D), by striking the period and inserting ''; and''; and

(C) by adding at the end the following:

''(E) minimize discrepancies in marketing loan benefits across State boundaries and across county boundaries.''.

SEC. 126. LOAN DEFICIENCY PAYMENTS.

Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—The Secretary may make loan deficiency payments available to producers on a farm that, although eligible to obtain a marketing assistance loan under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the loan commodity in return for payments under this section.''; and

(2) by striking subsections (e) and (f) and inserting the following:

''(e) BENEFICIAL INTEREST.—

''(1) IN GENERAL.—A producer shall be eligible for a payment for a loan commodity under this section only if the producer has a beneficial interest in the loan commodity, as determined by the Secretary.

''(2) APPLICATION.—The Secretary shall make a payment under this section to the producers on a farm with respect to a quantity of a loan commodity as of the earlier of—

''(A) the date on which the producers on the farm marketed or otherwise lost beneficial interest in the loan commodity, as determined by the Secretary; or

''(B) the date the producers on the farm request the payment.''.

SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.

Section 136(a) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7236(a)) is amended by adding at the end the following:

''(4) APPLICATION OF THRESHOLD.—During the period beginning on the date of this paragraph and ending on July 31, 2003, the Secretary shall make the calculations under paragraphs (1)(A) and (2) and subsection (b)(1)(B) without regard to the 1.25 cent threshold provided under those paragraphs and subsection.''.

Subtitle C—Other Commodities

CHAPTER 1—DAIRY

SEC. 131. MILK PRICE SUPPORT PROGRAM.

Section 141 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) (as amended by section 772(a) of Public Law 107–76) is amended in subsections (b)(5) and (h) by striking ''May 31, 2002'' each place it appears and inserting ''December 31, 2006''.

SEC. 132. NATIONAL DAIRY PROGRAM.

The Federal Agriculture Improvement and Reform Act of 1996 (as amended by section 772(b) of Public Law 107–76) is amended by inserting after section 141 (7 U.S.C. 7251) the following:

''SEC. 142. NATIONAL DAIRY PROGRAM.

''(a) DAIRY MARKET LOSS ASSISTANCE PROGRAM.—

''(1) DEFINITIONS.—In this subsection:

''(A) AVERAGE PRICE OF MILK.—The term 'average price of milk' means the blending of the prices of milk for use as fluid milk and in cheese, ice cream, butter, and nonfat dry milk in the marketing area where the milk was marketed, as determined by the Secretary.

''(B) PRODUCER.—The term 'producer' means an individual or entity that directly or indirectly (as determined by the Secretary) shares in the risk of producing milk.

''(2) PROGRAM.—Subject to paragraph (8), the Secretary shall provide market loss assistance payments to producers on a dairy farm with respect to the production of milk in a State other than a participating State (as defined in subsection (b)(1)) that is marketed during the period beginning on December 1, 2001, and ending on September 30, 2005.

''(3) AMOUNT.—Subject to paragraph (8), payments to a producer under this subsection shall be calculated by multiplying—

''(A) the payment quantity for the producer during the applicable quarter established under paragraph (4); by

''(B) the payment rate established under paragraph (5).

''(4) PAYMENT QUANTITY.—

''(A) IN GENERAL.—Subject to subparagraph (B), the payment quantity for a producer during the applicable quarter under this subsection shall be equal to the quantity of milk produced and marketed by the producer during the quarter.

''(B) LIMITATION.—The payment quantity for a producer during the applicable fiscal year under this subsection shall not exceed the milk marketing base for the producer established under subsection (c).

''(5) PAYMENT RATE.—The payment rate for a payment under this subsection shall be calculated by multiplying (as determined by the Secretary)—

''(A) 40 percent; by

''(B) the amount by which—

''(i) the average price of milk during the applicable quarter; is less than

''(ii) the average price of milk for the same quarter during each of the previous 5 years.

''(6) REPORTING OF PRODUCTION.—The Secretary may require producers that receive payments under this subsection to report the quantity of milk produced and marketed by the producer on the dairy farm of the producer, in a manner determined by the Secretary.

''(7) TIMING OF PAYMENTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), payments made under this subsection shall be made on a quarterly basis.

''(B) PAYMENTS FOR FISCAL YEAR 2002.—Payments under this subsection for fiscal year 2002 shall not be made before October 1, 2002.

''(8) FUNDING.—The Secretary shall use not more than $1,500,000,000 of funds of the Commodity Credit Corporation to carry out this subsection.

''(b) NORTHEAST DAIRY MARKET LOSS PAYMENTS.—

''(1) DEFINITIONS.—In this subsection:

''(A) CLASS I MILK.—The term 'Class I milk' means milk (including milk components) classified as Class I milk under a Federal milk marketing order.

''(B) ELIGIBLE PRODUCTION.—The term 'eligible production' means milk produced by a producer in a participating State.

''(C) FEDERAL MILK MARKETING ORDER.—The term 'Federal milk marketing order' means an order issued under section 8c of the Agricultural Adjustment Act (7 U.S.C. 608c), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.

''(D) PARTICIPATING STATE.—The term 'participating State' means Connecticut, Delaware, Maine, Maryland, Massachusetts, New Hampshire, New Jersey, New York, Pennsylvania, Rhode Island, Vermont, and West Virginia.

''(E) PRODUCER.—The term 'producer' means an individual or entity that directly or indirectly (as determined by the Secretary)—

''(i) shares in the risk of producing milk; and

''(ii) makes contributions (including land, labor, management, equipment, or capital) to the dairy farming operation of the individual or entity that are at least commensurate with the share of the individual or entity of the proceeds of the operation.

''(2) PAYMENTS.—Subject to paragraph (9), the Secretary shall offer to enter into contracts with producers on a dairy farm located in a participating State under which the producers receive payments on eligible production in exchange for compliance on the farm with—

''(A) applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

''(B) applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

''(3) AMOUNT.—Payments to a producer under this subsection shall be calculated by multiplying (as determined by the Secretary)—

''(A) the payment quantity for the producer during the applicable month established under paragraph (4);

''(B) the amount equal to—

''(i) $16.94 per hundredweight; less

''(ii) the Class I milk price per hundredweight in Boston under the applicable Federal milk marketing order; by

''(C) 45 percent.

''(4) PAYMENT QUANTITY.—

''(A) IN GENERAL.—Subject to subparagraph (B), the payment quantity for a producer during the applicable month under this subsection shall be equal to the quantity of milk produced and marketed by the producer during the month.

''(B) LIMITATION.—The payment quantity for a producer during the applicable fiscal year under this subsection shall not exceed the milk marketing base for the producer established under subsection (c).

''(5) PAYMENTS.—A payment under a contract under this subsection shall be made on a monthly basis not later than 60 days after the last day of the month for which the payment is made.

''(6) SIGNUP.—The Secretary shall offer to enter into contracts under this subsection during the period beginning on December 1, 2001, and ending on September 30, 2005.

''(7) DURATION OF CONTRACT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B) and paragraph (8), any contract entered into by producers on a dairy farm under this subsection shall cover eligible production marketed by the producers on the dairy farm during the period starting with the first day of month the producers on the dairy farm enter into the contract and ending on September 30, 2005.

''(B) VIOLATIONS.—If a producer violates the contract, the Secretary may—

''(i) terminate the contract and allow the producer to retain any payments received under the contract; or

''(ii) allow the contract to remain in effect and require the producer to repay a portion of the payments received under the contract based on the severity of the violation.

''(8) TRANSITION RULE.—In addition to any payment that is otherwise available under this subsection, if the producers on a dairy farm enter into a contract under this subsection by March 1, 2002, the Secretary shall make a payment under this subsection on the quantity of eligible production of the producer marketed during the period beginning on December 1, 2001, and ending on January 1, 2002.

''(9) FUNDING.—The Secretary shall use not more than $500,000,000 of funds of the Commodity Credit Corporation to carry out this subsection.

''(c) MILK MARKETING BASE.—

''(1) DEFINITION OF NEW PRODUCER.—In this subsection, the term 'new producer' means a producer of milk that did not have an interest in the production of milk during any of 1999 through 2001 fiscal years.

''(2) ESTABLISHED PRODUCERS.—In the case of a producer of milk other than a new producer, the milk marketing base of a producer for a fiscal year under this section shall be equal to the lesser of—

''(A) the average quantity of milk marketed for commercial use in which the producer has had a direct or indirect interest during each of the 1999 through 2001 fiscal years; or

''(B) 8,000,000 pounds.

''(3) NEW PRODUCERS.—In the case of a new producer, the milk marketing base of the new producer under this section shall be equal to—

''(A) during each of the first 3 fiscal years of milk production by the new producer, 1,500,000 pounds; and

''(B) during each subsequent year of milk production, the lesser of—

''(i) the average quantity of milk marketed for commercial use in which the producer has had a direct or indirect interest during the first 3 years of milk production by the new producer; or

''(ii) 8,000,000 pounds.

''(4) ADJUSTMENTS.—The Secretary may provide for the adjustment of any milk marketing base of a producer under this subsection—

''(A) if the production of milk used to determine the milk marketing base of the producer has been adversely affected by damaging weather or a related condition (as determined by the Secretary); or

''(B) if the adjustment is necessary to provide fair and equitable treatment to tenants and sharecroppers.

''(5) TRANSFERS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), a producer that is assigned a milk marketing base under this subsection may not transfer the base to any person.

''(B) FAMILY MEMBERS.—A producer that is assigned a milk marketing base under this subsection may irrevocably transfer all or part of the base to a family member of the producer.

''(6) SCHEMES OR DEVICES.—If the Secretary determines that any producer has adopted a scheme or device to increase the milk marketing base of the producer under this subsection, the producer shall become ineligible for any milk marketing base under this subsection.''.

SEC. 133. DAIRY EXPORT INCENTIVE AND DAIRY INDEMNITY PROGRAMS.

(a) DAIRY EXPORT INCENTIVE PROGRAM.—Section 153(a) of the Food Security Act of 1985 (15 U.S.C. 713a–14(a)) is amended by striking ''2002'' and inserting ''2006''.

(b) DAIRY INDEMNITY PROGRAM.—Section 3 of Public Law 90–484 (7 U.S.C. 450*l*) is amended by striking ''1995'' and inserting ''2006''.

SEC. 134. FLUID MILK PROMOTION.

(a) DEFINITION OF FLUID MILK PRODUCT.—Section 1999C of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402) is amended by striking paragraph (3) and inserting the following:

''(3) FLUID MILK PRODUCT.—The term 'fluid milk product' has the meaning given the term in—

''(A) section 1000.15 of title 7, Code of Federal Regulations, subject to such amendments as may be made by the Secretary; or

''(B) any successor regulation.''.

(b) DEFINITION OF FLUID MILK PROCESSOR.—Section 1999C(4) of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6402(4)) is amended by striking ''500,000'' and inserting ''3,000,000''.

(c) ELIMINATION OF ORDER TERMINATION DATE.—Section 1999O of the Fluid Milk Promotion Act of 1990 (7 U.S.C. 6414) is amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) and (c) as subsections (a) and (b), respectively.

SEC. 135. DAIRY PRODUCT MANDATORY REPORTING.

Section 272(1) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637a(1)) is amended—

(1) by striking ''means manufactured dairy products'' and inserting ''means—

''(A) manufactured dairy products'';

(2) by striking the period at the end and inserting ''; and''; and

(3) by adding at the end the following:

''(B) substantially identical products designated by the Secretary.''.

SEC. 136. FUNDING OF DAIRY PROMOTION AND RESEARCH PROGRAM.

(a) DEFINITIONS.—Section 111 of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4502) is amended—

(1) in subsection (k), by striking ''and'' at the end;

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

(3) by adding at the end the following:

''(m) the term 'imported dairy product' means any dairy product that is imported into the United States, including a dairy product imported into the United States in the form of—

''(1) milk, cream, and fresh and dried dairy products;

''(2) butter and butterfat mixtures;

''(3) cheese; and

''(4) casein and mixtures;

''(n) the term 'importer' means a person that imports an imported dairy product into the United States; and

''(o) the term 'Customs' means the United States Customs Service.''.

(b) REPRESENTATION OF IMPORTERS ON BOARD.—Section 113(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(b)) is amended—

(1) by inserting ''NATIONAL DAIRY PROMOTION AND RESEARCH BOARD.—'' after ''(b)'';

(2) by designating the first through ninth sentences as paragraphs (1) through (5) and paragraphs (7) through (10), respectively, and indenting the paragraphs appropriately;

(3) in paragraph (2) (as so designated), by striking ''Members'' and inserting ''Except as provided in paragraph (6), the members''; and

(4) by inserting after paragraph (5) (as so designated) the following:

''(6) IMPORTERS.—

''(A) REPRESENTATION.—The Secretary shall appoint not more than 2 members who represent importers of dairy products and are subject to assessments under the order, to reflect the proportion of domestic production and imports supplying the United States market, as determined by the Secretary on the basis of the average volume of domestic production of dairy products in proportion to the average volume of imports of dairy products in the United States during the immediately preceding 3 years.

''(B) ADDITIONAL MEMBERS; NOMINATIONS.—The members appointed under this paragraph—

''(i) shall be in addition to the total number of members appointed under paragraph (2); and

''(ii) shall be appointed from nominations submitted by importers under such procedures as the Secretary determines to be appropriate.''.

(c) IMPORTER ASSESSMENT.—Section 113(g) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(g)) is amended—

(1) by inserting ''ASSESSMENTS.—'' after ''(g)'';

(2) by designating the first through fifth sentences as paragraphs (1) through (5), respectively, and indenting appropriately; and

(3) by adding at the end the following:

''(6) IMPORTERS.—

''(A) IN GENERAL.—The order shall provide that each importer of imported dairy products shall pay an assessment to the Board in the manner prescribed by the order.

''(B) TIME FOR PAYMENT.—

''(i) IN GENERAL.—The assessment on imported dairy products shall be—

''(I) paid by the importer to Customs at the time of the entry of the products into the United States; and

''(II) remitted by Customs to the Board.

''(ii) TIME OF ENTRY.—For purposes of this subparagraph, entry of the products into the United States shall be considered to have occurred when a dairy product is released from custody of Customs and introduced into the stream of commerce within the United States.

''(iii) IMPORTERS.—For purposes of this subparagraph, an importer includes—

''(I) a person that holds title to a dairy product produced outside the United States immediately on release by Customs; and

''(II) a person that acts on behalf of other persons, as an agent, broker, or consignee, to secure the release of a dairy product from Customs and introduce the released dairy product into the stream of commerce.

''(C) RATE.—The rate of assessment on imported dairy products shall be determined in the same manner as the rate of assessment per hundredweight or the equivalent of milk.

''(D) VALUE OF PRODUCTS.—For the purpose of determining the assessment on imported dairy products under subparagraph (C), the value to be placed on imported dairy products shall be established by the Secretary in a fair and equitable manner.

''(E) USE OF ASSESSMENTS ON IMPORTED DAIRY PRODUCTS.—Assessments collected on imported dairy products shall not be used for foreign market promotion of United States dairy products.''.

(d) RECORDS.—Section 113(k) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4504(k)) is amended in the first sentence by striking ''person receiving'' and inserting ''importer of imported dairy products, each person receiving''.

(e) IMPORTER ELIGIBILITY TO VOTE IN REFERENDUM.—Section 116(b) of the Dairy Promotion Stabilization Act of 1983 (7 U.S.C. 4507(b)) is amended—

(1) in the first sentence, by inserting ''and importers'' after ''producers'' each place it appears; and

(2) in the second sentence, by inserting after ''commercial use'' the following: ''and importers voting in the referendum (that have been engaged in the importation of dairy products into the United States during the applicable period, as determined by the Secretary)''.

(f) CONFORMING AMENDMENTS.—Section 110(b) of the Dairy Production Stabilization Act of 1983 (7 U.S.C. 4501(b)) is amended—

(1) in the first sentence—

(A) by inserting after ''commercial use'' the following: ''and on imported dairy products''; and

(B) by striking ''products produced in the United States.'' and inserting ''products.''; and

(2) in the second sentence, by inserting after ''produce milk'' the following: ''or the right of any person to import dairy products''.

SEC. 137. DAIRY STUDIES.

(a) IN GENERAL.—The Secretary of Agriculture shall conduct—

(1) a study of the effects of terminating all Federal programs relating to price support and supply management for milk and granting the consent of Congress to cooperative efforts by States to manage milk prices and supply; and

(2) a study of the effects of including in the standard of identity for fluid milk a required minimum protein content that is commensurate with the average nonfat solids content of bovine milk produced in the United States.

(b) REPORTS.—Not later than September 30, 2002, the Secretary shall submit to the Committee on Agriculture of House of Representatives and the Committee on Agriculture, Nutrition, and Forestry a report describing the results of each of the studies required under subsection (a).

CHAPTER 2—SUGAR

SEC. 141. SUGAR PROGRAM.

(a) LOAN RATE ADJUSTMENTS.—Section 156(c) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(c)) is amended—

(1) by striking ''REDUCTION IN LOAN RATES'' and inserting ''LOAN RATE ADJUSTMENTS''; and

(2) in paragraph (1)—

(A) by striking ''REDUCTION REQUIRED'' and inserting ''IN GENERAL''; and

(B) by striking ''shall'' and inserting ''may''.

(b) LOAN TYPE; PROCESSOR ASSURANCES.—Section 156(e) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(e)) is amended—

(1) by striking paragraph (2) and inserting the following:

''(2) PROCESSOR ASSURANCES.—

''(A) IN GENERAL.—The Secretary shall obtain from each processor that receives a loan under this section such assurances as the Secretary considers adequate to ensure that the processor will provide payments to producers that are proportional to the value of the loan received by the processor for the sugar beets and sugarcane delivered by producers to the processor.

''(B) MINIMUM PAYMENTS.—

''(i) IN GENERAL.—Subject to clause (ii), the Secretary may establish appropriate minimum payments for purposes of this paragraph.

''(ii) LIMITATION.—In the case of sugar beets, the minimum payment established under clause (i) shall not exceed the rate of payment provided for under the applicable contract between a sugar beet producer and a sugar beet processor.

''(C) BANKRUPTCY OR INSOLVENCY OF PROCESSORS.—

''(i) IN GENERAL.—The Secretary shall use funds of the Commodity Credit Corporation to pay a producer of sugar beets or sugarcane loan benefits described in clause (ii) if—

''(I) a processor that has entered into a contract with the producer has filed for bankruptcy protection or is otherwise insolvent;

''(II) the assurances under subparagraph (A) are not adequate to ensure compliance with subparagraph (A), as determined by the Secretary;

''(III) the producer demands payments of loan benefits required under this section from the processor; and

''(IV) the Secretary determines that the processor is unable to provide the loan benefits required under this section.

''(ii) AMOUNT.—The amount of loan benefits provided to a producer under clause (i) shall be equal to—

''(I) the maximum amount of loan benefits the producer would have been entitled to receive under this section during the 30-day period beginning on the final settlement date provided for in the contract between the producer and processor; less

''(II) any such benefits received by the producer from the processor.

''(iii) ADMINISTRATION.—On payment to a producer under clause (i), the Secretary shall—

''(I) be subrogated to all claims of the producer against the processor and other persons responsible for nonpayment; and

''(II) have authority to pursue such claims as are necessary to recover the benefits not paid to the producer by the processor.''; and

(2) by adding at the end the following:

''(3) ADMINISTRATION.—The Secretary may not impose or enforce any prenotification or similar administrative requirement that has the effect of preventing a processor from electing to forfeit the loan collateral on the maturity of the loan.''.

(c) TERMINATION OF MARKETING ASSESSMENT.—Effective October 1, 2001, section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended by striking subsection (f).

(d) TERMINATION OF FORFEITURE PENALTY.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) is amended by striking subsection (g).

(e) IN-PROCESS SUGAR.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) (as amended by subsections (c) and (d)) is amended by inserting after subsection (e) the following:

''(f) LOANS FOR IN-PROCESS SUGAR.—

''(1) DEFINITION OF IN-PROCESS SUGARS AND SYRUPS.—In this subsection, the term 'in-process sugars and syrups' does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished product that is otherwise eligible for a loan under subsection (a) or (b).

''(2) AVAILABILITY.—The Secretary shall make nonrecourse loans available to processors of a crop of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from the crop.

''(3) LOAN RATE.—The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, as determined by the Secretary on the basis of the source material for the in-process sugars and syrups.

''(4) FURTHER PROCESSING ON FORFEITURE.—

''(A) IN GENERAL.—As a condition of the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (2), the processor shall, within such reasonable time period as the Secretary may prescribe and at no cost to the Commodity Credit Corporation, convert the in-process sugars and syrups into raw cane sugar or refined beet sugar of acceptable grade and quality for sugars eligible for loans under subsection (a) or (b).

''(B) TRANSFER TO CORPORATION.—Once the in-process sugars and syrups are fully processed into raw cane sugar or refined beet sugar, the processor shall transfer the sugar to the Commodity Credit Corporation.

''(C) PAYMENT TO PROCESSOR.—On transfer of the sugar, the Secretary shall make a payment to the processor in an amount equal to the amount obtained by multiplying—

''(i) the difference between—

''(I) the loan rate for raw cane sugar or refined beet sugar, as appropriate; and

''(II) the loan rate the processor received under paragraph (3); by

''(ii) the quantity of sugar transferred to the Secretary.

''(5) LOAN CONVERSION.—If the processor does not forfeit the collateral as described in paragraph (4), but instead further processes the in-process sugars and syrups into raw cane sugar or refined beet sugar and repays the loan on the in-process sugars and syrups, the processor may obtain a loan under subsection (a) or (b) for the raw cane sugar or refined beet sugar, as appropriate.''.

(f) ADMINISTRATION OF PROGRAM.—Section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272) (as amended by subsection (e)) is amended by inserting after subsection (f) the following:

''(g) AVOIDING FORFEITURES; CORPORATION INVENTORY DISPOSITION.—

''(1) IN GENERAL.—Subject to subsection (e)(3), to the maximum extent practicable, the Secretary shall operate the program established under this section at no cost to the Federal Government by avoiding the forfeiture of sugar to the Commodity Credit Corporation.

''(2) INVENTORY DISPOSITION.—

''(A) IN GENERAL.—To carry out paragraph (1), the Commodity Credit Corporation may accept bids to obtain raw cane sugar or refined beet sugar in the inventory of the Commodity Credit Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (acting in conjunction with the producers of the sugarcane or sugar beets processed by the processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate.

''(B) ADDITIONAL AUTHORITY.—The authority provided under this paragraph is in addition to any authority of the Commodity Credit Corporation under any other law.''.

(g) INFORMATION REPORTING.—Section 156(h) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7272(h)) is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively;

(2) by inserting after paragraph (1) the following:

''(2) DUTY OF PRODUCERS TO REPORT.—

''(A) PROPORTIONATE SHARE STATES.—As a condition of a loan made to a processor for the benefit of a producer, the Secretary shall require each producer of sugarcane located in a State (other than the Commonwealth of Puerto Rico) in which there are in excess of 250 producers of sugarcane to report, in the manner prescribed by the Secretary, the sugarcane yields and acres planted to sugarcane of the producer.

''(B) OTHER STATES.—The Secretary may require each producer of sugarcane or sugar beets not covered by paragraph (1) to report, in a manner prescribed by the Secretary, the yields of, and acres planted to, sugarcane or sugar beets, respectively, of the producer.

''(3) DUTY OF IMPORTERS TO REPORT.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall require an importer of sugars, syrups, or molasses to be used for human consumption or to be used for the extraction of sugar for human consumption to report, in the manner prescribed by the Secretary, the quantities of the products imported by the importer and the sugar content or equivalent of the products.

''(B) TARIFF-RATE QUOTAS.—Subparagraph (A) shall not apply to sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are subject to the lower rate of duties.''; and

(3) in paragraph (5) (as redesignated by paragraph (1)), by striking ''paragraph (1)'' and inserting ''this subsection''.

(h) CROPS.—Section 156(i) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251(i)) is amended—

(1) by striking ''(other than subsection (f))''; and

(2) by striking ''2002'' and inserting ''2006''.

(i) INTEREST RATE.—Section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283) is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''Notwithstanding''; and

(2) by adding at the end the following:

''(b) SUGAR.—For purposes of this section, raw cane sugar, refined beet sugar, and in-process sugar eligible for a loan under section 156 shall not be considered an agricultural commodity.''.

SEC. 142. STORAGE FACILITY LOANS.

Chapter 2 of subtitle D of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7271 et seq.) is amended by adding at the end the following:

''SEC. 157. STORAGE FACILITY LOANS.

''(a) IN GENERAL.—Notwithstanding any other provision of law and as soon as practicable after the date of enactment of this section, the Commodity Credit Corporation shall amend part 1436 of title 7, Code of Federal Regulations, to establish a sugar storage facility loan program to provide financing for processors of domestically-produced sugarcane and sugar beets to construct or upgrade storage and handling facilities for raw sugars and refined sugars.

''(b) ELIGIBLE PROCESSORS.—A storage facility loan shall be made available to any processor of domestically produced sugarcane or sugar beets that (as determined by the Secretary)—

''(1) has a satisfactory credit history;

''(2) has a need for increased storage capacity, taking into account the effects of marketing allotments; and

''(3) demonstrates an ability to repay the loan.

''(c) TERM OF LOANS.—A storage facility loan shall—

''(1) have a minimum term of 7 years; and

''(2) be in such amounts and on such terms and conditions (including terms and conditions relating to downpayments, collateral, and eligible facilities) as are normal, customary, and appropriate for the size and commercial nature of the borrower.''.

SEC. 143. FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR.

(a) INFORMATION REPORTING.—Section 359a of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359aa) is repealed.

(b) ESTIMATES.—Section 359b of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359bb) is amended—

(1) in the section heading—

(A) by inserting ''**FLEXIBLE**'' before ''**MARKETING**''; and

(B) by striking ''**AND CRYSTALLINE FRUCTOSE**'';

(2) in subsection (a)—

(A) in paragraph (1)—

(i) by striking ''Before'' and inserting ''Not later than August 1 before'';

(ii) by striking ''1992 through 1998'' and inserting ''2002 through 2006'';

(iii) in subparagraph (A), by striking ''(other than sugar'' and all that follows through ''stocks'';

(iv) by redesignating subparagraphs (B) and (C) as subparagraphs (C) and (E), respectively;

(v) by inserting after subparagraph (A) the following:

''(B) the quantity of sugar that would provide for reasonable carryover stocks;'';

(vi) in subparagraph (C) (as so redesignated)—

(I) by striking ''or'' and all that follows through ''beets''; and

(II) by striking ''and'' following the semicolon;

(vii) by inserting after subparagraph (C) (as so redesignated) the following:

''(D) the quantity of sugar that will be available from the domestic processing of sugarcane and sugar beets; and''; and

(viii) in subparagraph (E) (as so redesignated)—

(I) by striking ''quantity of sugar'' and inserting ''quantity of sugars, syrups, and molasses'';

(II) by inserting ''human'' after ''imported for'' the first place it appears;

(III) by inserting after ''consumption'' the first place it appears the following: ''or to be used for the extraction of sugar for human consumption'';

(IV) by striking ''year'' and inserting ''year, whether such articles are under a tariff-rate quota or are in excess or outside of a tariff-rate quota''; and

(V) by striking ''(other than sugar'' and all that follows through ''carry-in stocks'';

(B) by redesignating paragraph (2) as paragraph (3);

(C) by inserting after paragraph (1) the following:

''(2) EXCLUSION.—The estimates under this subsection shall not apply to sugar imported for the production of polyhydric alcohol or to any sugar refined and reexported in refined form or in products containing sugar.''; and

(D) in paragraph (3) (as so redesignated)—

(i) in the paragraph heading, by striking ''QUARTERLY REESTIMATES'' and inserting ''REESTIMATES''; and

(ii) by inserting ''as necessary, but'' after ''a fiscal year'';

(3) in subsection (b)—

(A) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—By the beginning of each fiscal year, the Secretary shall establish for that fiscal year appropriate allotments under section 359c for the marketing by processors of sugar processed from sugar beets and from domestically-produced sugarcane at a level that the Secretary estimates will result in no forfeitures of sugar to the Commodity Credit Corporation under the loan program for sugar established under section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251).''; and

(B) in paragraph (2), by striking ''or crystalline fructose'';

(4) by striking subsection (c);

(5) by redesignating subsection (d) as subsection (c); and

(6) in subsection (c) (as so redesignated)—

(A) by striking paragraph (2);

(B) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively; and

(C) in paragraph (2) (as so redesignated)—

(i) by striking ''or manufacturer'' and all that follows through ''(2)''; and

(ii) by striking ''or crystalline fructose''.

(c) ESTABLISHMENT.—Section 359c of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359cc) is amended—

(1) in the section heading, by inserting ''**FLEXIBLE**'' after ''**OF**'';

(2) in subsection (a), by inserting ''flexible'' after ''establish'';

(3) in subsection (b)—

(A) in paragraph (1)(A), by striking ''1,250,000'' and inserting ''1,532,000''; and

(B) in paragraph (2), by striking ''to the maximum extent practicable'';

(4) by striking subsection (c) and inserting the following:

''(c) MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGAR BEETS AND SUGAR DERIVED FROM SUGARCANE.—The overall allotment quantity for the fiscal year shall be allotted between—

''(1) sugar derived from sugar beets by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by 54.35 percent; and

''(2) sugar derived from sugarcane by establishing a marketing allotment for a fiscal year at a quantity equal to the product of multiplying the overall allotment quantity for the fiscal year by 45.65 percent.'';

(5) by striking subsection (d) and inserting the following:

''(d) FILLING CANE SUGAR AND BEET SUGAR ALLOTMENTS.—

''(1) CANE SUGAR.—Each marketing allotment for cane sugar established under this section may only be filled with sugar processed from domestically grown sugarcane.

''(2) BEET SUGAR.—Each marketing allotment for beet sugar established under this section may only be filled with sugar domestically processed from sugar beets.'';

(6) by striking subsection (e);

(7) by redesignating subsection (f) as subsection (e);

(8) in subsection (e) (as so redesignated)—

(A) by striking ''The allotment'' and inserting the following:

''(1) IN GENERAL.—The allotment'';

(B) in paragraph (1) (as so redesignated)—

(i) by striking ''the 5'' and inserting ''the'';

(ii) by inserting after ''sugarcane is produced,'' the following: ''after a hearing (if requested by the affected sugarcane processors and growers) and on such notice as the Secretary by regulation may prescribe,''; and

(iii) by striking ''on the basis of past marketings'' and all that follows through ''allotments'' and inserting ''as provided in this subsection and section 359d(a)(2)(A)(iv)''; and

(C) by inserting after paragraph (1) (as so designated) the following:

''(2) OFFSHORE ALLOTMENT.—

''(A) COLLECTIVELY.—Prior to the allotment of sugar derived from sugarcane to any other State, 325,000 short tons, raw value shall be allotted to the offshore States.

''(B) INDIVIDUALLY.—The collective offshore State allotment provided for under subparagraph (A) shall be further allotted among the offshore States in which sugarcane is produced, after a hearing (if requested by the affected sugarcane processors and growers) and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

''(i) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

''(ii) the ability of processors to market the sugar covered under the allotments for the crop year; and

''(iii) past processings of sugar from sugarcane based on the 3-year average of the 1998 through 2000 crop years.

''(3) MAINLAND ALLOTMENT.—The allotment for sugar derived from sugarcane, less the amount provided for under paragraph (2), shall be allotted among the mainland States in the United States in which sugarcane is produced, after a hearing (if requested by the affected sugarcane processors and growers) and on such notice as the Secretary by regulation may prescribe, in a fair and equitable manner on the basis of—

''(A) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from the 1996 through 2000 crops;

''(B) the ability of processors to market the sugar covered under the allotments for the crop year; and

''(C) past processings of sugar from sugarcane, based on the 3 crop years with the greatest processings (in the mainland States collectively) during the 1991 through 2000 crop years.'';

(9) by inserting after subsection (e) (as so redesignated) the following:

''(f) FILLING CANE SUGAR ALLOTMENTS.—Except as provided in section 359e, a State cane sugar allotment established under subsection (e) for a fiscal year may be filled only with sugar processed from sugarcane grown in the State covered by the allotment.'';

(10) in subsection (g)—

(A) in paragraph (1), by striking ''359b(a)(2)—'' and all that follows through the comma at the end of subparagraph (C) and inserting ''359b(a)(3), adjust upward or downward marketing allotments in a fair and equitable manner'';

(B) in paragraph (2), by striking ''359f(b)'' and inserting ''359f(c)''; and

(C) in paragraph (3)—

(i) in the paragraph heading, by striking ''REDUCTIONS'' and inserting ''CARRY-OVER OF REDUCTIONS'';

(ii) by inserting after ''this subsection, if'' the following: ''at the time of the reduction'';

(iii) by striking ''price support'' and inserting ''nonrecourse'';

(iv) by striking ''206'' and all that follows through ''the allotment'' and inserting ''156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251),''; and

(v) by striking '', if any,''; and

(11) by striking subsection (h) and inserting the following:

''(h) SUSPENSION OF ALLOTMENTS.—Whenever the Secretary estimates or reestimates under section 359b(a), or has reason to believe, that imports of sugars, syrups or molasses for human consumption or to be used for the extraction of sugar for human consumption, whether under a tariff-rate quota or in excess or outside of a tariff-rate quota, will exceed 1,532,000 short tons (raw value equivalent), and that the imports would lead to a reduction of the overall allotment quantity, the Secretary shall suspend the marketing allotments established under this section until such time as the imports have been restricted, eliminated, or reduced to or

below the level of 1,532,000 short tons (raw value equivalent).''.

(d) ALLOCATION.—Section 359d(a)(2) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359dd(a)(2)) is amended—

(1) in subparagraph (A)—

(A) by striking ''The Secretary'' and inserting the following:

''(i) IN GENERAL.—The Secretary'';

(B) in the first sentence of clause (i) (as so designated)—

(i) by striking ''interested parties'' and inserting ''the affected sugarcane processors and growers''; and

(ii) by striking ''by taking'' and all that follows through ''allotment allocated.'' and inserting ''under this subparagraph.''; and

(C) by inserting after clause (i) the following:

''(ii) MULTIPLE PROCESSOR STATES.—Except as provided in clauses (iii) and (iv), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single State based on—

''(I) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1996 through 2000 crops;

''(II) the ability of processors to market sugar covered by that portion of the allotment allocated for the crop year; and

''(III) past processings of sugar from sugarcane, based on the average of the 3 highest years of production during the 1996 through 2000 crop years.

''(iii) TALISMAN PROCESSING FACILITY.—In the case of allotments under clause (ii) attributable to the operations of the Talisman processing facility before the date of enactment of this clause, the Secretary shall allocate the allotment among processors in the State under clause (i) in accordance with the agreements of March 25 and 26, 1999, between the affected processors and the Secretary of the Interior.

''(iv) PROPORTIONATE SHARE STATES.—In the case of States subject to section 359f(c), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single state based on—

''(I) past marketings of sugar, based on the average of the 2 highest years of production of raw cane sugar from among the 1997 through 2001 crop years;

''(II) the ability of processors to market sugar covered by that portion of the allotments allocated for the crop year; and

''(III) past processings of sugar from sugarcane, based on the average of the 2 highest crop years of crop production during the 1997 through 2001 crop years.

''(v) NEW ENTRANTS.—

''(I) IN GENERAL.—Notwithstanding clauses (ii) and (iv), the Secretary, on application of any processor that begins processing sugarcane on or after the date of enactment of this clause, and after a hearing (if requested by the affected sugarcane processors and growers) and on such notice as the Secretary by regulation may prescribe, may provide the processor with an allocation that provides a fair, efficient and equitable distribution of the allocations from the allotment for the State in which the processor is located.

''(II) PROPORTIONATE SHARE STATES.—In the case of proportionate share States, the Secretary shall establish proportionate shares in a quantity sufficient to produce the sugarcane required to satisfy the allocations.

''(III) LIMITATION.—The allotment for a new processor under this clause shall not exceed 50,000 short tons (raw value).

''(vi) TRANSFER OF OWNERSHIP.—Except as otherwise provided in section 359f(c)(8), if a sugarcane processor is sold or otherwise transferred to another owner or closed as part of an affiliated corporate group processing consolidation, the Secretary shall transfer the allotment allocation for the processor to the purchaser, new owner, or successor in interest, as applicable, of the processor.''; and

(2) in subparagraph (B)—

(A) in the first sentence, by striking ''The Secretary'' and inserting the following:

''(i) IN GENERAL.—The Secretary'';

(B) in clause (i) (as so designated)—

(i) by striking ''interested parties'' and inserting ''the affected sugar beet processors and growers''; and

(ii) by striking ''processing capacity'' and all that follows through ''allotment allocated.'' and inserting the following: ''the marketings of sugar processed from sugar beets of any or all of the 1996 through 2000 crops, and such other factors as the Secretary may consider appropriate after consultation with the affected sugar beet processors and growers.''; and

(C) by adding at the end the following:

''(ii) NEW PROCESSORS.—In the case of any processor that has started processing sugar beets after January 1, 1996, the Secretary shall provide the processor with an allocation that provides a fair, efficient and equitable distribution of the allocations.''.

(e) REASSIGNMENT.—Section 359e(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ee(b)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B), by striking the ''and'' after the semicolon;

(B) by redesignating subparagraph (C) as subparagraph (D);

(C) by inserting after subparagraph (B) the following:

''(C) if after the reassignments, the deficit cannot be completely eliminated, the Secretary shall reassign the estimated quantity of the deficit to the sale of any inventories of sugar held by the Commodity Credit Corporation; and''; and

(D) in subparagraph (D) (as so redesignated), by inserting ''and sales'' after ''reassignments''; and

(2) in paragraph (2)—

(A) in subparagraph (A), by striking the ''and'' after the semicolon;

(B) in subparagraph (B), by striking ''reassign the remainder to imports.'' and inserting ''use the estimated quantity of the deficit for the sale of any inventories of sugar held by the Commodity Credit Corporation; and''; and

(C) by inserting after subparagraph (B) the following:

''(C) if after the reassignments and sales, the deficit cannot be completely eliminated, the Secretary shall reassign the remainder to imports.''.

(f) PRODUCER PROVISIONS.—Section 359f of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359ff) is amended—

(1) in subsection (a)—

(A) by striking ''Whenever'' and inserting the following:

''(1) IN GENERAL.—If'';

(B) in the second sentence, by striking ''processor's allocation'' and inserting ''allocation to the processor'';

(C) by striking ''Any dispute'' and inserting the following:

''(2) ARBITRATION.—

''(A) IN GENERAL.—Any dispute''; and

(D) by adding at the end the following:

''(B) PERIOD.—The arbitration shall, to the maximum extent practicable, be—

''(i) commenced not more than 45 days after the request; and

''(ii) completed not more than 60 days after the request.'';

(2) by redesignating subsection (b) as subsection (c);

(3) by inserting after subsection (a) the following:

''(b) SUGAR BEET PROCESSING FACILITY CLOSURES.—

''(1) IN GENERAL.—If a sugar beet processing facility is closed and the sugar beet growers that previously delivered beets to the facility elect to deliver their beets to another processing company, the growers may petition the Secretary to modify allocations under this part to allow the delivery.

''(2) INCREASED ALLOCATION FOR PROCESSING COMPANY.—The Secretary may increase the allocation to the processing company to which the growers elect to deliver their sugar beets, with the approval of the processing company, to a level that does not exceed the processing capacity of the processing company, to accommodate the change in deliveries.

''(3) DECREASED ALLOCATION FOR CLOSED COMPANY.—The increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation shall be unaffected.

''(4) TIMING.—The determinations of the Secretary on the issues raised by the petition shall be made within 60 days after the filing of the petition.''; and

(4) in subsection (c) (as so redesignated)—

(A) in paragraph (3)(A), by striking ''the preceding 5 years'' and inserting ''the 2 highest years from among the 1999, 2000, and 2001 crop years'';

(B) in paragraph (4)(A), by striking ''each'' and all that follows through ''in effect'' and inserting ''the 2 highest of the 1999, 2000, and 2001 crop years''; and

(C) by inserting after paragraph (7) the following:

''(8) PROCESSING FACILITY CLOSURES.—

''(A) IN GENERAL.—If a sugarcane processing facility subject to this subsection is closed and the sugarcane growers that delivered sugarcane to the facility prior to closure elect to deliver their sugarcane to another processing company, the growers may petition the Secretary to modify allocations under this part to allow the delivery.

''(B) INCREASED ALLOCATION FOR PROCESSING COMPANY.—The Secretary may increase the allocation to the processing company to which the growers elect to deliver the sugarcane, with the approval of the processing company, to a level that does not exceed the processing capacity of the processing company, to accommodate the change in deliveries.

''(C) DECREASED ALLOCATION FOR CLOSED COMPANY.—The increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation shall be unaffected.

''(D) TIMING.—The determinations of the Secretary on the issues raised by the petition shall be made within 60 days after the filing of the petition.''.

(g) CONFORMING AMENDMENTS.—

(1) Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is amended by striking the part heading and inserting the following:

''PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR''.

(2) Part VII of subtitle B of title III of the Agricultural Adjustment Act of 1938 is amended by inserting before section 359a (7 U.S.C. 1359aa) the following:

''SEC. 359. DEFINITIONS.

''In this part:

''(1) MAINLAND STATE.—The term 'mainland State' means a State other than an offshore State.

''(2) OFFSHORE STATE.—The term 'offshore State' means a sugarcane producing State located outside of the continental United States.

''(3) STATE.—Notwithstanding section 301, the term 'State' means—

''(A) a State;

''(B) the District of Columbia; and

''(C) the Commonwealth of Puerto Rico.

''(4) UNITED STATES.—The term 'United States', when used in a geographical sense, means all of the States.''.

(3) Section 359g of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359gg) is amended—

(A) by striking ''359f'' each place it appears and inserting ''359f(c)'';

(B) in the first sentence of subsection (b), by striking ''3 consecutive'' and inserting ''5 consecutive''; and

(C) in subsection (c), by inserting ''or adjusted'' after ''share established''.

(4) Section 359j of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359jj) is amended by striking subsection (c).

CHAPTER 3—PEANUTS

SEC. 151. PEANUT PROGRAM.

(a) IN GENERAL.—Subtitle D of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251 et seq.) is amended by adding at the end the following:

''CHAPTER 3—PEANUTS

''SEC. 158A. DEFINITIONS.

''In this chapter:

''(1) COUNTER-CYCLICAL PAYMENT.—The term 'counter-cyclical payment' means a payment made to peanut producers on a farm under section 158D.

''(2) DIRECT PAYMENT.—The term 'direct payment' means a payment made to peanut producers on a farm under section 158C.

''(3) EFFECTIVE PRICE.—The term 'effective price' means the price calculated by the Secretary under section 158D for peanuts to determine whether counter-cyclical payments are required to be made under section 158D for a crop year.

''(4) HISTORICAL PEANUT PRODUCERS ON A FARM.—The term 'historical peanut producers on a farm' means the peanut producers on a farm in the United States that produced or were prevented from planting peanuts during any of the 1998 through 2001 crop years.

''(5) INCOME PROTECTION PRICE.—The term 'income protection price' means the price per ton of peanuts used to determine the payment rate for counter-cyclical payments.

''(6) PAYMENT ACRES.—The term 'payment acres' means 85 percent of the peanut acres on a farm, as established under section 158B, on which direct payments and counter-cyclical payments are made.

''(7) PEANUT ACRES.—The term 'peanut acres' means the number of acres assigned to a particular farm for historical peanut producers on a farm pursuant to section 158B(b).

''(8) PAYMENT YIELD.—The term 'payment yield' means the yield assigned to a farm by historical peanut producers on the farm pursuant to section 158B(b).

''(9) PEANUT PRODUCER.—The term 'peanut producer' means an owner, operator, landlord, tenant, or sharecropper that—

''(A) shares in the risk of producing a crop of peanuts in the United States; and

''(B) is entitled to share in the crop available for marketing from the farm or would have shared in the crop had the crop been produced.

''SEC. 158B. PAYMENT YIELDS, PEANUT ACRES, AND PAYMENT ACRES FOR FARMS.

''(a) PAYMENT YIELDS AND PAYMENT ACRES.—

''(1) AVERAGE YIELD.—

''(A) IN GENERAL.—The Secretary shall determine, for each historical peanut producer, the average yield for peanuts on all farms of the historical peanut producer for the 1998 through 2001 crop years, excluding any crop year during which the producers did not produce peanuts.

''(B) ASSIGNED YIELDS.—If, for any of the crop years referred to in subparagraph (A) in which peanuts were planted on a farm by the historical peanut producer, the historical peanut producer has satisfied the eligibility criteria established to carry out section 1102 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999 (7 U.S.C. 1421 note; Public Law 105–277), the Secretary shall assign to the historical peanut producer a yield for the farm for the crop year equal to 65 percent of the average yield for peanuts for the previous 5 crop years.

''(2) ACREAGE AVERAGE.—Except as provided in paragraph (3), the Secretary shall determine, for the historical peanut producer, the 4-year average of—

''(A) acreage planted to peanuts on all farms for harvest during the 1998 through 2001 crop years; and

''(B) any acreage that was prevented from being planting to peanuts during the crop years because of drought, flood, or other natural disaster, or other condition beyond the control of the historical peanut producer, as determined by the Secretary.

''(3) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in paragraph (2) is located is declared a disaster area during 1 or more of the 4 crop years described in paragraph (2), for purposes of determining the 4-year average acreage for the historical peanut producer, the historical peanut producer may elect to substitute, for not more than 1 of the crop years during which a disaster is declared—

''(A) the State average of acreage actually planted to peanuts; or

''(B) the average of acreage for the historical peanut producer determined by the Secretary under paragraph (2).

''(4) TIME FOR DETERMINATIONS; FACTORS.—

''(A) TIMING.—The Secretary shall make the determinations required by this subsection not later than 90 days after the date of enactment of this section.

''(B) FACTORS.—In making the determinations, the Secretary shall take into account changes in the number and identity of historical peanut producers sharing in the risk of producing a peanut crop since the 1998 crop year, including providing a method for the assignment of average acres and average yield to a farm when a historical peanut producer is no longer living or an entity composed of historical peanut producers has been dissolved.

''(b) ASSIGNMENT OF YIELD AND ACRES TO FARMS.—

''(1) ASSIGNMENT BY HISTORICAL PEANUT PRODUCERS.—The Secretary shall provide each historical peanut producer with an opportunity to assign the average peanut yield and average acreage determined under subsection (a) for the historical peanut producer to cropland on a farm.

''(2) PAYMENT YIELD.—The average of all of the yields assigned by historical peanut producers to a farm shall be considered to be the payment yield for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

''(3) PEANUT ACRES.—Subject to subsection (e), the total number of acres assigned by historical peanut producers to a farm shall be considered to be the peanut acres for the farm for the purpose of making direct payments and counter-cyclical payments under this chapter.

''(c) ELECTION.—Not later than 180 days after the date of enactment of this section, a historical peanut producer shall notify the Secretary of the assignments described in subsection (b).

''(d) PAYMENT ACRES.—The payment acres for peanuts on a farm shall be equal to 85 percent of the peanut acres assigned to the farm.

''(e) PREVENTION OF EXCESS PEANUT ACRES.—

''(1) REQUIRED REDUCTION.—If the total of the peanut acres for a farm, together with the acreage described in paragraph (3), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of peanut acres for the farm or contract acreage for 1 or more covered commodities for the farm as necessary so that the total of the peanut acres and acreage described in paragraph (3) does not exceed the actual cropland acreage of the farm.

''(2) SELECTION OF ACRES.—The Secretary shall give the peanut producers on the farm the opportunity to select the peanut acres or contract acreage against which the reduction will be made.

''(3) OTHER ACREAGE.—For purposes of paragraph (1), the Secretary shall include—

''(A) any contract acreage for the farm under subtitle B;

''(B) any acreage on the farm enrolled in the conservation reserve program or wetlands reserve program under chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.); and

''(C) any other acreage on the farm enrolled in a conservation program for which payments are made in exchange for not producing an agricultural commodity on the acreage.

''(3) DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall take into account additional acreage as a result of an established double-cropping history on a farm, as determined by the Secretary.

''SEC. 158C. DIRECT PAYMENTS FOR PEANUTS.

''(a) IN GENERAL.—For each of the 2002 through 2006 fiscal years, the Secretary shall make direct payments to peanut producers on a farm with peanut acres under section 158B and a payment yield for peanuts under section 158B.

''(b) PAYMENT RATE.—The payment rate used to make direct payments with respect to peanuts for a fiscal year shall be equal to $0.018 per pound.

''(c) PAYMENT AMOUNT.—The amount of the direct payment to be paid to the peanut producers on a farm for peanuts for a fiscal year shall be equal to the product obtained by multiplying—

''(1) the payment rate specified in subsection (b);

''(2) the payment acres on the farm; by

''(3) the payment yield for the farm.

''(d) TIME FOR PAYMENT.—

''(1) IN GENERAL.—The Secretary shall make direct payments—

''(A) in the case of the 2002 fiscal year, during the period beginning December 1, 2001, and ending September 30, 2002; and

''(B) in the case of each of the 2003 through 2006 fiscal years, not later than September 30 of the fiscal year.

''(2) ADVANCE PAYMENTS.—

''(A) IN GENERAL.—At the option of the peanut producers on a farm, the Secretary shall pay 50 percent of the direct payment for a fiscal year for the producers on the farm on a date selected by the peanut producers on the farm.

''(B) SELECTED DATE.—The selected date for a fiscal year shall be on or after December 1 of the fiscal year.

''(C) SUBSEQUENT FISCAL YEARS.—The peanut producers on a farm may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

''(3) REPAYMENT OF ADVANCE PAYMENTS.—If any peanut producer on a farm that receives an advance direct payment for a fiscal year

ceases to be eligible for a direct payment before the date the direct payment would have been made by the Secretary under paragraph (1), the peanut producer shall be responsible for repaying the Secretary the full amount of the advance payment.

"SEC. 158D. COUNTER-CYCLICAL PAYMENTS FOR PEANUTS.

''(a) IN GENERAL.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make counter-cyclical payments with respect to peanuts if the Secretary determines that the effective price for peanuts is less than the income protection price for peanuts.

''(b) EFFECTIVE PRICE.—For purposes of subsection (a), the effective price for peanuts is equal to the total of—

''(1) the greater of—

''(A) the national average market price received by peanut producers during the 12-month marketing year for peanuts, as determined by the Secretary; or

''(B) the national average loan rate for a marketing assistance loan for peanuts under section 158G in effect for the 12-month marketing year for peanuts under this chapter; and

''(2) the payment rate in effect for peanuts under section 158C for the purpose of making direct payments with respect to peanuts.

''(c) INCOME PROTECTION PRICE.—For purposes of subsection (a), the income protection price for peanuts shall be equal to $520 per ton.

''(d) PAYMENT AMOUNT.—The amount of the counter-cyclical payment to be paid to the peanut producers on a farm for a crop year shall be equal to the product obtained by multiplying—

''(1) the payment rate specified in subsection (e);

''(2) the payment acres on the farm; by

''(3) the payment yield for the farm.

''(e) PAYMENT RATE.—The payment rate used to make counter-cyclical payments with respect to peanuts for a crop year shall be equal to the difference between—

''(1) the income protection price for peanuts; and

''(2) the effective price determined under subsection (b) for peanuts.

''(f) TIME FOR PAYMENTS.—

''(1) IN GENERAL.—The Secretary shall make counter-cyclical payments to peanut producers on a farm under this section for a crop of peanuts as soon as practicable after determining under subsection (a) that the payments are required for the crop year.

''(2) PARTIAL PAYMENT.—

''(A) IN GENERAL.—At the option of the Secretary, the peanut producers on a farm may elect to receive up to 40 percent of the projected counter-cyclical payment to be made under this section for a crop of peanuts on completion of the first 6 months of the marketing year for the crop, as determined by the Secretary.

''(B) REPAYMENT.—The peanut producers on a farm shall repay to the Secretary the amount, if any, by which the payment received by producers on the farm (including any partial payments) exceeds the counter-cyclical payment the producers on the farm are eligible for under this section.

"SEC. 158E. PRODUCER AGREEMENTS.

''(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

''(1) REQUIREMENTS.—Before the peanut producers on a farm may receive direct payments or counter-cyclical payments with respect to the farm, the peanut producers on the farm shall agree during the fiscal year or crop year, respectively, for which the payments are received, in exchange for the payments—

''(A) to comply with applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.);

''(B) to comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.);

''(C) to comply with the planting flexibility requirements of section 158F; and

''(D) to use a quantity of the land on the farm equal to the peanut acres, for an agricultural or conserving use, and not for a non-agricultural commercial or industrial use, as determined by the Secretary.

''(2) COMPLIANCE.—The Secretary may promulgate such regulations as the Secretary considers necessary to ensure peanut producer compliance with paragraph (1).

''(b) FORECLOSURE.—

''(1) IN GENERAL.—The Secretary shall not require the peanut producers on a farm to repay a direct payment or counter-cyclical payment if a foreclosure has occurred with respect to the farm and the Secretary determines that forgiving the repayment is appropriate to provide fair and equitable treatment.

''(2) COMPLIANCE WITH REQUIREMENTS.—

''(A) IN GENERAL.—This subsection shall not void the responsibilities of the peanut producers on a farm under subsection (a) if the peanut producers on the farm continue or resume operation, or control, of the farm.

''(B) APPLICABLE REQUIREMENTS.—On the resumption of operation or control over the farm by the peanut producers on the farm, the requirements of subsection (a) in effect on the date of the foreclosure shall apply.

''(c) TRANSFER OR CHANGE OF INTEREST IN FARM.—

''(1) TERMINATION.—Except as provided in paragraph (5), a transfer of (or change in) the interest of the peanut producers on a farm in peanut acres for which direct payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the peanut acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a).

''(2) EFFECTIVE DATE.—The termination takes effect on the date of the transfer or change.

''(3) TRANSFER OF PAYMENT BASE AND YIELD.—The Secretary shall not impose any restriction on the transfer of the peanut acres or payment yield of a farm as part of a transfer or change described in paragraph (1).

''(4) MODIFICATION.—At the request of the transferee or owner, the Secretary may modify the requirements of subsection (a) if the modifications are consistent with the purposes of subsection (a), as determined by the Secretary.

''(5) EXCEPTION.—If a peanut producer entitled to a direct payment or counter-cyclical payment dies, becomes incompetent, or is otherwise unable to receive the payment, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary.

''(d) ACREAGE REPORTS.—As a condition on the receipt of any benefits under this chapter, the Secretary shall require the peanut producers on a farm to submit to the Secretary acreage reports for the farm.

''(e) TENANTS AND SHARECROPPERS.—In carrying out this chapter, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

''(f) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of direct payments and counter-cyclical payments among the peanut producers on a farm on a fair and equitable basis.

"SEC. 158F. PLANTING FLEXIBILITY.

''(a) PERMITTED CROPS.—Subject to subsection (b), any commodity or crop may be planted on peanut acres on a farm.

''(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

''(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on peanut acres:

''(A) Fruits.

''(B) Vegetables (other than lentils, mung beans, and dry peas).

''(C) In the case of the 2003 and subsequent crops of an agricultural commodity, wild rice.

''(2) EXCEPTIONS.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in paragraph (1)—

''(A) in any region in which there is a history of double-cropping of peanuts with agricultural commodities specified in paragraph (1), as determined by the Secretary, in which case the double-cropping shall be permitted;

''(B) on a farm that the Secretary determines has a history of planting agricultural commodities specified in paragraph (1) on peanut acres, except that direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity; or

''(C) by the peanut producers on a farm that the Secretary determines has an established planting history of a specific agricultural commodity specified in paragraph (1), except that—

''(i) the quantity planted may not exceed the average annual planting history of the agricultural commodity by the peanut producers on the farm during the 1996 through 2001 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

''(ii) direct payments and counter-cyclical payments shall be reduced by an acre for each acre planted to the agricultural commodity.

"SEC. 158G. MARKETING ASSISTANCE LOANS AND LOAN DEFICIENCY PAYMENTS FOR PEANUTS.

''(a) NONRECOURSE LOANS AVAILABLE.—

''(1) AVAILABILITY.—For each of the 2002 through 2006 crops of peanuts, the Secretary shall make available to peanut producers on a farm nonrecourse marketing assistance loans for peanuts produced on the farm.

''(2) TERMS AND CONDITIONS.—The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under subsection (b).

''(3) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under this section for any quantity of peanuts produced on the farm.

''(4) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this section, the Secretary shall make loans to peanut producers on a farm that would be eligible to obtain a marketing assistance loan but for the fact the peanuts owned by the peanut producers on the farm are commingled with other peanuts of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the peanut producers on a farm obtaining the loan agree to immediately redeem the loan collateral in accordance with section 158E.

''(5) OPTIONS FOR OBTAINING LOAN.—A marketing assistance loan under this subsection, and loan deficiency payments under subsection (e), may be obtained at the option of the peanut producers on a farm through—

''(A) a designated marketing association of peanut producers that is approved by the Secretary;

''(B) the Farm Service Agency; or

''(C) a loan servicing agent approved by the Secretary.

''(b) LOAN RATE.—The loan rate for a marketing assistance loan for peanuts under subsection (a) shall be equal to $400 per ton.

''(c) TERM OF LOAN.—

''(1) IN GENERAL.—A marketing assistance loan for peanuts under subsection (a) shall have a term of 9 months beginning on the first day of the first month after the month in which the loan is made.

''(2) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for peanuts under subsection (a).

''(d) REPAYMENT RATE.—The Secretary shall permit peanut producers on a farm to repay a marketing assistance loan for peanuts under subsection (a) at a rate that is the lesser of—

''(1) the loan rate established for peanuts under subsection (b), plus interest (as determined by the Secretary); or

''(2) a rate that the Secretary determines will—

''(A) minimize potential loan forfeitures;

''(B) minimize the accumulation of stocks of peanuts by the Federal Government;

''(C) minimize the cost incurred by the Federal Government in storing peanuts; and

''(D) allow peanuts produced in the United States to be marketed freely and competitively, both domestically and internationally.

''(e) LOAN DEFICIENCY PAYMENTS.—

''(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to the peanut producers on a farm that, although eligible to obtain a marketing assistance loan for peanuts under subsection (a), agree to forgo obtaining the loan for the peanuts in return for payments under this subsection.

''(2) AMOUNT.—A loan deficiency payment under this subsection shall be obtained by multiplying—

''(A) the loan payment rate determined under paragraph (3) for peanuts; by

''(B) the quantity of the peanuts produced by the peanut producers on the farm, excluding any quantity for which the producers on the farm obtain a loan under subsection (a).

''(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate shall be the amount by which—

''(A) the loan rate established under subsection (b); exceeds

''(B) the rate at which a loan may be repaid under subsection (d).

''(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to the peanut producers on a farm with respect to a quantity of peanuts as of the earlier of—

''(A) the date on which the peanut producers on the farm marketed or otherwise lost beneficial interest in the peanuts, as determined by the Secretary; or

''(B) the date the peanut producers on the farm request the payment.

''(f) COMPLIANCE WITH CONSERVATION REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the peanut producers on a farm shall comply during the term of the loan with—

''(1) applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

''(2) applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

''(g) REIMBURSABLE AGREEMENTS AND PAYMENT OF EXPENSES.—To the maximum extent practicable, the Secretary shall implement any reimbursable agreements or provide for the payment of expenses under this chapter in a manner that is consistent with the implementation of the agreements or payment of the expenses for other commodities.

''SEC. 158H. QUALITY IMPROVEMENT.

''(a) OFFICIAL INSPECTION.—

''(1) MANDATORY INSPECTION.—All peanuts placed under a marketing assistance loan under section 158G shall be officially inspected and graded by a Federal or State inspector.

''(2) OPTIONAL INSPECTION.—Peanuts not placed under a marketing assistance loan may be graded at the option of the peanut producers on a farm.

''(b) TERMINATION OF PEANUT ADMINISTRATIVE COMMITTEE.—The Peanut Administrative Committee established under Marketing Agreement No. 1436, which regulates the quality of domestically produced peanuts under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is terminated.

''(c) ESTABLISHMENT OF PEANUT STANDARDS BOARD.—

''(1) IN GENERAL.—The Secretary shall establish a Peanut Standards Board for the purpose of assisting in the establishment of quality standards with respect to peanuts.

''(2) COMPOSITION.—The Secretary shall appoint members to the Board that, to the maximum extent practicable, reflect all regions and segments of the peanut industry.

''(3) DUTIES.—The Board shall assist the Secretary in establishing quality standards for peanuts.

''(d) CROPS.—This section shall apply beginning with the 2002 crop of peanuts.''.

(b) CONFORMING AMENDMENTS.—

(1) The chapter heading of chapter 2 of subtitle D of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. prec. 7271) is amended by striking ''**PEANUTS AND**''.

(2) Section 155 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7271) is repealed.

SEC. 152. TERMINATION OF MARKETING QUOTAS FOR PEANUTS AND COMPENSATION TO PEANUT QUOTA HOLDERS.

(a) REPEAL OF MARKETING QUOTAS FOR PEANUTS.—Effective beginning with the 2002 crop of peanuts, part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) is repealed.

(b) COMPENSATION OF QUOTA HOLDERS.—

(1) DEFINITIONS.—In this subsection:

(A) PEANUT QUOTA HOLDER.—

(i) IN GENERAL.—The term ''peanut quota holder'' means a person or entity that owns a farm that—

(I) held a peanut quota established for the farm for the 2001 crop of peanuts under part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) (as in effect before the amendment made by subsection (a));

(II) if there was not such a quota established for the farm for the 2001 crop of peanuts, would be eligible to have such a quota established for the farm for the 2002 crop of peanuts, in the absence of the amendment made by subsection (a); or

(III) is otherwise a farm that was eligible for such a quota as of the effective date of the amendments made by this section.

(ii) SEED OR EXPERIMENTAL PURPOSES.—The Secretary shall apply the definition of ''peanut quota holder'' without regard to temporary leases, transfers, or quotas for seed or experimental purposes.

(B) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(2) CONTRACTS.—The Secretary shall offer to enter into a contract with peanut quota holders for the purpose of providing compensation for the lost value of quota as a result of the repeal of the marketing quota program for peanuts under the amendment made by subsection (a).

(3) PAYMENT PERIOD.—Under a contract, the Secretary shall make payments to an eligible peanut quota holder for each of fiscal years 2002 through 2006.

(4) TIME FOR PAYMENT.—The payments required under the contracts shall be provided in 5 equal installments not later than September 30 of each of fiscal years 2002 through 2006.

(5) PAYMENT AMOUNT.—The amount of the payment for a fiscal year to a peanut quota holder under a contract shall be equal to the product obtained by multiplying—

(A) $0.10 per pound; by

(B) the actual farm poundage quota (excluding any quantity for seed and experimental peanuts) established for the farm of a peanut quota holder under section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)) (as in effect prior to the amendment made by subsection (a)) for the 2001 marketing year.

(6) ASSIGNMENT OF PAYMENTS.—

(A) IN GENERAL.—The provisions of section 8(g) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(g)), relating to assignment of payments, shall apply to the payments made to peanut quota holders under the contracts.

(B) NOTICE.—The peanut quota holder making the assignment, or the assignee, shall provide the Secretary with notice, in such manner as the Secretary may require, of any assignment made under this subsection.

(c) CONFORMING AMENDMENTS.—

(1) ADMINISTRATIVE PROVISIONS.—Section 361 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1361) is amended by striking ''peanuts,''.

(2) ADJUSTMENT OF QUOTAS.—Section 371 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1371) is amended—

(A) in the first sentence of subsection (a), by striking ''peanuts,''; and

(B) in the first sentence of subsection (b), by striking ''peanuts''.

(3) REPORTS AND RECORDS.—Section 373 of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1373) is amended—

(A) in the first sentence of subsection (a)—

(i) by striking ''peanuts,'' each place it appears;

(ii) by inserting ''and'' after ''from producers,''; and

(iii) by striking ''for producers, all'' and all that follows through the period at the end of the sentence and inserting ''for producers.''; and

(B) in subsection (b), by striking ''peanuts,''.

(4) EMINENT DOMAIN.—Section 378(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1378(c)) is amended in the first sentence—

(A) by striking ''cotton,'' and inserting ''cotton and''; and

(B) by striking ''and peanuts,''.

(d) CROPS.—This section and the amendments made by this section apply beginning with the 2002 crop of peanuts.

Subtitle D—Administration

SEC. 161. ADJUSTMENT AUTHORITY RELATED TO URUGUAY ROUND COMPLIANCE.

Section 161 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7281) is amended by adding at the end the following:

''(e) ADJUSTMENT AUTHORITY RELATED TO URUGUAY ROUND COMPLIANCE.—If the Secretary determines that expenditures under subtitles A through D that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2 of the Uruguay Round Agreements Act (19 U.S.C. 3501)), as in effect on the date of enactment of this subsection, will exceed the allowable levels for any applicable reporting period, the Secretary may make adjustments in the amount of the expenditures to ensure that the expenditures do not exceed, but are not less than, the allowable levels.''.

SEC. 162. SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.

Section 171 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301) is amended—

(1) by striking ''2002'' each place it appears and inserting ''2006''; and

(2) in subsection (a)(1)—

(A) by striking subparagraph (E); and

(B) by redesignating subparagraphs (F) through (I) as subparagraphs (E) through (H), respectively.

SEC. 163. COMMODITY PURCHASES.

Section 191 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7331 et seq.) is amended to read as follows:

''SEC. 191. COMMODITY PURCHASES.

''(a) IN GENERAL.—To purchase agricultural commodities under this section, the Secretary shall use funds of the Commodity Credit Corporation in an amount equal to—

''(1) for each of fiscal years 2002 and 2003, $130,000,000, of which not less than $100,000,000 shall be used for the purchase of specialty crops;

''(2) for fiscal year 2004, $150,000,000, of which not less than $120,000,000 shall be used for the purchase of specialty crops;

''(3) for fiscal year 2005, $170,000,000, of which not less than $140,000,000 shall be used for the purchase of specialty crops;

''(4) for fiscal year 2006, $200,000,000, of which not less than $170,000,000 shall be used for the purchase of specialty crops; and

''(5) for fiscal year 2007, $0.

''(b) OTHER PURCHASES.—The Secretary shall ensure that purchases of agricultural commodities under this section are in addition to purchases by the Secretary under any other law.

''(c) PURCHASES BY DEPARTMENT OF DEFENSE FOR SCHOOL LUNCH PROGRAM.—The Secretary shall provide not less than $50,000,000 for each fiscal year of the funds made available under subsection (a) to the Secretary of Defense to purchase fresh fruits and vegetables for distribution to schools and service institutions in accordance with section 6(a) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(a)) in a manner prescribed by the Secretary of Agriculture.

''(d) PURCHASES FOR EMERGENCY FOOD ASSISTANCE PROGRAM.—The Secretary shall use not less than $40,000,000 for each fiscal year of the funds made available under subsection (a) to purchase agricultural commodities for distribution under the Emergency Food Assistance Act of 1983 (7 U.S.C. 7501 et seq.).''.

SEC. 164. HARD WHITE WHEAT INCENTIVE PAYMENTS.

Section 193 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 1508) is amended to read as follows:

''SEC. 193. HARD WHITE WHEAT INCENTIVE PAYMENTS.

''(a) IN GENERAL.—For the period of crop years 2003 through 2005, the Secretary shall use $40,000,000 of funds of the Commodity Credit Corporation to provide incentive payments to producers of hard white wheat to ensure that hard white wheat, produced on a total of not more than 2,000,000 acres, meets minimum quality standards established by the Secretary.

''(b) APPLICATION.—The amounts payable to producers in the form of payments under this section shall be determined through the submission of bids by producers in such manner as the Secretary may prescribe.

''(c) DEMAND FOR WHEAT.—To be eligible to obtain a payment under this section, a producer shall demonstrate to the Secretary the availability of buyers and end-users for the wheat that is the covered by the payment.''.

SEC. 165. PAYMENT LIMITATIONS.

Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (4) and inserting the following:

''(1) LIMITATION ON DIRECT AND COUNTER-CYCLICAL PAYMENTS.—The total amount of direct payments and counter-cyclical payments to a person during any fiscal year may not exceed $100,000, with a separate limitation for—

''(A) all contract commodities; and

''(B) peanuts.

''(2) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—The total amount of the payments specified in paragraph (3) that a person shall be entitled to receive under title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.) for 1 or more loan commodities during any crop year may not exceed $150,000, with a separate limitation for—

''(A) all contract commodities;

''(B) wool and mohair;

''(C) honey; and

''(D) peanuts.

''(3) DESCRIPTION OF PAYMENTS SUBJECT TO LIMITATION.—The payments referred to in paragraph (2) are the following:

''(A) Any gain realized by a producer from repaying a marketing assistance loan under section 131 or 158G(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a lower level than the original loan rate established for the loan commodity or peanuts under section 132 or 158G(d) of that Act, respectively.

''(B) Any loan deficiency payment received for a loan commodity or peanuts under section 135 or 158G(e) of that Act, respectively.

''(4) DEFINITIONS.—In paragraphs (1) through (3):

''(A) CONTRACT COMMODITY.—The term 'contract commodity' has the meaning given the term in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202).

''(B) COUNTER-CYCLICAL PAYMENT.—The term 'counter-cyclical payment'' means a payment made under section 114 or 158D of that Act.

''(C) DIRECT PAYMENT.—The term 'direct payment' means a payment made under section 113 or 158C of that Act.

''(D) LOAN COMMODITY.—The term 'loan commodity' has the meaning given the term in section 102 of that Act.''.

TITLE II—CONSERVATION

Subtitle A—Conservation Security

SEC. 201. CONSERVATION SECURITY PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended by inserting after chapter 1 the following:

''CHAPTER 2—CONSERVATION SECURITY AND FARMLAND PROTECTION

''Subchapter A—Conservation Security Program

''SEC. 1238. DEFINITIONS.

''In this subchapter:

''(1) BASE PAYMENT.—The term 'base payment' means the amount paid to an producer under a conservation security contract that is equal to the total of the amounts described in clauses (i) and (ii) of subparagraphs (C), (D), or (E) of section 1238C(b)(1), as appropriate.

''(2) BEGINNING FARMER OR RANCHER.—The term 'beginning farmer or rancher' has the meaning provided under section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999(a)).

''(3) BONUS AMOUNT.—The term 'bonus amount' means the amount paid to a producer under a conservation security contract that is equal to the total of the amounts described in clauses (iii) and (iv) of subparagraph (C), and of clause (iii) of subparagraph (D) or (E), of section 1238C(b)(1), as appropriate.

''(4) CONSERVATION PRACTICE.—The term 'conservation practice' means a land-based farming technique that—

''(A) requires planning, implementation, management, and maintenance; and

''(B) promotes 1 or more of the purposes described in section 1238A(a).

''(5) CONSERVATION SECURITY CONTRACT.—The term 'conservation security contract' means a contract described in section 1238A(e).

''(6) CONSERVATION SECURITY PLAN.—The term 'conservation security plan' means a plan described in section 1238A(c).

''(7) CONSERVATION SECURITY PROGRAM.—The term 'conservation security program' means the program established under section 1238A(a).

''(8) CONTINUOUS SIGNUP.—The term 'continuous signup', with respect to land, means land enrolled in a program described in section 1231(b)(6)(A) on which conservation practices are carried out.

''(9) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(10) NUTRIENT MANAGEMENT.—The term 'nutrient management' means management of the quantity, source, placement, form, and timing of the land application of nutrients and other additions to soil on land enrolled in the conservation security program—

''(A) to achieve or maintain adequate soil fertility for agricultural production;

''(B) to minimize the potential for loss of environmental quality, including soil, water, fish and wildlife habitat, and air and water quality; or

''(C) to reduce energy consumption.

''(11) PRODUCER.—

''(A) IN GENERAL.—The term 'producer' means an owner, operator, landlord, tenant, or sharecropper that—

''(i) shares in the risk of producing any crop or livestock; and

''(ii) is entitled to share in the crop or livestock available for marketing from a farm (or would have shared had the crop or livestock been produced).

''(B) HYBRID SEED GROWERS.—In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract.

''(12) RESOURCE OF CONCERN.—The term 'resource of concern' means a conservation priority of a State and locality under section 1238A(c)(3).

''(13) RESOURCE-CONSERVING CROP.—The term 'resource-conserving crop' means—

''(A) a perennial grass;

''(B) a legume grown for use as—

''(i) forage;

''(ii) seed for planting; or

''(iii) green manure;

''(C) a legume-grass mixture;

''(D) a small grain grown in combination with a grass or legume, whether interseeded or planted in succession; and

''(E) such other plantings, including trees and annual grasses, as the Secretary considers appropriate for a particular area.

''(14) RESOURCE-CONSERVING CROP ROTATION.—The term 'resource-conserving crop rotation' means a crop rotation that—

''(A) includes at least 1 resource-conserving crop;

''(B) reduces erosion;

''(C) improves soil fertility and tilth; and

''(D) interrupts pest cycles.

''(15) RESOURCE MANAGEMENT SYSTEM.—The term 'resource management system' means a

system of conservation practices and management relating to land or water use that is designed to prevent resource degradation and permit sustained use of land and water, as defined in accordance with the technical guide of the Natural Resources Conservation Service.

''(16) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Natural Resources Conservation Service.

''(17) TIER I CONSERVATION PRACTICE.—The term 'Tier I conservation practice' means a conservation practice described in section 1238A(d)(4)(A)(ii).

''(18) TIER I CONSERVATION SECURITY CONTRACT.—The term 'Tier I conservation security contract' means a contract described in section 1238A(d)(4)(A).

''(19) TIER II CONSERVATION PRACTICE.—The term 'Tier II conservation practice' means a conservation practice described in section 1238A(d)(4)(B)(ii).

''(20) TIER II CONSERVATION SECURITY CONTRACT.—The term 'Tier II conservation security contract' means a contract described in section 1238A(d)(4)(B).

''(21) TIER III CONSERVATION PRACTICE.—The term 'Tier III conservation practice' means a conservation practice described in section 1238A(d)(4)(C)(ii).

''(22) TIER III CONSERVATION SECURITY CONTRACT.—The term 'Tier III conservation security contract' means a contract described in section 1238A(d)(4)(C).

''SEC. 1238A. CONSERVATION SECURITY PROGRAM.

''(a) IN GENERAL.—For each of fiscal years 2003 through 2006, the Secretary shall establish a conservation security program to assist owners and operators of agricultural operations to promote, as is applicable for each operation—

''(1) conservation of soil, water, energy, and other related resources;

''(2) soil quality protection and improvement;

''(3) water quality protection and improvement;

''(4) air quality protection and improvement;

''(5) soil, plant, or animal health and well-being;

''(6) diversity of flora and fauna;

''(7) on-farm conservation and regeneration of biological resources, including plant and animal germplasm;

''(8) wetland restoration, conservation, and enhancement;

''(9) wildlife habitat management, with special emphasis on species identified by any natural heritage program of the applicable State;

''(10) reduction of greenhouse gas emissions and enhancement of carbon sequestration;

''(11) environmentally sound management of invasive species; or

''(12) any similar conservation purpose (as determined by the Secretary).

''(b) ELIGIBILITY.—

''(1) ELIGIBLE OWNERS AND OPERATORS.—To be eligible to participate in the conservation security program (other than to receive technical assistance under section 1238C(g) for the development of conservation security contracts), a producer shall—

''(A) develop and submit to the Secretary, and obtain the approval of the Secretary of, a conservation security plan that meets the requirements of subsection (c)(1); and

''(B) enter into a conservation security contract with the Secretary to carry out the conservation security plan.

''(2) ELIGIBLE LAND.—

''(A) IN GENERAL.—Except as provided in subparagraph (C)(iii), private agricultural land (including cropland, grassland, prairie land, pasture land, and rangeland) and land under the jurisdiction of an Indian tribe shall be eligible for enrollment in the conservation security program.

''(B) FORESTED LAND.—Private forested land shall be eligible for enrollment in the conservation security program if the forested land is part of the agricultural land described in subparagraph (A), including land that is used for—

''(i) alley cropping;

''(ii) forest farming;

''(iii) forest buffers;

''(iv) windbreaks;

''(v) silvopasture systems; and

''(vi) such other integrated agroforestry uses as the Secretary may determine to be appropriate.

''(C) EXCLUSIONS.—

''(i) CONSERVATION RESERVE PROGRAM.—Land enrolled in the conservation reserve program under subchapter B of chapter 1 shall not be eligible for enrollment in the conservation security program except for land described in section 1231(b)(6).

''(ii) WETLANDS RESERVE PROGRAM.—Land enrolled in the wetlands reserve program established under subchapter C of chapter 1 shall not be eligible for enrollment in the conservation security program.

''(iii) CONVERSION TO CROPLAND.—Land that is used for crop production after the date of enactment of this subchapter that had not been in crop production for at least 3 of the 10 years preceding that date (except for land enrolled in the conservation reserve program under subchapter B of chapter 1) shall not be eligible for enrollment in the conservation security program.

''(3) SUSTAINABLE ECONOMIC USES.—The Secretary shall permit a producer to implement, with respect to eligible land covered by a conservation security plan, sustainable economic uses (including Tier II conservation practices) that—

''(A) maintain the agricultural nature of the land; and

''(B) are consistent with the natural resource and environmental benefits of the conservation security plan.

''(c) CONSERVATION SECURITY PLANS.—

''(1) IN GENERAL.—A conservation security plan shall—

''(A) identify the resources and designated land to be conserved under the conservation security plan;

''(B) describe—

''(i) the tier of conservation security contracts, and the particular conservation practices, to be implemented, maintained, or improved, in accordance with subsection (d) on the land covered by the conservation security contract for the specified term; and

''(ii) as appropriate for the land covered by the conservation security contract, at least, the minimum number and scope of conservation practices described in clause (i) that are required to be carried out on the land before the producer is eligible to receive—

''(I) a base payment; and

''(II) a bonus amount;

''(C) contain a schedule for the implementation, maintenance, or improvement of the conservation practices described in the conservation security plan during the term of the conservation security contract;

''(D) meet the highly erodible land and wetland conservation requirements of subtitles B and C; and

''(E) identify, and authorize the implementation of, sustainable economic uses described in subsection (b)(3).

''(2) COMPREHENSIVE PLANNING.—The Secretary shall encourage owners and operators that enter into conservation security contracts—

''(A) to undertake a comprehensive examination of the opportunities for conserving natural resources and improving the profitability, environmental health, and quality of life in relation to their entire agricultural operation;

''(B) to develop a long-term strategy for implementing, monitoring, and evaluating conservation practices and environmental results in the entire agricultural operation;

''(C) to participate in other Federal, State, local, or private conservation programs;

''(D) to maintain the agricultural integrity of the land; and

''(E) to adopt innovative conservation technologies and management practices.

''(3) STATE AND LOCAL CONSERVATION PRIORITIES.—

''(A) IN GENERAL.—To the maximum extent practicable and in a manner consistent with the conservation security program, each conservation security plan shall address, at least, the conservation priorities of the State and locality in which the agricultural operation is located.

''(B) ADMINISTRATION.—The conservation priorities of the State and locality in which the agricultural operation is located shall be—

''(i) determined by the State conservationist, in consultation with the State technical committee established under subtitle G and the local subcommittee of the State technical committee; and

''(ii) approved by the Secretary.

''(4) SUBMISSION OF PLAN.—

''(A) IN GENERAL.—During the development of a conservation security plan by a producer, at the request of the producer, the Secretary shall supply to the producer a statement of the minimum number, type, and scope of conservation practices described in paragraph (1)(B)(ii).

''(B) APPROVAL FOR BASE PAYMENTS.—If a conservation security plan submitted to the Secretary contains, at least, the conservation practices referred to in paragraph (1)(B)(ii)—

''(i) the Secretary shall approve the conservation security plan; and

''(ii) the producer of the conservation security plan, on approval of and compliance with the plan, as determined by the Secretary, shall be eligible to receive a base payment.

''(C) APPROVAL FOR BONUS AMOUNTS.—If a conservation security plan submitted to the Secretary contains a proposal for the implementation, maintenance, or improvement of a conservation practice that qualifies for a bonus amount under section 1238C(b)(1)(C)(iii), the Secretary may increase the base payment of the producer by such bonus amount as the Secretary determines is appropriate.

''(d) CONSERVATION CONTRACTS AND PRACTICES.—

''(1) IN GENERAL.—

''(A) ESTABLISHMENT OF TIERS.—The Secretary shall establish 3 tiers of conservation contracts under which a payment under this subchapter may be received.

''(B) ELIGIBLE CONSERVATION PRACTICES.—

''(i) IN GENERAL.—The Secretary shall make eligible for payment under a conservation security contract land management, vegetative, and structural practices that—

''(I) are necessary to achieve the purposes of the conservation security plan; and

''(II) primarily provide for, and have as a primary purpose, resource protection and environmental improvement.

''(ii) DETERMINATION.—

''(I) IN GENERAL.—Subject to subclause (II), in determining the eligibility of a practice described in clause (i), the Secretary shall require, to the maximum extent practicable, the lowest cost alternatives be used to fulfill the purposes of the conservation security plan, as determined by the Secretary.

''(II) INNOVATIVE TECHNOLOGIES.—Subclause (I) shall not apply, to the maximum extent practicable, to the adoption of innovative technologies.

''(2) ON-FARM RESEARCH AND DEMONSTRATION.—With respect to land enrolled in the conservation security program that will be maintained using a Tier II conservation practice or a Tier III conservation practice, the Secretary may approve a conservation security plan that includes on-farm conservation research and demonstration activities, including—

''(A) total farm planning;

''(B) total resource management;

''(C) integrated farming systems;

''(D) germplasm conservation and regeneration;

''(E) greenhouse gas reduction and carbon sequestration;

''(F) agroecological restoration and wildlife habitat restoration;

''(G) agroforestry;

''(H) invasive species control;

''(I) energy conservation and management;

''(J) farm and environmental results monitoring and evaluation; or

''(K) participation in research projects relating to water conservation and management through—

''(i) recycling or reuse of water; or

''(ii) more efficient irrigation of farmland.

''(3) USE OF HANDBOOK AND GUIDES.—

''(A) IN GENERAL.—In determining eligible conservation practices under the conservation security program, the Secretary shall use the National Handbook of Conservation Practices of the Natural Resources Conservation Service.

''(B) CONSERVATION PRACTICE STANDARDS.—To the maximum extent practicable, the Secretary shall establish guidance standards for implementation of eligible conservation practices that shall include measurable goals for enhancing and preventing degradation of resources.

''(C) ADJUSTMENTS.—

''(i) IN GENERAL.—After providing notice and an opportunity for public participation, the Secretary shall make such adjustments to the National Handbook of Conservation Practices, and the field office technical guides, of the Natural Resources Conservation Service as are necessary to carry out this chapter.

''(ii) EFFECT ON PLAN.—If the Secretary makes an adjustment to a practice under clause (i), the Secretary may require an adjustment to a conservation security plan in effect as of the date of the adjustment if the Secretary determines that the plan, without the adjustment, would significantly interfere with achieving the purposes of the conservation security program.

''(D) PILOT TESTING.—

''(i) IN GENERAL.—Under any of the 3 tiers of conservation practices established under paragraph (4), the Secretary may approve requests by a producer for pilot testing of new technologies and innovative conservation practices and systems.

''(ii) INCORPORATION INTO STANDARDS.—

''(I) IN GENERAL.—After evaluation by the Secretary and provision of notice and an opportunity for public participation, the Secretary may, as expeditiously as practicable, approve new technologies and innovative conservation practices and systems.

''(II) INCORPORATION.—If the Secretary approves a new technology or innovative conservation practice under subclause (I), the Secretary shall, as expeditiously as practicable, incorporate the technology or practice into the standards for implementation of conservation practices established under paragraph (3).

''(4) TIERS.—Subject to paragraph (5), to carry out this subsection, the Secretary shall establish the following 3 tiers of conservation contracts:

''(A) TIER I CONSERVATION CONTRACTS.—

''(i) IN GENERAL.—A conservation security plan for land enrolled in the conservation security program under a Tier I conservation security contract shall be maintained using Tier I conservation practices and shall, at a minimum—

''(I) if applicable, address at least 1 resource of concern to the particular agricultural operation;

''(II) apply to the total agricultural operation or to a particular unit of the agricultural operation;

''(III) cover—

''(aa) conservation practices that are being implemented as of the date on which the conservation security contract is entered into; and

''(bb) conservation practices that are implemented after the date on which the conservation security contract is entered into; and

''(IV) meet applicable standards for implementation of conservation practices established under paragraph (3).

''(ii) CONSERVATION PRACTICES.—Tier I conservation practices shall consist of, as appropriate for the agricultural operation of a producer, 1 or more of the following basic conservation activities:

''(I) Nutrient management.

''(II) Integrated pest management.

''(III) Irrigation, water conservation, and water quality management.

''(IV) Grazing pasture and rangeland management.

''(V) Soil conservation, quality, and residue management.

''(VI) Invasive species management.

''(VII) Fish and wildlife habitat management, with special emphasis on species identified by any natural heritage program of the applicable State or the appropriate State agency.

''(VIII) Fish and wildlife conservation and enhancement.

''(IX) Air quality management.

''(X) Energy conservation measures.

''(XI) Biological resource conservation and regeneration.

''(XII) Animal health management.

''(XIII) Plant and animal germplasm conservation, evaluation, and development.

''(XIV) Contour farming.

''(XV) Strip cropping.

''(XVI) Cover cropping.

''(XVII) Sediment dams.

''(XVIII) Any other conservation practice that the Secretary determines to be appropriate and comparable to other conservation practices described in this clause.

''(iii) TIER II CONSERVATION CONTRACTS.—A conservation security plan for land enrolled in the conservation security program that will be maintained using Tier I conservation contracts may include Tier II conservation practices.

''(B) TIER II CONSERVATION PRACTICES.—

''(i) IN GENERAL.—A conservation security plan for land enrolled in the conservation security program under a Tier II conservation security contract shall be maintained using Tier II conservation practices and shall, at a minimum—

''(I) as applicable to the particular agricultural operation, address at least I resource of concern;

''(II) cover—

''(aa) conservation practices that are being implemented as of the date on which the conservation security contract is entered into; and

''(bb) conservation practices that are implemented after the date on which the conservation security contract is entered into; and

''(III) meet applicable resource management system criteria for 1 or more resources of concern of the agricultural operation, as specified in the conservation security contract.

''(ii) CONSERVATION PRACTICES.—Tier II conservation practices shall consist of, as appropriate for the agricultural operation of a producer, any of the Tier I conservation practices and 1 or more of the following land use adjustment or protection practices:

''(I) Resource-conserving crop rotations.

''(II) Controlled, rotational grazing.

''(III) Conversion of portions of cropland from a soil-depleting use to a soil-conserving use, including production of cover crops.

''(IV) Partial field conservation practices (including windbreaks, grass waterways, shelter belts, filter strips, riparian buffers, wetland buffers, contour buffer strips, living snow fences, crosswind trap strips, field borders, grass terraces, wildlife corridors, and critical area planting appropriate to the agricultural operation).

''(V) Fish and wildlife habitat conservation and restoration.

''(VI) Native grassland and prairie protection and restoration.

''(VII) Wetland protection and restoration.

''(VIII) Agroforestry practices and systems.

''(IX) Any other conservation practice involving modification of the use of land that the Secretary determines to be appropriate and comparable to other conservation practices described in this clause.

''(C) TIER III CONSERVATION CONTRACTS.—

''(i) IN GENERAL.—A conservation security plan for land enrolled in the conservation security program under a Tier III conservation security contract shall be maintained using Tier III conservation contracts and shall, at a minimum—

''(I) address all applicable resources of concern in the total agricultural operation;

''(II) cover—

''(aa) conservation practices that are being implemented as of the date on which the conservation security contract is entered into; and

''(bb) conservation practices that are implemented after the date on which the conservation security contract is entered into; and

''(III) meet applicable resource management system criteria for 1 or more resources of concern of the agricultural operation, as specified in the conservation security contract.

''(ii) CONSERVATION PRACTICES.—Tier III conservation practices shall consist of, as appropriate for the agricultural operation of a producer (in addition to appropriate Tier I conservation practices and Tier II conservation practices), development, implementation, and maintenance of a conservation security plan that, over the term of the conservation security contract—

''(I) integrates all necessary conservation practices to foster environmental enhancement and the long-term sustainability of the natural resource base of an agricultural operation; and

''(II) improves profitability and sustainability associated with the agricultural operation.

''(5) MINIMUM REQUIREMENTS.—The minimum requirements for each tier of conservation practices described in paragraph (4) shall be—

''(i) determined by the State conservationist, in consultation with the State technical committee established under subtitle G and the local subcommittee of the State technical committee; and

''(ii) approved by the Secretary.

''(e) CONSERVATION SECURITY CONTRACTS.—

''(1) CONTRACTS.—

''(A) IN GENERAL.—On approval of a conservation security plan of a producer, the Secretary shall enter into a conservation security contract with the producer to enroll the land covered by the conservation security plan in the conservation security program.

''(B) REQUIRED COMPONENTS.—A conservation security contract shall specifically describe the practices that are required under subsection (c)(1)(B).

''(2) TERM.—Subject to paragraphs (3) and (4)—

''(A) a conservation security contract for land enrolled in the conservation security program of a producer that will be maintained using 1 or more Tier I conservation contracts shall have a term of 5 years; and

''(B) a conservation security contract for land enrolled in the conservation security program that will be maintained using a Tier II conservation contract or Tier III conservation contract shall have a 5-year to 10-year term, as determined by the producer.

''(3) MODIFICATIONS.—

''(A) OPTIONAL MODIFICATIONS.—

''(i) IN GENERAL.—An owner or operator may apply to the Secretary to modify the conservation security plan to effectuate the purposes of the conservation security program.

''(ii) APPROVAL BY THE SECRETARY.—To be effective, any modification under clause (i)—

''(I) shall be approved by the Secretary; and

''(II) shall authorize the Secretary to redetermine, if necessary, the amount and timing of the payments under the conservation security contract and subsections (a) and (b) of section 1238C.

''(B) OTHER MODIFICATIONS.—

''(i) IN GENERAL.—The Secretary may, in writing, require a producer to modify a conservation security contract before the expiration of the conservation security contract if—

''(I) the Secretary determines that a change made to the type, size, management, or other aspect of the agricultural operation of the producer would, without the modification of the contract, significantly interfere with achieving the purposes of the conservation security program; or

''(II) the Secretary makes a change to the National Handbook of Conservation Practices of the Natural Resource Conservation Service under subsection (d)(3)(C).

''(ii) PAYMENTS.—The Secretary may adjust the amount and timing of the payment schedule under the conservation security contract to reflect any modifications made under this subparagraph.

''(iii) DEADLINE.—The Secretary may terminate a conservation security contract if a modification required under this subparagraph is not submitted to the Secretary in the form of an amended conservation security contract by the date that is 90 days after the date on which the Secretary issues a written request for the modification.

''(iv) TERMINATION.—a producer that is required to modify a conservation security contract under this subparagraph may, in lieu of modifying the contract—

''(I) terminate the conservation security contract; and

''(II) retain payments received under the conservation security contract, if the producer fully complied with the terms and conditions of the conservation security contract before termination of the contract.

''(4) RENEWAL.—

''(A) IN GENERAL.—At the option of a producer, the conservation security contract of the producer may be renewed, for a term described in subparagraph (B), if—

''(i) the producer agrees to any modification of the applicable conservation security contract that the Secretary determines to be necessary to achieve the purposes of the conservation security program;

''(ii) the Secretary determines that the producer has complied with the terms and conditions of the conservation security contract, including the conservation security plan; and

''(iii) in the case of a Tier I conservation security contract, the producer agrees to increase the conservation practices on land enrolled in the conservation security program by—

''(I) adopting new conservation practices; or

''(II) expanding existing practices to meet the resource management systems criteria.

''(B) TERMS OF RENEWAL.—Under subparagraph (A)—

''(i) a conservation security contract for land enrolled in the conservation security program that will be maintained using Tier I conservation contracts may be renewed for 5-year terms;

''(ii) in the case of a Tier II conservation security contract or a Tier III conservation security contract, the contract shall be renewed for 5-year to 10-year terms, at the option of the producer; and

''(iii) participation in the conservation security program prior to the renewal of the conservation security contract shall not bar renewal more than once.

''(f) NONCOMPLIANCE DUE TO CIRCUMSTANCES BEYOND THE CONTROL OF PRODUCERS.—The Secretary shall include in the conservation security contract a provision, and may modify a conservation security contract under subsection (e)(3)(B), to ensure that a producer shall not be considered in violation of a conservation security contract for failure to comply with the conservation security contract due to circumstances beyond the control of the producer, including a disaster or related condition, as determined by the Secretary.

''SEC. 1238B. DUTIES OF PRODUCERS.

''Under a conservation security contract, a producer shall agree, during the term of the conservation security contract—

''(1) to implement the applicable conservation security plan approved by the Secretary;

''(2) to maintain, and make available to the Secretary at such times as the Secretary may request, appropriate records showing the effective and timely implementation of the conservation security plan;

''(3) not to engage in any activity that would interfere with the purposes of the conservation security plan; and

''(4) on the violation of a term or condition of the conservation security contract—

''(A) if the Secretary determines that the violation warrants termination of the conservation security contract—

''(i) to forfeit all rights to receive payments under the conservation security contract; and

''(ii) to refund to the Secretary all or a portion of the payments received by the producer under the conservation security contract, including any advance payment and interest on the payments, as determined by the Secretary; or

''(B) if the Secretary determines that the violation does not warrant termination of the conservation security contract, to refund to the Secretary, or accept adjustments to, the payments provided to the producer, as the Secretary determines to be appropriate.

''SEC. 1238C. DUTIES OF THE SECRETARY.

''(a) ADVANCE PAYMENT.—At the time at which a producer enters into a conservation security contract, the Secretary shall, at the option of the producer, make an advance payment to the producer in an amount not to exceed—

''(1) in the case of a Tier I conservation security contract, the greater of—

''(A) $1,000; or

''(B) 20 percent of the value of the annual payment under the contract, as determined by the Secretary;

''(2) in the case of a Tier II conservation security contract, the greater of—

''(A) $2,000; or

''(B) 20 percent of the value of the annual payment under the contract, as determined by the Secretary; and

''(3) in the case of a Tier III conservation security contract, the greater of—

''(A) $3,000; or

''(B) 20 percent of the value of the annual payment under the contract, as determined by the Secretary.

''(b) ANNUAL PAYMENTS.—

''(1) CRITERIA FOR DETERMINING AMOUNT OF PAYMENTS.—

''(A) BASE RATE.—In this paragraph, the term 'base rate' means the average county rental rate for the specific land use during the 2001 crop year, or another appropriate average county rate for the 2001 crop year, that ensures regional equity, as determined by the Secretary.

''(B) PAYMENTS.—A payment for a conservation practice under this paragraph shall be determined in accordance with subparagraphs (C) through (F).

''(C) TIER I CONSERVATION CONTRACTS.—The payment for a Tier I conservation security contract shall be comprised of the total of the following amounts:

''(i) An amount equal to 6 percent of the base rate for land covered by the contract.

''(ii) An amount equal to the following costs of practices covered by the conservation security contract, based on the average county costs for such practices for the 2001 crop year, as determined by the Secretary:

''(I) 100 percent of the cost of—

''(aa) the adoption of new management practices; and

''(bb) the maintenance of new and existing management practices.

''(II) 100 percent of the cost of maintenance of existing land-based structural practices approved by the Secretary.

''(III)(aa) 75 percent (or, in the case of a limited resource producer (as determined by the Secretary) or a beginning farmer or rancher, 90 percent) of the cost of adoption of new land-based structural practices; or

''(bb) 75 percent (or, in the case of a limited resource producer (as determined by the Secretary) or a beginning farmer or rancher, 90 percent) of the cost of the adoption of a structural practice for which a similar structural practice under the environmental quality incentives program established under chapter 4 would require maintenance, if the producer agrees to provide, without reimbursement, substantially equivalent maintenance.

''(iii) A bonus amount determined by the Secretary for implementing or adopting 1 or more of the following practices:

''(I) A practice adopted or maintained that maximizes the purposes of the conservation security program beyond the minimum requirements of the practices adopted or maintained.

''(II) A practice adopted or maintained to address eligible resource and conservation concerns beyond those identified as State or local conservation priorities.

''(III) A practice adopted or maintained to address national priority concerns, as determined by the Secretary.

''(IV) Participation by the producer in a conservation research, demonstration, or pilot project.

''(V) Participation by the producer in a watershed or regional resource conservation

plan that involves at least 75 percent of producers in a targeted area.

''(VI) Recordkeeping, monitoring, and evaluation carried out by the producer that furthers the purposes of the conservation security program.

''(iv) A bonus amount determined by the Secretary that reflects the status of a producer as a beginning farmer or rancher.

''(D) TIER II CONSERVATION CONTRACTS.—The payment for a Tier II conservation security contract shall be comprised of the total of the following amounts:

''(i) An amount equal to 11 percent of the base rate for land covered by the conservation security contract.

''(ii) An amount equal to the cost of practices covered by the conservation security contract, based on the average county costs for practices for the 2001 crop year, described in subparagraph (C)(ii).

''(iii) A bonus amount determined by the Secretary in accordance with clauses (iii) and (iv) of subparagraph (C), except that the bonus amount under this clause may include any amount for the adoption or maintenance by the producer of any practice that exceeds resource management system standards.

''(E) TIER III CONSERVATION CONTRACTS.—The payment for a Tier III conservation security contract shall be comprised of the total of the following amounts:

''(i) An amount equal to 20 percent of the base rate for land covered by the conservation security contract.

''(ii) An amount equal to the cost of practices covered by the conservation security contract, based on the average county costs for practices for the 2001 crop year, described in subparagraph (C)(ii).

''(iii) A bonus amount determined by the Secretary in accordance with subparagraph (D)(iii).

''(F) EXCLUSION OF COSTS FOR PURCHASE OR MAINTENANCE OF EQUIPMENT OR NON-LAND BASED STRUCTURES.—A payment under this subchapter shall not include any amount for the purchase or maintenance of equipment or a non-land based structure.

''(2) TIME OF PAYMENT.—The Secretary shall provide payments under a conservation security contract as soon as practicable after October 1 of each fiscal year.

''(3) LIMITATION ON PAYMENTS.—

''(A) IN GENERAL.—Subject to paragraphs (1), (2), (4), and (5), the Secretary shall, in amounts and for a term specified in a conservation security contract and taking into account any advance payments, make an annual payment, directly or indirectly, to the individual or entity covered by the conservation security contract in an amount not to exceed—

''(i) in the case of a Tier I conservation security contract, $20,000;

''(ii) in the case of a Tier II conservation security contract, $35,000; or

''(iii) in the case of a Tier III conservation security contract, $50,000.

''(B) LIMITATION ON NONBONUS PAYMENTS.—In applying the payment limitation under each of clauses (i), (ii), and (iii) of subparagraph (A), an individual or entity may not receive, directly or indirectly, payments described in clauses (i) and (ii) of paragraph (1)(C), (1)(D), or (1)(E), as appropriate, in an amount that exceeds 75 percent of the applicable payment limitation.

''(C) OTHER USDA PAYMENTS.—If a producer has the same practices on the same land enrolled in the conservation security program and 1 or more other conservation programs administered by the Secretary, the Secretary shall include all payments from the conservation security program and the other conservation programs, other than payments for conservation easements, in applying the annual payment limitations under this paragraph.

''(D) NON-USDA PAYMENTS.—

''(i) IN GENERAL.—A payment described in clause (ii) shall not be considered an annual payment for purposes of the annual payment limitations under this paragraph.

''(ii) PAYMENT.—A payment referred to in clause (i) is a payment that—

''(I) is for the same practice on the same land enrolled in the conservation security program; and

''(II) is received from a Federal program that is not administered by the Secretary, or that is administered by any State, local, or private agricultural agency or organization.

''(E) COMMENSURATE SHARE.—To be eligible to receive a payment under this chapter, an individual or entity shall make contributions (including contributions of land, labor, management, equipment, or capital) to the operation of the farm that are at least commensurate with the share of the proceeds of the operation of the individual or entity.

''(4) LAND ENROLLED IN OTHER CONSERVATION PROGRAMS.—Notwithstanding any other provision of law, if a producer has land enrolled in another conservation program administered by the Secretary and has applied to enroll the same land in the conservation security program, the producer may elect to—

''(A) convert the contract under the other conservation program to a conservation security contract, without penalty, except that this subparagraph shall not apply to a contract entered into under—

''(i) the conservation reserve program under subchapter B of chapter 1; or

''(ii) the wetlands reserve program under subchapter C of chapter 1; or

''(B) have each annual payment to the producer under this subsection reduced to reflect payment for practices the producer receives under the other conservation program, except that the annual payment under this subsection shall not be reduced by the amount of any incentive received under a program referred to in section 1231(b)(6) for qualified practices that enhance or extend the conservation benefit achieved under the other conservation program.

''(5) WASTE STORAGE OR TREATMENT FACILITIES.—A payment to a producer under this subchapter shall not be provided for the purpose of construction or maintenance of animal waste storage or treatment facilities or associated waste transport or transfer devices for animal feeding operations.

''(c) MINIMUM PRACTICE REQUIREMENT.—In determining a payment under subsection (a) or (b) for an owner, operator, or producer that receives a payment under another program administered by the Secretary that is contingent on complying with requirements under subtitle B or C of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) relating to the use of highly erodible land or wetland, a payment under this chapter for 1 or more practices on land subject to those requirements shall be for practices that exceed minimum requirements for the owner, operator, or producer under those subtitles, as determined by the Secretary.

''(d) REGULATIONS.—

''(1) IN GENERAL.—The Secretary shall promulgate regulations that—

''(A) provide for adequate safeguards to protect the interests of tenants and sharecroppers, including provision for sharing payments, on a fair and equitable basis; and

''(B) prescribe such other rules as the Secretary determines to be necessary to ensure a fair and reasonable application of the limitations established under subsections (a) and (b).

''(2) PENALTIES FOR SCHEMES OR DEVICES.—

''(A) IN GENERAL.—If the Secretary determines that an individual or entity has adopted a scheme or device to evade, or that has the purpose of evading, the regulations promulgated under paragraph (1), the individual or entity shall be ineligible to participate in the conservation security program for—

''(i) the year for which the scheme or device was adopted; and

''(ii) each of the following 5 years.

''(B) FRAUD.—If the Secretary determines that fraud was committed in connection with the scheme or device, the individual or entity shall be ineligible to participate in the conservation security program for—

''(i) the year for which the scheme or device was adopted; and

''(ii) each of the following 10 years.

''(e) TERMINATION.—

''(1) IN GENERAL.—Subject to section 1238B, the Secretary shall allow a producer to terminate the conservation security contract.

''(2) PAYMENTS.—the producer may retain any or all payments received under a terminated conservation security contract if—

''(A) the producer is in full compliance with the terms and conditions (including any maintenance requirements) of the conservation security contract as of the date of the termination; and

''(B) the Secretary determines that termination of the contract will not defeat the purposes of the conservation security plan of the producer.

''(f) TRANSFER OR CHANGE OF INTEREST IN LAND SUBJECT TO CONSERVATION SECURITY CONTRACT.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the transfer, or change in the interest, of a producer in land subject to a conservation security contract shall result in the termination of the conservation security contract.

''(2) TRANSFER OF DUTIES AND RIGHTS.—Paragraph (1) shall not apply if, not later than 60 days after the date of the transfer or change in the interest in land, the transferee of the land provides written notice to the Secretary that all duties and rights under the conservation security contract have been transferred to the transferee.

''(g) TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—For each of fiscal years 2003 through 2006, the Secretary shall provide technical assistance to producers for the development and implementation of conservation security contracts, in an amount not to exceed 20 percent of amounts expended for the fiscal year.

''(2) COORDINATION BY THE SECRETARY.—The Secretary shall provide overall technical coordination and leadership for the conservation security program, including final approval of all conservation security plans.

''(h) CONSERVATION SECURITY PILOT PROGRAM.—

''(1) IN GENERAL.—Effective October 1, 2004, the Secretary, in cooperation with appropriate State agencies, may establish a program in 1 State to demonstrate and evaluate the implementation of a conservation security program by a State described in paragraph (2).

''(2) ELIGIBLE STATE.—The State referred to in paragraph (1) shall be a State selected by the Secretary—

''(A) in consultation with—

''(i) the Committee on Agriculture of the House of Representatives; and

''(ii) the Committee on Agriculture, Nutrition, and Forestry of the Senate; and

''(B) after taking into consideration—

''(i) the percentage of private land in agricultural production in the State; and

''(ii) infrastructure in the State that is available to implement the pilot program under paragraph (1).''.

SEC. 202. FUNDING.

Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by adding at the end the following:

''(c) CONSERVATION SECURITY PROGRAM.—Of the funds of the Commodity Credit Corporation, the Corporation shall make available for each of fiscal years 2002 through 2006 such sums as are necessary to carry out subchapter A of chapter 2 (including the provision of technical assistance).''.

SEC. 203. PARTNERSHIPS AND COOPERATION.

Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) is amended by adding at the end the following:

''(f) PARTNERSHIPS AND COOPERATION.—

''(1) IN GENERAL.—In carrying out any program under subtitle D, the Secretary may designate special projects, as recommended by the State Conservationist, after consultation with the State technical committee, to enhance technical and financial assistance provided to owners, operators, and producers to address environmental issues affected by agricultural production with respect to—

''(A) meeting the purposes of—

''(i) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.) or comparable State laws in impaired or threatened watersheds;

''(ii) the Safe Drinking Water Act (42 U.S.C. 300f et seq.) or comparable State laws in watersheds providing water for drinking water supplies; or

''(iii) the Clean Air Act (42 U.S.C. 7401 et seq.) or comparable State laws; or

''(B) watersheds of special significance, conservation priority areas described in section 1230(c), or other geographic areas of environmental sensitivity, such as wetland, including State or multi-State projects—

''(i) to facilitate surface and ground water conservation;

''(ii) to protect water quality;

''(iii) to protect endangered or threatened species or habitat, such as conservation corridors;

''(iv) to improve methods of irrigation;

''(v) to convert acreage from irrigated production; or

''(vi) to reduce nutrient loads of watersheds.''.

''(2) INCENTIVES.—To realize the purposes of the special projects under paragraph (1), the Secretary may provide incentives to owners, operators, and producers participating in the special projects to encourage partnerships, enrollments of exceptional environmental value, and sharing of technical and financial resources among owners, operators, and producers and among owners, operators, and producers and governmental and nongovernmental organizations.

''(3) FLEXIBILITY.—

''(A) IN GENERAL.—The Secretary may enter into agreements with States (including State agencies and units of local government) and nongovernmental organizations to allow greater flexibility to adjust the application of eligibility criteria, approved practices, innovative conservation practices, and other elements of the programs under this title to better reflect unique local circumstances and purposes in a manner that is consistent with—

''(i) environmental enhancement and long-term sustainability of the natural resource base; and

''(ii) the purposes of this title.

''(B) PLAN.—Each party to an agreement under subparagraph (A) shall submit to the Secretary, for approval by the Secretary, a special project area or priority area program plan for each program to be carried out by the party that includes—

''(i) a description of the proposed adjustments to program implementation (including a description of how those adjustments will accelerate the achievement of environmental benefits);

''(ii) an analysis of the contribution those adjustments will make to the effectiveness of programs in achieving the purposes of the special project or priority area program;

''(iii) a timetable for reevaluating the need for or performance of the proposed adjustments;

''(iv) a description of non-Federal programs and resources that will contribute to achieving the purposes of the special project or priority area program; and

''(v) a plan for regular monitoring, evaluation, and reporting of progress toward the purposes of the special project or priority area program.

''(4) PURPOSES OF SPECIAL PROJECTS.—The Secretary may carry out special projects, the purposes of which are to encourage—

''(A) producers to cooperate in the installation and maintenance of conservation systems that affect multiple agricultural operations;

''(B) the sharing of information and technical and financial resources;

''(C) cumulative environmental benefits across operations of producers; and

''(D) the development and demonstration of innovative conservation methods.

''(5) FUNDING.—

''(A) IN GENERAL.—In addition to resources from programs under subtitle D, subject to subparagraph (B), the Secretary shall use 5 percent of the funds made available for each fiscal year under section 1241(b) to carry out activities that are authorized under the environmental quality incentives program established under chapter 4 of subtitle D.

''(B) UNUSED FUNDING.—Any funds made available for a fiscal year under subparagraph (A) that are not obligated by April 1 of the fiscal year may be used to carry out other activities under the environmental quality incentives program during the fiscal year in which the funding becomes available.''.

SEC. 204. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

Subtitle E of title XII of the Food Security Act of 1985 (16 U.S.C. 3841 et seq.) is amended by adding at the end the following:

''SEC. 1244. ADMINISTRATIVE REQUIREMENTS FOR CONSERVATION PROGRAMS.

''(a) GOOD FAITH RELIANCE.—

''(1) IN GENERAL.—Notwithstanding any other provision of law, except as provided in paragraph (4), the Secretary shall provide equitable relief to an owner, operator, or producer that has entered into a contract under a conservation program administered by the Secretary, and that is subsequently determined to be in violation of the contract, if the owner, operator, or producer, in attempting to comply with the terms of the contract and enrollment requirements—

''(A) took actions in good faith reliance on the action or advice of an employee of the Secretary; and

''(B) had no knowledge that the actions taken were in violation of the contract.

''(2) TYPES OF RELIEF.—The Secretary shall—

''(A) to the extent the Secretary determines that an owner, operator, or producer has been injured by good faith reliance described in paragraph (1), allow the owner, operator, or producer—

''(i) to retain payments received under the contract;

''(ii) to continue to receive payments under the contract;

''(iii) to keep all or part of the land covered by the contract enrolled in the applicable program;

''(iv) to reenroll all or part of the land covered by the contract in the applicable program; or

''(v) to receive any other equitable relief the Secretary considers appropriate; and

''(B) require the owner, operator, or producer to take such actions as are necessary to remedy any failure to comply with the contract.

''(3) RELATIONSHIP TO OTHER LAW.—The authority to provide relief under this subsection shall be in addition to any other authority provided in this or any other Act.

''(4) EXCEPTIONS.—This section shall not apply to—

''(A) any pattern of conduct in which an employee of the Secretary takes actions or provides advice with respect to an owner, operator, or producer that the employee and the owner, operator, or producer know are inconsistent with applicable law (including regulations); or

''(B) an owner, operator, or producer takes any action, independent of any advice or authorization provided by an employee of the Secretary, that the owner, operator, or producer knows or should have known to be inconsistent with applicable law (including regulations).

''(5) APPLICABILITY OF RELIEF.—Relief under this section shall be available for contracts in effect on or after the date of enactment of this section.

''(b) EDUCATION, OUTREACH, MONITORING, AND EVALUATION.—In carrying out any conservation program administered by the Secretary, the Secretary—

''(1) shall provide education, outreach, training, monitoring, evaluation, technical assistance, and related services to agricultural producers (socially disadvantaged agricultural producers, beginning farmers and ranchers, Indian tribes (as those terms are defined in section 1238), and limited resource agricultural producers);

''(2) may enter into contracts with States (including State agencies and units of local government), private nonprofit, community-based organizations, and educational institutions with demonstrated experience in providing the services described in paragraph (1), to provide those services; and

''(3) shall use such sums as are necessary from funds of the Commodity Credit Corporation to carry out activities described in paragraphs (1) and (2).

''(c) BEGINNING FARMERS AND RANCHERS AND INDIAN TRIBES.—In carrying out any conservation program administered by the Secretary, the Secretary may provide to beginning farmers and ranchers and Indian tribes (as those terms are defined in section 1238) and limited resource agricultural producers incentives to participate in the conservation program to—

''(1) foster new farming opportunities; and

''(2) enhance environmental stewardship over the long term.

''(d) PROGRAM EVALUATION.—The Secretary shall maintain data concerning conservation security plans, conservation practices planned or implemented, environmental outcomes, economic costs, and related matters under conservation programs administered by the Secretary.

''(e) MEDIATION AND INFORMAL HEARINGS.—If the Secretary makes a decision under a conservation program administered by the Secretary that is adverse to an owner, operator, or producer, at the request of the owner, operator, or producer, the Secretary shall provide the owner, operator, or producer with mediation services or an informal hearing on the decision.

''(f) TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—Under any conservation program administered by the Secretary, subject to paragraph (2), technical assistance

provided by persons certified under paragraph (3) (including farmers and ranchers) may include—

''(A) conservation planning;

''(B) design, installation, and certification of conservation practices;

''(C) conservation training for producers; and

''(D) such other conservation activities as the Secretary determines to be appropriate.

''(2) OUTSIDE ASSISTANCE.—

''(A) IN GENERAL.—The Secretary may contract directly with qualified persons not employed by the Department to provide conservation technical assistance.

''(B) PAYMENT BY SECRETARY.—Subject to subparagraph (C), the Secretary may provide a payment to an owner, operator, or producer enrolled in a conservation program administered by the Secretary if the owner, operator, or producer elects to obtain technical assistance from a person certified to provide technical assistance under this subsection.

''(C) NONPRIVATE PROVIDERS.—In determining whether to provide a payment under subparagraph (B) to a nonprivate provider, the Secretary shall provide a payment if the provision of the payment would result in an increase in the total amount of technical assistance available to producers, as determined by the Secretary.

''(3) CERTIFICATION OF PROVIDERS OF TECHNICAL ASSISTANCE.—

''(A) PROCEDURES.—

''(i) IN GENERAL.—The Secretary shall establish procedures for certifying persons not employed by the Department to provide technical assistance in planning, designing, or certifying activities to participate in any conservation program administered by the Secretary to agricultural producers and landowners participating, or seeking to participate, in conservation programs administered by the Secretary.

''(ii) NON-FEDERAL ASSISTANCE.—The Secretary may request the services of, and enter into a cooperative agreement with, a State water quality agency, State fish and wildlife agency, State forestry agency, or any other governmental or nongovernmental organization or person considered appropriate to assist in providing the technical assistance necessary to develop and implement conservation plans under this title.

''(B) STANDARDS.—The Secretary shall establish standards for the conduct of—

''(i) the certification process conducted by the Secretary; and

''(ii) periodic recertification by the Secretary of providers.

''(C) CERTIFICATION REQUIRED.—

''(i) IN GENERAL.—A provider may not provide to any producer technical assistance described in paragraph (3)(A)(i) unless the provider is certified by the Secretary.

''(ii) WAIVER.—The Secretary may exempt a provider from any requirement of this subparagraph if the Secretary determines that the provider has been certified or recertified to provide technical assistance through a program the standards of which meet or exceed standards established by the Secretary under subparagraph (B).

''(D) FEE.—

''(i) IN GENERAL.—In exchange for certification or recertification, a provider shall pay a fee to the Secretary in an amount determined by the Secretary.

''(ii) ACCOUNT.—A fee paid to the Secretary under clause (i) shall be—

''(I) credited to the account in the Treasury that incurs costs relating to implementing this subsection; and

''(II) made available to the Secretary for use for conservation programs administered by the Secretary, without further appropriation, until expended.

''(iii) WAIVER.—The Secretary may waive any requirement of any provider to pay a fee under this subparagraph if the provider qualifies for a waiver under subparagraph (C)(ii).

''(E) OTHER REQUIREMENTS.—The Secretary may establish such other requirements as the Secretary determines are necessary to carry out this subsection.

''(g) PRIVACY OF PERSONAL INFORMATION RELATING TO NATURAL RESOURCES CONSERVATION PROGRAMS.—

''(1) INFORMATION RECEIVED FOR TECHNICAL AND FINANCIAL ASSISTANCE.—

''(A) IN GENERAL.—In accordance with section 1770 and section 552(b)(3) of title 5, United States Code, except as provided in subparagraph (C) and paragraph (3), information described in subparagraph (B)—

''(i) shall not be considered to be public information; and

''(ii) shall not be released to any person or Federal, State, local agency or Indian tribe (as defined in section 1238) outside the Department of Agriculture.

''(B) INFORMATION.—The information referred to in subparagraph (A) is information—

''(i) provided to, or developed by, the Secretary (including a contractor of the Secretary) for the purpose of providing technical or financial assistance to an owner, operator, or producer with respect to any natural resources conservation program administered by the Natural Resources Conservation Service or the Farm Service Agency; and

''(ii) that is proprietary to the agricultural operation or land that is a part of an agricultural operation of the owner, operator, or producer.

''(C) EXCEPTION.—Information compiled by the Secretary, such as a list of owners, operators, or producers that have received payments from the Secretary and the amounts received, shall be—

''(i) considered to be public information; and

''(ii) may be released to any—

''(I) person;

''(II) Indian tribe (as defined in section 1238); or

''(III) Federal, State, local agency outside the Department of Agriculture.

''(2) INVENTORY, MONITORING, AND SITE SPECIFIC INFORMATION.—Except as provided in paragraph (3) and notwithstanding any other provision of law, in order to maintain the personal privacy, confidentiality, and cooperation of owners, operators, and producers, and to maintain the integrity of sample sites, the specific geographic locations of data gathering sites of the National Resources Inventory of the Department of Agriculture, and the information generated by those sites—

''(A) shall not be considered to be public information; and

''(B) shall not be released to any person or Federal, State, local, or tribal agency outside the Department.

''(3) EXCEPTIONS.—

''(A) RELEASE AND DISCLOSURE FOR ENFORCEMENT.—The Secretary may release or disclose to the Attorney General information covered by paragraph (1) or (2) to the extent necessary to enforce the natural resources conservation programs referred to in paragraph (1).

''(B) DISCLOSURE TO COOPERATING PERSONS AND AGENCIES.—

''(i) IN GENERAL.—The Secretary may release or disclose information covered by paragraph (1) or (2) to a person or Federal, State, local, or tribal agency working in cooperation with the Secretary in providing technical and financial assistance described in paragraph (1)(B)(i) or collecting information from National Resources Inventory data gathering sites.

''(ii) USE OF INFORMATION.—The person or Federal, State, local, or tribal agency that receives information described in clause (i) may release the information only for the purpose of assisting the Secretary—

''(I) in providing the requested technical or financial assistance; or

''(II) in collecting information from National Resources Inventory data gathering sites.

''(C) STATISTICAL AND AGGREGATE INFORMATION.—Information covered by paragraph (1) or (2) may be disclosed to the public if the information has been transformed into a statistical or aggregate form that does not allow the identification of any—

''(i) individual owner, operator, or producer; or

''(ii) specific data gathering site.

''(D) CONSENT OF OWNER, OPERATOR, OR PRODUCER.—

''(i) IN GENERAL.—An owner, operator, or producer may consent to the disclosure of information described in paragraph (1) or (2).

''(ii) CONDITION OF OTHER PROGRAMS.—The participation of the owner, operator, or producer in, and the receipt of any benefit by the owner, operator, or producer under, this title or any other program administered by the Secretary may not be conditioned on the owner, operator, or producer providing consent under this paragraph.

''(4) VIOLATIONS; PENALTIES.—Section 1770(c) shall apply with respect to the release of information collected in any manner or for any purpose prohibited by this subsection.

''(h) INDIAN TRIBES.—In carrying out any conservation program administered by the Secretary on land under the jurisdiction of an Indian tribe (as defined in section 1238), the Secretary shall cooperate with the tribal government of the Indian tribe to ensure, to the maximum extent practicable, that the program is administered in a fair and equitable manner.''.

SEC. 205. REFORM AND ASSESSMENT OF CONSERVATION PROGRAMS.

(a) IN GENERAL.—The Secretary of Agriculture shall develop a plan for—

(1) coordinating conservation programs administered by the Secretary that are targeted at agricultural land to—

(A) eliminate redundancy; and

(B) improve delivery;

(2) to the maximum extent practicable—

(A) designing forms that are applicable to all conservation programs administered by the Secretary;

(B) reducing and consolidating paperwork requirements for the programs;

(C) developing universal classification systems for all information obtained on the forms that can be used by other agencies of the Department of Agriculture;

(D) ensuring that the information and classification systems developed under this paragraph can be shared with other agencies of the Department through computer technologies used by agencies; and

(E) developing 1 format for a conservation plan that can be applied to all conservation programs targeted at agricultural land; and

(3) to the maximum extent practicable, improving the delivery of conservation programs to Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), including programs for the delivery of conservation programs to Indian tribes under plans carried out in conjunction with the Secretary of the Interior.

(b) REPORT.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of

Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the plan developed under subsection (a), including any recommendations for implementation of the plan.

(c) NATIONAL CONSERVATION PLAN.—

(1) IN GENERAL.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a plan and estimated budget for implementing the appraisal of the soil, water, and related resources of the United States contained in the national conservation program under sections 5 and 6 of the Soil and Water Resources Conservation Act of 1977 (16 U.S.C. 2004, 2005) as the primary vehicle for managing conservation on agricultural land in the United States.

(2) REPORT ON IMPLEMENTATION.—Not later than April 30, 2005, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and Committee on Agriculture, Nutrition, and Forestry of the Senate a report that—

(A) describes the status of the implementation of the plan described in paragraph (1);

(B) contains an evaluation of the scope, quality, and outcomes of the conservation practices carried out under the plan; and

(C) makes recommendations for achieving specific and quantifiable improvements for the purposes of programs covered by the plan.

(d) CONSERVATION PRACTICE STANDARDS.—The Secretary of Agriculture shall—

(1) revise standards and, if necessary, establish standards, for eligible conservation practices to include measurable goals for enhancing natural resources, including innovative practices;

(2) not later than 180 days after the date of enactment of this Act, revise the National Handbook of Conservation Practices and field office technical guides of the Natural Resources Conservation Service; and

(3) not less frequently than once every 5 years, update the Handbook and technical guides.

SEC. 206. CONSERVATION SECURITY PROGRAM REGULATIONS.

Beginning on the date of enactment of this Act, the Secretary of Agriculture may promulgate regulations and carry out other actions relating to the implementation of the conservation security program under subchapter A of chapter 2 of subtitle D of title XII of the Food Security Act of 1985 (as added by section 201).

SEC. 207. CONFORMING AMENDMENTS.

(a) Chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830 et seq.) is amended in the chapter heading by striking ''**ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM**'' and inserting ''**COMPREHENSIVE CONSERVATION ENHANCEMENT PROGRAM**''.

(b) Section 1230 of the Food Security Act of 1985 (16 U.S.C. 3830) is amended—

(1) in the section heading, by striking ''**ENVIRONMENTAL CONSERVATION ACREAGE RESERVE PROGRAM**'' and inserting ''**COMPREHENSIVE CONSERVATION ENHANCEMENT PROGRAM**'';

(2) in subsection (a)(1), by striking ''an environmental conservation acreage reserve program'' and inserting ''a comprehensive conservation enhancement program''; and

(3) by striking ''ECARP'' each place it appears and inserting ''CCEP''.

(c) Section 1230A of the Food Security Act of 1985 (16 U.S.C. 3830a) is repealed.

(d) Section 1243 of the Food Security Act of 1985 (16 U.S.C. 3843) is amended by striking the section heading and inserting the following:

''SEC. 1243. ADMINISTRATION OF CCEP.''.

Subtitle B—Program Extensions

SEC. 211. COMPREHENSIVE CONSERVATION ENHANCEMENT PROGRAM.

(a) IN GENERAL.—Section 1230(a) of the Food Security Act of 1985 (16 U.S.C. 3830(a)) is amended—

(1) in paragraph (1), by striking ''2002'' and inserting ''2006''; and

(2) in paragraph (3)—

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

(B) by striking subparagraph (C) and inserting the following:

''(C) the grassland reserve program established under subchapter C of chapter 2;

''(D) the environmental quality incentives program established under chapter 4;

''(E) the wildlife habitat incentive program established under section 1240M; and

''(F) the program for conservation of private grazing land established under section 1240P.''.

(b) PRIORITY.—Section 1230(c) of the Food Security Act of 1985 (16 U.S.C. 3830(c)) is amended by adding at the end the following:

''(4) PRIORITY.—In designating conservation priority areas under paragraph (1), the Secretary shall give priority to areas in which designated land would facilitate the most rapid completion of projects that—

''(A) are ongoing as of the date of the application; and

''(B) meet the purposes of a program established under this title.''.

(c) FUNDING.—Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended—

(1) by striking ''2002'' and inserting ''2006'';

(2) by inserting ''(including the provision of technical assistance)'' after ''the programs'';

(3) in paragraph (2)—

(A) by striking ''subchapter C'' and inserting ''subchapters C and D''; and

(B) by striking ''and'' at the end;

(4) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(5) by adding at the end the following:

''(4) chapter 6 of subtitle D.''.

SEC. 212. CONSERVATION RESERVE PROGRAM.

(a) REAUTHORIZATION.—

(1) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended in subsections (a), (b)(3), and (d), by striking ''2002'' each place it appears and inserting ''2006'.

(2) DUTIES OF OWNERS AND OPERATORS.—Section 1232(c) of the Food Security Act of 1985 (16 U.S.C. 3832(c)) is amended by striking ''2002'' and inserting ''2006''.

(b) CONSERVATION PRIORITY AREAS.—

(1) ELIGIBILITY.—Section 1231(b) of the Food Security Act of 1985 (16 U.S.C. 3831(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

''(1) highly erodible cropland that—

''(A)(i) if permitted to remain untreated could substantially reduce the production capability for future generations; or

''(ii) cannot be farmed in accordance with a conservation plan that complies with the requirements of subtitle B; and

''(B) the Secretary determines had a cropping history or was considered to be planted for 3 of the 6 years preceding the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001 (except for land enrolled in the conservation reserve program as of that date);''; and

(B) by adding at the end the following:

''(5) the portion of land in a field not enrolled in the conservation reserve in a case in which more than 50 percent of the land in the field is enrolled as a buffer under a program described in paragraph (6)(A), if the land is enrolled as part of the buffer; and

''(6) land (including land that is not cropland) enrolled through continuous signup—

''(A) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; or

''(B) into the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 Fed. Reg. 28965) or a successor program.''.

(2) CRP PRIORITY AREAS.—Section 1231(f) of the Food Security Act of 1985 (16 U.S.C. 3831(f)) is amended by adding at the end the following:

''(5) PRIORITY.—In designating conservation priority areas under paragraph (1), the Secretary shall give priority to areas in which designated land would facilitate the most rapid completion of projects that—

''(A) are ongoing as of the date of the application; and

''(B) meet the purposes of the program established under this subchapter.''.

(c) MAXIMUM ENROLLMENT.—Section 1231(d) of the Food Security Act of 1985 (16 U.S.C. 3831(d)) is amended by striking ''36,400,000'' and inserting ''41,100,000''.

(d) DURATION OF CONTRACTS; HARDWOOD TREES.—Section 1231(e)(2) of the Food Security Act of 1985 (16 U.S.C. 3831(e)(2)) is amended—

(1) by striking ''In the'' and inserting the following:

''(A) IN GENERAL.—In the'';

(2) by striking ''The Secretary'' and inserting the following:

''(B) EXISTING HARDWOOD TREE CONTRACTS.—The Secretary''; and

''(3) by adding at the end the following:

''(C) EXTENSION OF HARDWOOD TREE CONTRACTS.—

''(i) IN GENERAL.—In the case of land devoted to hardwood trees under a contract entered into under this subchapter before the date of enactment of this subparagraph, the Secretary may extend the contract for a term of not more than 15 years.

''(ii) RENTAL PAYMENTS.—The amount of a rental payment for a contract extended under clause (i)—

''(I) shall be determined by the Secretary; but

''(II) shall not exceed 50 percent of the rental payment that was applicable to the contract before the contract was extended.''.

(e) PILOT PROGRAM FOR ENROLLMENT OF WETLAND AND BUFFER ACREAGE IN CONSERVATION RESERVE.—Section 1231(h) of the Food Security Act of 1985 (16 U.S.C. 3831(h)) is amended—

(1) in the subsection heading, by striking ''PILOT'';

(2) in paragraph (1), by striking ''During the 2001 and 2002 calendar years, the Secretary shall carry out a pilot program'' and inserting ''During the 2002 through 2006 calendar years, the Secretary shall carry out a program'';

(3) in paragraph (2), by striking ''pilot''; and

(4) in paragraph (3)(D)(i), by striking ''5 contiguous acres.'' and inserting ''10 contiguous acres, of which—

''(I) not more than 5 acres shall be eligible for payment; and

''(II) all acres (including acres that are ineligible for payment) shall be covered by the conservation contract.''.

(f) IRRIGATED LAND.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended by adding at the end the following:

''(i) IRRIGATED LAND.—Irrigated land shall be enrolled in the programs described in subsection (b)(6) at irrigated land rates unless the Secretary determines that other compensation is appropriate.''.

(g) VEGETATIVE COVER; HAYING AND GRAZING; WIND TURBINES.—Section 1232(a) of the

Food Security Act of 1985 (16 U.S.C. 3832(a)) is amended—

(1) in paragraph (4)—

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

(B) in subparagraph (B), by inserting ''and'' after the semicolon at the end; and

(C) by adding at the end the following:

''(C) in the case of marginal pasture land, an owner or operator shall not be required to plant trees if the land is to be restored—

''(i) as wetland; or

''(ii) with appropriate native riparian vegetation;'';

(2) in paragraph (7)—

(A) by striking ''except that the Secretary—'' and inserting ''except that—'';

(B) in subparagraph (A)—

(i) by striking ''(A) may'' and inserting ''(A) the Secretary may''; and

(ii) by striking ''and'' at the end;

(C) in subparagraph (B)—

(i) by striking ''(B) shall'' and inserting ''(B) the Secretary shall''; and

(ii) by striking the period at the end and inserting a semicolon;

(D) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(E) by adding at the end the following:

''(D) for maintenance purposes, the Secretary may permit harvesting or grazing or other commercial uses of forage, in a manner that is consistent with the purposes of this subchapter and a conservation plan approved by the Secretary, on acres enrolled—

''(i) to establish conservation buffers as part of the program described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; and

''(ii) into the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 Fed. Reg. 28965) or a successor program.'';

(3) in paragraph (9), by striking ''and'' at the end;

(4) by redesignating paragraph (10) as paragraph (11); and

(5) by inserting after paragraph (9) the following:

''(10) with respect to any contract entered into after the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001—

''(A) not to produce a crop for the duration of the contract on any other highly erodible land that the owner or operator owns unless the highly erodible land—

''(i) has a history of being used to produce a crop other than a forage crop, as determined by the Secretary; or

''(ii) is being used as a homestead or building site at the time of purchase; and

''(B) on a violation of a contract described in subparagraph (A), to be subject to the requirements of paragraph (5); and''.

(h) WIND TURBINES.—Section 1232 of the Food Security Act of 1985 (8906 U.S.C. 3832) is amended by adding at the end the following:

''(f) WIND TURBINES.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary may permit an owner or operator of land that is enrolled in the conservation reserve program, but that is not enrolled under continuous signup (as described in section 1231(b)(6)), to install wind turbines on the land.

''(2) NUMBER; LOCATION.—The Secretary shall determine the number and location of wind turbines that may be installed on a tract of land under paragraph (1), taking into account—

''(A) the location, size, and other physical characteristics of the land;

''(B) the extent to which the land contains wildlife and wildlife habitat; and

''(C) the purposes of the conservation reserve program.

''(3) PAYMENT LIMITATION.—Notwithstanding the amount of a rental payment limited by section 1234(c)(2) and specified in a contract entered into under this chapter, the Secretary shall reduce the amount of the rental payment paid to an owner or operator of land on which 1 or more wind turbines are installed under this subsection by an amount determined by the Secretary to be commensurate with the value of the reduction of benefit gained by enrollment of the land in the conservation reserve program.''.

(i) ADDITIONAL ELIGIBLE PRACTICES.—Section 1234 of the Food Security Act of 1985 (16 U.S.C. 3834) is amended by adding at the end the following:

''(i) PAYMENTS.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall provide signing and practice incentive payments under the conservation reserve program to owners and operators that implement a practice under—

''(A) the program to establish conservation buffers described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; or

''(B) the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 Fed. Reg. 28965) or a successor program.

''(2) OTHER PRACTICES.—The Secretary shall administer paragraph (1) in a manner that does not reduce the amount of payments made by the Secretary for other practices under the conservation reserve program.''.

(j) PAYMENTS.—Section 1239C(f) of the Food Security Act of 1985 (16 U.S.C. 3839c(f)) is amended by adding at the end the following:

''(5) EXCEPTION.—Paragraph (1) shall not apply to any land enrolled in—

''(A) the program to establish conservation buffers described in a notice issued on March 24, 1998 (63 Fed. Reg. 14109) or a successor program; or

''(B) the conservation reserve enhancement program described in a notice issued on May 27, 1998 (63 Fed. Reg. 28965) or a successor program.''.

(k) COUNTY PARTICIPATION.—Section 1243(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3843(b)(1)) is amended by striking ''The Secretary'' and inserting ''Except for land enrolled under continuous signup (as described in section 1231(b)(6)), the Secretary''.

(l) STUDY ON ECONOMIC EFFECTS.—Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that describes the economic effects on rural communities resulting from the conservation reserve program established under subchapter B of chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.).

SEC. 213. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

(a) IN GENERAL.—Chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) is amended to read as follows:

''SEC. 1240. PURPOSES.

''The purposes of the environmental quality incentives program established by this chapter are to promote agricultural production and environmental quality as compatible national goals, and to maximize environmental benefits per dollar expended, by—

''(1) assisting producers in complying with—

''(A) this title;

''(B) the Federal Water Pollution Control Act (33 U.S.C. 1251 et seq.);

''(C) the Safe Drinking Water Act (42 U.S.C. 300f et seq.);

''(D) the Clean Air Act (42 U.S.C. 7401 et seq.); and

''(E) other Federal, State, and local environmental laws (including regulations);

''(2) avoiding, to the maximum extent practicable, the need for resource and regulatory programs by assisting producers in protecting soil, water, air, and related natural resources and meeting environmental quality criteria established by Federal, State, and local agencies;

''(3) providing flexible technical and financial assistance to producers to install and maintain conservation systems that enhance soil, water, related natural resources (including grazing land and wetland), and wildlife while sustaining production of food and fiber;

''(4) assisting producers to make beneficial, cost effective changes to cropping systems, grazing management, nutrient management associated with livestock, pest or irrigation management, or other practices on agricultural land;

''(5) facilitating partnerships and joint efforts among producers and governmental and nongovernmental organizations; and

''(6) consolidating and streamlining conservation planning and regulatory compliance processes to reduce administrative burdens on producers and the cost of achieving environmental goals.

''SEC. 1240A. DEFINITIONS.

''In this chapter:

''(1) BEGINNING FARMER OR RANCHER.—The term 'beginning farmer or rancher' has the meaning provided under section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999(a)).

''(2) COMPREHENSIVE NUTRIENT MANAGEMENT.—

''(A) IN GENERAL.—The term 'comprehensive nutrient management' means any combination of structural practices, land management practices, and management activities associated with crop or livestock production described in subparagraph (B) that collectively ensure that the purposes of crop or livestock production and preservation of natural resources (especially the preservation and enhancement of water quality) are compatible.

''(B) ELEMENTS.—For the purpose of subparagraph (A), structural practices, land management practices, and management activities associated with livestock production are—

''(i) manure and wastewater handling and storage;

''(ii) manure processing, composting, or digestion for purposes of capturing emissions, concentrating nutrients for transport, destroying pathogens or otherwise improving the environmental safety and beneficial uses of manure;

''(iii) land treatment practices;

''(iv) nutrient management;

''(v) recordkeeping;

''(vi) feed management; and

''(vii) other waste utilization options.

''(C) PRACTICE.—

''(i) PLANNING.—The development of a comprehensive nutrient management plan shall be a practice that is eligible for incentive payments and technical assistance under this chapter.

''(ii) IMPLEMENTATION.—The implementation of a comprehensive nutrient plan shall be accomplished through structural and land management practices identified in the plan.

''(3) ELIGIBLE LAND.—The term 'eligible land' means agricultural land (including cropland, grassland, rangeland, pasture, private nonindustrial forest land, and other land on which crops or livestock are produced), including agricultural land that the Secretary determines poses a serious threat

to soil, water, or related resources by reason of the soil types, terrain, climatic, soil, topographic, flood, or saline characteristics, or other factors or natural hazards.

''(4) INNOVATIVE TECHNOLOGY.—The term 'innovative technology' means a new conservation technology that, as determined by the Secretary—

''(A) maximizes environmental benefits;

''(B) complements agricultural production; and

''(C) may be adopted in a practical manner.

''(5) LAND MANAGEMENT PRACTICE.—The term 'land management practice' means a site-specific nutrient or manure management, integrated pest management, irrigation management, tillage or residue management, grazing management, air quality management, or other land management practice carried out on eligible land that the Secretary determines is needed to protect from degradation, in the most cost-effective manner, water, soil, or related resources.

''(6) LIVESTOCK.—The term 'livestock' means dairy cattle, beef cattle, laying hens, broilers, turkeys, swine, sheep, and such other animals as are determined by the Secretary.

''(7) MANAGED GRAZING.—The term 'managed grazing' means the application of 1 or more practices that involve the frequent rotation of animals on grazing land to—

''(A) enhance plant health;

''(B) limit soil erosion;

''(C) protect ground and surface water quality; or

''(D) benefit wildlife.

''(8) MAXIMIZE ENVIRONMENTAL BENEFITS PER DOLLAR EXPENDED.—

''(A) IN GENERAL.—The term 'maximize environmental benefits per dollar expended' means to maximize environmental benefits to the extent the Secretary determines is practicable and appropriate, taking into account the amount of funding made available to carry out this chapter.

''(B) LIMITATION.—The term 'maximize environmental benefits per dollar expended' does not require the Secretary—

''(i) to require the adoption of the least cost practice or technical assistance; or

''(ii) to require the development of a plan under section 1240E as part of an application for payments or technical assistance.

''(9) PRACTICE.—The term 'practice' means 1 or more structural practices, land management practices, and comprehensive nutrient management planning practices.

''(10) PRODUCER.—

''(A) IN GENERAL.—The term 'producer' means an owner, operator, landlord, tenant, or sharecropper that—

''(i) shares in the risk of producing any crop or livestock; and

''(ii) is entitled to share in the crop or livestock available for marketing from a farm (or would have shared had the crop or livestock been produced).

''(B) HYBRID SEED GROWERS.—In determining whether a grower of hybrid seed is a producer, the Secretary shall not take into consideration the existence of a hybrid seed contract.

''(11) PROGRAM.—The term 'program' means the environmental quality incentives program comprised of sections 1240 through 1240J.

''(12) STRUCTURAL PRACTICE.—The term 'structural practice' means—

''(A) the establishment on eligible land of a site-specific animal waste management facility, terrace, grassed waterway, contour grass strip, filterstrip, tailwater pit, permanent wildlife habitat, constructed wetland, or other structural practice that the Secretary determines is needed to protect, in the most cost-effective manner, water, soil, or related resources from degradation; and

''(B) the capping of abandoned wells on eligible land.

"SEC. 1240B. ESTABLISHMENT AND ADMINISTRATION OF ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—During each of the 2002 through 2006 fiscal years, the Secretary shall provide technical assistance, cost-share payments, and incentive payments to producers that enter into contracts with the Secretary under the program.

''(2) ELIGIBLE PRACTICES.—

''(A) STRUCTURAL PRACTICES.—A producer that implements a structural practice shall be eligible for any combination of technical assistance, cost-share payments, and education.

''(B) LAND MANAGEMENT PRACTICES.—A producer that performs a land management practice shall be eligible for any combination of technical assistance, incentive payments, and education.

''(C) COMPREHENSIVE NUTRIENT MANAGEMENT PLANNING.—A producer that develops a comprehensive nutrient management plan shall be eligible for any combination of technical assistance, incentive payments, and education.

''(3) EDUCATION.—The Secretary may provide conservation education at national, State, and local levels consistent with the purposes of the program to—

''(A) any producer that is eligible for assistance under the program; or

''(B) any producer that is engaged in the production of an agricultural commodity.

''(b) APPLICATION AND TERM.—With respect to practices implemented under the program—

''(1) a contract between a producer and the Secretary may—

''(A) apply to 1 or more structural practices, land management practices, and comprehensive nutrient management planning practices; and

''(B) have a term of not less than 3, nor more than 10, years, as determined appropriate by the Secretary, depending on the practice or practices that are the basis of the contract; and

''(2) a producer may not enter into more than 1 contract for structural practices involving livestock nutrient management during the period of fiscal years 2002 through 2006.

''(c) APPLICATION AND EVALUATION.—

''(1) IN GENERAL.—The Secretary shall establish an application and evaluation process for awarding technical assistance, cost-share payments, and incentive payments to a producer in exchange for the performance of 1 or more practices that maximize environmental benefits per dollar expended.

''(2) COMPARABLE ENVIRONMENTAL VALUE.—

''(A) IN GENERAL.—The Secretary shall establish a process for selecting applications for technical assistance, cost-share payments, and incentive payments in any case in which there are numerous applications for assistance for practices that would provide substantially the same level of environmental benefits.

''(B) CRITERIA.—The process under subparagraph (A) shall be based on—

''(i) a reasonable estimate of the projected cost of the proposals described in the applications; and

''(ii) the priorities established under the program, and other factors, that maximize environmental benefits per dollar expended.

''(3) CONSENT OF OWNER.—If the producer making an offer to implement a structural practice is a tenant of the land involved in agricultural production, for the offer to be acceptable, the producer shall obtain the consent of the owner of the land with respect to the offer.

''(4) BIDDING DOWN.—If the Secretary determines that the environmental values of 2 or more applications for technical assistance, cost-share payments, or incentive payments are comparable, the Secretary shall not assign a higher priority to the application only because it would present the least cost to the program established under the program.

''(d) COST-SHARE PAYMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the cost-share payments provided to a producer proposing to implement 1 or more practices under the program shall be not more than 75 percent of the cost of the practice, as determined by the Secretary.

''(2) EXCEPTIONS.—

''(A) LIMITED RESOURCE AND BEGINNING FARMERS.—The Secretary may increase the amount provided to a producer under paragraph (1) to not more than 90 percent if the producer is a limited resource or beginning farmer or rancher, as determined by the Secretary.

''(B) COST-SHARE ASSISTANCE FROM OTHER SOURCES.—Except as provided in paragraph (3), any cost-share payments received by a producer from a State or private organization or person for the implementation of 1 or more practices on eligible land of the producer shall be in addition to the payments provided to the producer under paragraph (1).

''(3) OTHER PAYMENTS.—A producer shall not be eligible for cost-share payments for practices on eligible land under the program if the producer receives cost-share payments or other benefits for the same practice on the same land under chapter 1 and the program.

''(e) INCENTIVE PAYMENTS.—The Secretary shall make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform 1 or more practices.

''(f) TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall allocate funding under the program for the provision of technical assistance according to the purpose and projected cost for which the technical assistance is provided for a fiscal year.

''(2) AMOUNT.—The allocated amount may vary according to—

''(A) the type of expertise required;

''(B) the quantity of time involved; and

''(C) other factors as determined appropriate by the Secretary.

''(3) LIMITATION.—Funding for technical assistance under the program shall not exceed the projected cost to the Secretary of the technical assistance provided for a fiscal year.

''(4) OTHER AUTHORITIES.—The receipt of technical assistance under the program shall not affect the eligibility of the producer to receive technical assistance under other authorities of law available to the Secretary.

''(5) INCENTIVE PAYMENTS FOR TECHNICAL ASSISTANCE.—

''(A) IN GENERAL.—A producer that is eligible to receive technical assistance for a practice involving the development of a comprehensive nutrient management plan may obtain an incentive payment that can be used to obtain technical assistance associated with the development of any component of the comprehensive nutrient management plan.

''(B) PURPOSE.—The purpose of the payment shall be to provide a producer the option of obtaining technical assistance for developing any component of a comprehensive nutrient management plan from a certified provider.

''(C) PAYMENT.—The incentive payment shall be—

''(i) in addition to cost-share or incentive payments that a producer would otherwise

receive for structural practices and land management practices;

''(ii) used only to procure technical assistance from a certified provider that is necessary to develop any component of a comprehensive nutrient management plan; and

''(iii) in an amount determined appropriate by the Secretary, taking into account—

''(I) the extent and complexity of the technical assistance provided;

''(II) the costs that the Secretary would have incurred in providing the technical assistance; and

''(III) the costs incurred by the private provider in providing the technical assistance.

''(D) ELIGIBLE PRACTICES.—The Secretary may determine, on a case by case basis, whether the development of a comprehensive nutrient management plan is eligible for an incentive payment under this paragraph.

''(E) CERTIFICATION BY SECRETARY.—

''(i) IN GENERAL.—Only persons that have been certified by the Secretary under section 1244(f)(3) shall be eligible to provide technical assistance under this subsection.

''(ii) QUALITY ASSURANCE.—The Secretary shall ensure that certified providers are capable of providing technical assistance regarding comprehensive nutrient management in a manner that meets the specifications and guidelines of the Secretary and that meets the needs of producers under the program.

''(F) ADVANCE PAYMENT.—On the determination of the Secretary that the proposed comprehensive nutrient management of a producer is eligible for an incentive payment, the producer may receive a partial advance of the incentive payment in order to procure the services of a certified provider.

''(G) FINAL PAYMENT.—The final installment of the incentive payment shall be payable to a producer on presentation to the Secretary of documentation that is satisfactory to the Secretary and that demonstrates—

''(i) completion of the technical assistance; and

''(ii) the actual cost of the technical assistance.

''(g) MODIFICATION OR TERMINATION OF CONTRACTS.—

''(1) VOLUNTARY MODIFICATION OR TERMINATION.—The Secretary may modify or terminate a contract entered into with a producer under this chapter if—

''(A) the producer agrees to the modification or termination; and

''(B) the Secretary determines that the modification or termination is in the public interest.

''(2) INVOLUNTARY TERMINATION.—The Secretary may terminate a contract under this chapter if the Secretary determines that the producer violated the contract.

''SEC. 1240C. EVALUATION OF OFFERS AND PAYMENTS.

''(a) IN GENERAL.—In evaluating applications for technical assistance, cost-share payments, and incentive payments, the Secretary shall accord a higher priority to assistance and payments that—

''(1) maximize environmental benefits per dollar expended; and

''(2)(A) address national conservation priorities, including—

''(i) meeting Federal, State, and local environmental purposes focused on protecting air and water quality;

''(ii) comprehensive nutrient management;

''(iii) water quality, particularly in impaired watersheds;

''(iv) soil erosion;

''(v) air quality; or

''(vi) pesticide and herbicide management or reduction;

''(B) are provided in conservation priority areas established under section 1230(c);

''(C) are provided in special projects under section 1243(f)(4) with respect to which State or local governments have provided, or will provide, financial or technical assistance to producers for the same conservation or environmental purposes; or

''(D) an innovative technology in connection with a structural practice or land management practice.

''SEC. 1240D. DUTIES OF PRODUCERS.

''To receive technical assistance, cost-share payments, or incentive payments under the program, a producer shall agree—

''(1) to implement an environmental quality incentives program plan that describes conservation and environmental purposes to be achieved through 1 or more practices that are approved by the Secretary;

''(2) not to conduct any practices on the farm or ranch that would tend to defeat the purposes of the program;

''(3) on the violation of a term or condition of the contract at any time the producer has control of the land—

''(A) if the Secretary determines that the violation warrants termination of the contract—

''(i) to forfeit all rights to receive payments under the contract; and

''(ii) to refund to the Secretary all or a portion of the payments received by the owner or operator under the contract, including any interest on the payments, as determined by the Secretary; or

''(B) if the Secretary determines that the violation does not warrant termination of the contract, to refund to the Secretary, or accept adjustments to, the payments provided to the owner or operator, as the Secretary determines to be appropriate;

''(4) on the transfer of the right and interest of the producer in land subject to the contract, unless the transferee of the right and interest agrees with the Secretary to assume all obligations of the contract, to refund all cost-share payments and incentive payments received under the program, as determined by the Secretary;

''(5) to supply information as required by the Secretary to determine compliance with the program plan and requirements of the program; and

''(6) to comply with such additional provisions as the Secretary determines are necessary to carry out the program plan.

''SEC. 1240E. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.

''(a) IN GENERAL.—To be eligible to receive technical assistance, cost-share payments, or incentive payments under the program, a producer of a livestock or agricultural operation shall submit to the Secretary for approval a plan of operations that specifies practices covered under the program, and is based on such terms and conditions, as the Secretary considers necessary to carry out the program, including a description of the practices to be implemented and the purposes to be met by the implementation of the plan.

''(b) AVOIDANCE OF DUPLICATION.—The Secretary shall, to the maximum extent practicable, eliminate duplication of planning activities under the program and comparable conservation programs.

''SEC. 1240F. DUTIES OF THE SECRETARY.

''To the extent appropriate, the Secretary shall assist a producer in achieving the conservation and environmental goals of a program plan by—

''(1) providing technical assistance in developing and implementing the plan;

''(2) providing technical assistance, cost-share payments, or incentive payments for developing and implementing 1 or more practices, as appropriate;

''(3) providing the producer with information, education, and training to aid in implementation of the plan; and

''(4) encouraging the producer to obtain technical assistance, cost-share payments, or grants from other Federal, State, local, or private sources.

''SEC. 1240G. LIMITATION ON PAYMENTS.

''(a) IN GENERAL.—An individual or entity may not receive, directly or indirectly, payments under the program that exceed—

''(1) $50,000 for any fiscal year; or

''(2) $150,000 for any multiyear contract.

''(b) VERIFICATION.—The Secretary shall identify individuals and entities that are eligible for a payment under the program using social security numbers and taxpayer identification numbers, respectively.

''SEC. 1240H. CONSERVATION INNOVATION GRANTS.

''(a) IN GENERAL.—From funds made available to carry out the program, for each of the 2003 through 2006 fiscal years, the Secretary shall use not more than $100,000,000 for each fiscal year to pay the cost of competitive grants that are intended to stimulate innovative approaches to leveraging Federal investment in environmental enhancement and protection, in conjunction with agricultural production, through the program.

''(b) USE.—The Secretary may award grants under this section to governmental and nongovernmental organizations and persons, on a competitive basis, to carry out projects that—

''(1) involve producers that are eligible for payments or technical assistance under the program;

''(2) implement innovative projects, such as—

''(A) market systems for pollution reduction;

''(B) promoting agricultural best management practices, including the storing of carbon in the soil;

''(C) protection of source water for human consumption; and

''(D) reducing nutrient loss through the reduction of nutrient inputs by an amount that is at least 15 percent less than the established agronomic application rate, as determined by the Secretary; and

''(3) leverage funds made available to carry out the program with matching funds provided by State and local governments and private organizations to promote environmental enhancement and protection in conjunction with agricultural production.

''(c) COST SHARE.—The amount of a grant made under this section to carry out a project shall not exceed 50 percent of the cost of the project.

''(d) UNUSED FUNDING.—Any funds made available for a fiscal year under this section that are not obligated by April 1 of the fiscal year may be used to carry out other activities under this chapter during the fiscal year in which the funding becomes available.

''SEC. 1240I. SOUTHERN HIGH PLAINS AQUIFER GROUNDWATER CONSERVATION.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE ACTIVITY.—

''(A) IN GENERAL.—The term 'eligible activity' means an activity carried out to conserve groundwater.

''(B) INCLUSIONS.—The term 'eligible activity' includes an activity to—

''(i) improve an irrigation system;

''(ii) reduce the use of water for irrigation (including changing from high-water intensity crops to low-water intensity crops); or

''(iii) convert from farming that uses irrigation to dryland farming.

''(2) SOUTHERN HIGH PLAINS AQUIFER.—The term 'Southern High Plains Aquifer' means the portion of the groundwater reserve under

Kansas, New Mexico, Oklahoma, and Texas depicted as Figure 1 in the United States Geological Survey Professional Paper 1400–B, entitled 'Geohydrology of the High Plains Aquifer in Parts of Colorado, Kansas, Nebraska, New Mexico, Oklahoma, South Dakota, Texas, and Wyoming'.

''(b) CONSERVATION MEASURES.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall provide cost-share payments, incentive payments, and groundwater education assistance to producers that draw water from the Southern High Plains Aquifer to carry out eligible activities.

''(2) LIMITATIONS.—The Secretary shall provide a payment to a producer under this section only if the Secretary determines that the payment will result in a net savings in groundwater resources on the land of the producer.

''(3) COOPERATION.—In accordance with this subtitle, in providing groundwater education under this subsection, the Secretary shall cooperate with—

''(A) States;

''(B) land-grant colleges and universities;

''(C) educational institutions; and

''(D) private organizations.

''(c) FUNDING.—

''(1) IN GENERAL.—Of the funds made available under section 1241(b)(1) to carry out the program, the Secretary shall use to carry out this section—

''(A) $15,000,000 for fiscal year 2003;

''(B) $25,000,000 for each of fiscal years 2004 and 2005;

''(C) $35,000,000 for fiscal year 2006; and

''(D) $0 for fiscal year 2007.

''(2) OTHER FUNDS.—Subject to paragraph (3), the funds made available under this subsection shall be in addition to any other funds provided under the program.

''(3) UNUSED FUNDING.—Any funds made available for a fiscal year under paragraph (1) that are not obligated by April 1 of the fiscal year shall be used to carry out other activities in other States under the program.

''SEC. 1240J. PILOT PROGRAMS.

''(a) DRINKING WATER SUPPLIERS PILOT PROGRAM.—

''(1) IN GENERAL.—For each fiscal year, the Secretary may carry out, in watersheds selected by the Secretary, in cooperation with local water utilities, a pilot program to improve water quality.

''(2) IMPLEMENTATION.—The Secretary may select the watersheds referred to in paragraph (1), and make available funds (including funds for the provision of incentive payments) to be allocated to producers in partnership with drinking water utilities in the watersheds, if the drinking water utilities agree to measure water quality at such intervals and in such a manner as may be determined by the Secretary.

''(b) NUTRIENT REDUCTION PILOT PROGRAM.—

''(1) IN GENERAL.—For each of fiscal years 2003 through 2006, the Secretary shall use funds made available to carry out the program, in the amounts specified in paragraph (3), in the Chesapeake Bay watershed to provide incentives for agricultural producers in each State to reduce negative effects on watersheds, including through the significant reduction in nutrient applications, as determined by the Secretary.

''(2) PAYMENTS.—Incentive payments made to a producer under paragraph (1) shall reflect the extent to which the producer reduces nutrient applications.

''(3) FUNDING.—

''(A) IN GENERAL.—Of the amounts made available under section 1241(b) to carry out the program, the Secretary shall use to carry out this subsection—

''(i) $10,000,000 for fiscal year 2003;

''(ii) $15,000,000 for fiscal year 2004;

''(iii) $20,000,000 for fiscal year 2005;

''(iv) $25,000,000 for fiscal year 2006; and

''(v) $0 for fiscal year 2007.

''(B) UNEXPENDED FUNDS.—Any funds made available for a fiscal year under subparagraph (A) that are not obligated by April 1 of the fiscal year shall be used to carry out other activities outside the Chesapeake Bay watershed under this chapter.

''(c) CONSISTENCY WITH WATERSHED PLAN.—In allocating funds for the pilot programs under subsections (a) and (b) and any other pilot programs carried out under the program, the Secretary shall take into consideration the extent to which an application for the funds is consistent with—

''(1) any applicable locally developed watershed plan; and

''(2) the factors established by section 1240C.

''(d) CONTRACTS.—

''(1) IN GENERAL.—In carrying out this section, in addition to other requirements under the program, the Secretary shall enter into contracts in accordance with this section with producers the activities of which affect water quality (including the quality of public drinking water supplies) to implement and maintain—

''(A) nutrient management;

''(B) pest management;

''(C) soil erosion practices; and

''(D) other conservation activities that protect water quality and human health.

''(2) REQUIREMENTS.—A contract described in paragraph (1) shall—

''(A) describe the specific nutrient management, pest management, soil erosion, or other practices to be implemented, maintained, or improved;

''(B) contain a schedule of implementation for those practices;

''(C) to the maximum extent practicable, address water quality priorities of the watershed in which the operation is located; and

''(D) contain such other terms as the Secretary determines to be appropriate.''.

(b) FUNDING.—Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) is amended by striking subsection (b) and inserting the following:

''(b) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—Subject to section 241 of the Agriculture, Conservation, and Rural Enhancement Act of 2001, of the funds of the Commodity Credit Corporation, the Secretary shall make available to provide technical assistance, cost-share payments, incentive payments, bonus payments, grants, and education under the environmental quality incentives program under chapter 4 of subtitle D, to remain available until expended—

''(1) $500,000,000 for fiscal year 2002;

''(2) $1,300,000,000 for fiscal year 2003;

''(3) $1,450,000,000 for each of fiscal years 2004 and 2005;

''(4) $1,500,000,000 for fiscal year 2006; and

''(5) $850,00,000 for fiscal year 2007.''.

(c) REIMBURSEMENTS.—Section 11 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714i) is amended in the last sentence by inserting ''but excluding transfers and allotments for conservation technical assistance'' after ''activities''.

SEC. 214. WETLANDS RESERVE PROGRAM.

(a) TECHNICAL ASSISTANCE.—Section 1237(a) of the Food Security Act of 1985 (16 U.S.C. 3837(a)) is amended by inserting ''(including the provision of technical assistance)'' before the period at the end.

(b) MAXIMUM ENROLLMENT.—Section 1237(b) of the Food Security Act of 1985 (16 U.S.C. 3837(b)) is amended by striking paragraph (1) and inserting the following:

''(1) MAXIMUM ENROLLMENT.—

''(A) IN GENERAL.—The total number of acres enrolled in the wetlands reserve program shall not exceed 2,225,000 acres, of which, to the maximum extent practicable subject to subparagraph (B), the Secretary shall enroll 250,000 acres in each calendar year.

''(B) WETLANDS RESERVE ENHANCEMENT ACREAGE.—Of the acreage enrolled under subparagraph (A) for a calendar year, not more than 25,000 acres may be enrolled in the wetlands reserve enhancement program described in subsection (h).''.

(c) REAUTHORIZATION.—Section 1237(c) of the Food Security Act of 1985 (16 U.S.C. 3837(c)) is amended by striking ''2002'' and inserting ''2006''.

(d) WETLANDS RESERVE ENHANCEMENT PROGRAM.—Section 1237 of the Food Security Act of 1985 (16 U.S.C. 3837) is amended by adding at the end the following:

''(h) WETLANDS RESERVE ENHANCEMENT PROGRAM.—

''(1) IN GENERAL.—Notwithstanding the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.), the Secretary may enter into cooperative agreements with State or local governments, and with private organizations, to develop, on land that is enrolled, or is eligible to be enrolled, in the wetland reserve established under this subchapter, wetland restoration activities in watershed areas.

''(2) PURPOSE.—The purpose of the agreements shall be to address critical environmental issues.

''(3) RELATIONSHIP TO OTHER AUTHORITIES.—Nothing in this subsection limits the authority of the Secretary to enter into a cooperative agreement with a party under which agreement the Secretary and the party—

''(A) share a mutual interest in the program under this subchapter; and

''(B) contribute resources to accomplish the purposes of that program.''.

(e) MONITORING AND MAINTENANCE.—Section 1237C(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3837c(a)(2)) is amended by striking ''assistance'' and inserting ''assistance (including monitoring and maintenance)''.

SEC. 215. WATER CONSERVATION PROGRAM.

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3831 et seq.) is amended by adding at the end the following:

''CHAPTER 6—WATER CONSERVATION PROGRAM

''SEC. 1240R. DEFINITIONS.

''In this subchapter:

''(1) ELIGIBLE LAND.—The term 'eligible land' means any land the enrollment in the program of which will further the conservation of threatened and endangered species, or species which may become threatened or endangered if actions are not taken to conserve that species, and the habitat of such species.

''(2) ENDANGERED SPECIES.—The term 'endangered species' has the meaning given the term in section 3 of the Endangered Species Act of 1973 (16 U.S.C. 1532).

''(3) LANDOWNER.—The term 'landowner' means an owner of eligible land.

''(4) PROGRAM.—The term 'program' means the water conservation program established under section 1240S(a).

''(5) SENSITIVE SPECIES.—The term 'sensitive species' has the meaning given the term 'candidate species' within the meaning of section 424.02(b) of title 50, Code of Federal Regulations (or a successor regulation) or a species which may become threatened or endangered if conservation actions are not taken to conserve that species.

''(6) THREATENED SPECIES.—The term 'threatened species' has the meaning given the term in section 3 of the Endangered Species Act of 1973 (16 U.S.C. 1532).

''(7) WATER RIGHT.—The term 'water right' means any right or entitlement to water delivery that is—

''(A) exercised via contract, agreement, permit, license, or other arrangement; and

''(B) available for acquisition or transfer.

''SEC. 1240S. PROGRAM.

''(a) ESTABLISHMENT.—Effective for each of the 2003 through 2006 calendar years, the Secretary shall establish, and carry out the enrollment of eligible land described in subsection (b) through the use of contracts in, a water conservation program to provide for the acquisition and temporary transfer of water or water rights, or permanent acquisition of water or water rights, from willing sellers that would otherwise be entitled to use the water in accordance with a State-approved water right or a contract with the Secretary, or by other lawful means (including willing sellers in the San Francisco Bay-Delta, the Truckee-Carson Basin, and the Walker River Basin).

''(b) ENROLLMENT OF ELIGIBLE LAND.—

''(1) CRP ACREAGE LIMIT.—The Secretary shall enroll in the program not more than 1,100,000 acres, which acreage shall count against the number of acres authorized to be enrolled in the conservation reserve program under section 1231(d).

''(2) TIMING.—To the maximum extent practicable, an enrollment under paragraph (1) shall occur during the enrollment period for the conservation reserve program.

''(3) PRIORITY IN ENROLLMENT.—In enrolling eligible land in the program, the Secretary shall give priority to land with associated water or water rights that—

''(A) could be used to significantly advance the goals of Federal, State, Tribal and local fish, wildlife, and plant conservation plans, including—

''(i) plans that address multiple endangered species, sensitive species, or threatened species; or

''(ii) agreements entered into, or conservation plans submitted, under section 6 or 10(a)(2)(A) of the Endangered Species Act of 1973 (16 U.S.C. 1535, 1539(a)(2)(A)), respectively; or

''(B) would benefit fish, wildlife, or plants of 1 or more refuges within the National Wildlife Refuge System.

''(4) ENROLLMENT AUTHORITY.—The priority system described in paragraph (3), and not the priority system and bidding system established by the Secretary under subchapter B of chapter 1, shall govern the enrollment of land in the program.

''SEC. 1240T. DURATION AND NATURE OF CONTRACTS.

''(a) IN GENERAL.—In enrolling eligible land in the program, the Secretary shall enter into a contract described in subparagraph (b) or (c), as appropriate, with a willing landowner.

''(b) TRANSFER OF WATER OR WATER RIGHTS.—In enrolling eligible land in the program, for the purpose of transferring water or water rights associated with eligible land or providing dry year options on such water or water rights, the Secretary shall, in accordance with the water law of the State in which eligible land sought to be enrolled is located—

''(1) except as provided in subsection (c), enter into a contract with the landowner for the transfer of those rights that has a term of not less than 1, nor more than 5, years; or

''(2) provide for a dry year option contract or other similar agreement that effectuates the purposes of this section.

''(c) PERMANENT ACQUISITION OF WATER OR WATER RIGHTS.—

''(1) IN GENERAL.—Subject to paragraph (2), in enrolling eligible land in the program, for the purpose of permanently acquiring water or water rights associated with the eligible land, the Secretary may enter into a contract or agreement for the acquisition of that water or those water rights with—

''(A) the landowner; and

''(B) to the extent that matching funds are provided for the acquisition of the water or water rights—

''(i) a State (including a political subdivision);

''(ii) a nonprofit organization; or

''(iii) an Indian tribe.

''(2) LIMITATION.—Of the acres of eligible land authorized to be enrolled in the program under section 1240S(b)(1)(A), not more than 200,000 acres may be enrolled for the permanent acquisition of water or water rights under paragraph (1).

''(d) TRANSFER OF PARTIAL WATER OR WATER RIGHTS.—A contract or agreement under this section may provide for the transfer or sale of a portion of the total acre-feet of water associated with land enrolled in the program if—

''(1) the landowner agrees in the contract or agreement to adopt a change in practice that reduces the use of water for agricultural purposes;

''(2) the transfer or sale meets the requirements of the program; and

''(3) the contract or agreement and the purchase price for enrollment of land in the program reflect the fact that only a portion of the water or water rights associated with the eligible land are being transferred or sold.

''SEC. 1240U. DUTIES OF LANDOWNERS.

''(a) IN GENERAL.—A landowner that is a party to a contract described in subsection (b) or (c) of section 1238B shall, in accordance with the contract—

''(1) agree to transfer to the Secretary water or water rights associated with enrolled eligible land;

''(2) agree to take no action that would interfere with the quantity or quality of water transferred or acquired under the contract; and

''(3) on violation of any term of the contract that the Secretary determines is of such a nature as to warrant termination of the contract—

''(A) forfeit all rights to receive payments under the contract; and

''(B) refund to the Secretary any payments received as of the date of the violation (including interest on the payments, as determined by the Secretary).

''(b) TRANSFER OF ELIGIBLE LAND BY LANDOWNER.—

''(1) IN GENERAL.—If a landowner transfers any right or interest in eligible land subject to a contract described in subsection (b) or (c) of section 1240T, the landowner shall—

''(A) forfeit all rights to receive payments under the contract; and

''(B)(i) refund to the Secretary any payments received as of the date of the violation (including interest on the payments, as determined by the Secretary); or

''(ii) accept such payment adjustments or make such refunds as the Secretary determines to be appropriate.

''(2) EXCEPTIONS.—Paragraph (1) shall not apply in any case in which—

''(A) a transferee of eligible land or an interest in eligible land described in paragraph (1) agrees with the Secretary—

''(i) to assume all obligations under a contract described in subsection (b) or (c) of section 1240T to which the transferred eligible land is subject; or

''(ii) to modify the contract in a manner that is consistent with this section; or

''(B) eligible land or an interest in eligible land described in paragraph (1) is purchased by or for the United States Fish and Wildlife Service, an Indian tribe, or any other person (including a governmental agency).

''SEC. 1240V. DUTIES OF THE SECRETARY.

''(a) PAYMENTS.—The Secretary shall make payments for eligible land enrolled in the program in accordance with section 1240W.

''(b) USE OF WATER.—The Secretary may direct a landowner to use, or transfer or sell to an entity approved by the Secretary, water described in section 1240U(a)(1) to protect 1 or more endangered species, sensitive species, or threatened species.

''(c) STATE APPLICATIONS AND PROCESS.—At the request of a landowner, the Secretary shall submit any necessary State application, and complete any applicable State legal process, for the transfer or acquisition of water under a contract described in subsection (b) or (c) of section 1240T.

''SEC. 1240W. PAYMENTS.

''(a) IN GENERAL.—

''(1) TEMPORARY TRANSFER OF WATER OR WATER RIGHTS.—In a case in which the Secretary enters into a contract described in section 1240T(b), for each year of the term of the contract or agreement, the Secretary shall pay to the landowner a payment in such amount as the Secretary and the landowner jointly determine is appropriate to compensate the landowner for the use of the water or water rights transferred under the contract.

''(2) PERMANENT ACQUISITION OF WATER OR WATER RIGHTS.—In a case in which the Secretary enters into a contract described in section 1240T(c), the Secretary shall make a single payment to the landowner in such amount as the Secretary and the landowner jointly determine is appropriate to compensate for the acquisition of water or water rights associated with the enrolled eligible land.

''(b) TIMING.—The Secretary shall make payments for obligations incurred during the fiscal year by the Secretary under this section as soon as practicable after October 1 of the fiscal year.

''(c) DETERMINATION OF PAYMENT AMOUNT.—The Secretary may determine the amount to be paid to a landowner under paragraph (1) or (2) of subsection (a) by—

''(1) taking into consideration such minimum amount as the Secretary determines is necessary to encourage landowners to participate in the program;

''(2) soliciting and reviewing bids for enrollment contracts from landowners in such manner as the Secretary may prescribe, except that the bidding process for eligible land enrolled under the program shall be separate from the bidding process for eligible land under the conservation reserve program under section 1234; or

''(3) using such other means as the Secretary determines to be appropriate.

''(d) ACCEPTANCE OF CONTRACT OFFERS.—In determining whether to accept an offer for a contract from a landowner to enroll eligible land in the program, the Secretary shall—

''(1) to the maximum extent practicable as determined by the Secretary, subject to paragraphs (3) and (4) of section 1240S(b), incorporate the applicable provisions of priority system established under section 1230(c); and

''(2) explicitly encourage, and give priority to the permanent and long-term acquisition of water or water rights that accompany the eligible land to be enrolled in the program by providing enhanced payments for—

''(A) the permanent acquisition of water or water rights; or

''(B) the transfer of water or water rights for terms of 5 years.

''SEC. 1240X. CONSULTATION.

''In enrolling eligible land in the program, to ensure, to the maximum extent practicable, that all water and water rights transferred or acquired under this section

are used to protect endangered species, sensitive species, and threatened species, the Secretary shall consult with—

''(1) the Secretary of the Interior;

''(2) the head of the lead water agency of the State in which the enrolled eligible land is located; and

''(3) any affected Indian tribes.

''SEC. 1240Y. ADDITIONAL PROVISIONS.

''(a) IN GENERAL.—The terms and conditions of subsections (e), (g), and (h) of section 1234 and subsections (a) through (d) of section 1235 apply to the enrollment of eligible land in the program, to the extent determined to be appropriate by the Secretary.

''(b) STATE WATER LAW.—

''(1) IN GENERAL.—Nothing in this chapter—

''(A) preempts any State water law;

''(B) affects any litigation concerning the entitlement to, or lack of entitlement to, water that is ongoing as of the date of enactment of this chapter; or

''(C) expands, changes, or otherwise affects the existence or scope of any water right of any individual.

''(2) IMPLEMENTATION.—In carrying out the program, the Secretary shall—

''(A) ensure, to the maximum extent practicable, that the program does not undermine the implementation of any law in effect as of the date of enactment of this chapter that concerns the transfer or acquisition of water or water rights on a permanent basis; and

''(B) implement the program in accordance with the purposes of such laws described in subparagraph (A) as are applicable.

''(c) LEASE OF WATER AND WATER RIGHTS IN KLAMATH RIVER BASIN.—In accordance with the program, the Secretary may temporarily lease water or water rights in the Klamath River basin, Oregon and California, if the lease is consistent with State water law (including any provisions of State water law intended to protect water users from economic injury).

''SEC. 1240Z. TERMINATION OF AUTHORITY.

''The authority of the Secretary to enroll new acres under this chapter terminates on October 1, 2006.''.

SEC. 216. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

Subtitle H of title XV of the Agriculture and Food Act of 1981 (16 U.S.C. 3451 et seq.) is amended to read as follows:

''Subtitle H—Resource Conservation and Development Program

''SEC. 1528. DEFINITIONS.

''In this subtitle:

''(1) AREA PLAN.—The term 'area plan' means a resource conservation and use plan that is developed by a council for a designated area of a State or States through a planning process and that includes 1 or more of the following elements:

''(A) A land conservation element, the purpose of which is to control erosion and sedimentation.

''(B) A water management element that provides 1 or more clear environmental or conservation benefits, the purpose of which is to provide for—

''(i) the conservation, use, and quality of water, including irrigation and rural water supplies;

''(ii) the mitigation of floods and high water tables;

''(iii) the repair and improvement of reservoirs;

''(iv) the improvement of agricultural water management; and

''(v) the improvement of water quality.

''(C) A community development element, the purpose of which is to improve—

''(i) the development of resources-based industries;

''(ii) the protection of rural industries from natural resource hazards;

''(iii) the development of adequate rural water and waste disposal systems;

''(iv) the improvement of recreation facilities;

''(v) the improvement in the quality of rural housing;

''(vi) the provision of adequate health and education facilities;

''(vii) the satisfaction of essential transportation and communication needs; and

''(viii) the promotion of food security, economic development, and education.

''(D) A land management element, the purpose of which is—

''(i) energy conservation;

''(ii) the protection of agricultural land, as appropriate, from conversion to other uses;

''(iii) farmland protection; and

''(iv) the protection of fish and wildlife habitats.

''(2) BOARD.—The term 'Board' means the Resource Conservation and Development Policy Advisory Board established under section 1533(a).

''(3) COUNCIL.—The term 'council' means a nonprofit entity (including an affiliate of the entity) operating in a State that is—

''(A) established by volunteers or representatives of States, local units of government, Indian tribes, or local nonprofit organizations to carry out an area plan in a designated area; and

''(B) designated by the chief executive officer or legislature of the State to receive technical assistance and financial assistance under this subtitle.

''(4) DESIGNATED AREA.—The term 'designated area' means a geographic area designated by the Secretary to receive technical assistance and financial assistance under this subtitle.

''(5) FINANCIAL ASSISTANCE.—The term 'financial assistance' means a grant or loan provided by the Secretary (or the Secretary and other Federal agencies) to, or a cooperative agreement entered into by the Secretary (or the Secretary and other Federal agencies) with, a council, or association of councils, to carry out an area plan in a designated area, including assistance provided for planning, analysis, feasibility studies, training, education, and other activities necessary to carry out the area plan.

''(6) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term by section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(7) LOCAL UNIT OF GOVERNMENT.—The term 'local unit of government' means—

''(A) any county, city, town, township, parish, village, or other general-purpose subdivision of a State; and

''(B) any local or regional special district or other limited political subdivision of a State, including any soil conservation district, school district, park authority, and water or sanitary district.

''(8) NONPROFIT ORGANIZATION.—The term 'nonprofit organization' means any organization that is—

''(A) described in section 501(c) of the Internal Revenue Code of 1986; and

''(B) exempt from taxation under section 501(a) of the Internal Revenue Code of 1986.

''(9) PLANNING PROCESS.—The term 'planning process' means actions taken by a council to develop and carry out an effective area plan in a designated area, including development of the area plan, goals, purposes, policies, implementation activities, evaluations and reviews, and the opportunity for public participation in the actions.

''(10) PROJECT.—The term 'project' means a project that is carried out by a council to achieve any of the elements of an area plan.

''(11) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(12) STATE.—The term 'State' means—

''(A) any State;

''(B) the District of Columbia; or

''(C) any territory or possession of the United States.

''(13) TECHNICAL ASSISTANCE.—The term 'technical assistance' means any service provided by the Secretary or agent of the Secretary, including—

''(A) inventorying, evaluating, planning, designing, supervising, laying out, and inspecting projects;

''(B) providing maps, reports, and other documents associated with the services provided;

''(C) providing assistance for the long-term implementation of area plans; and

''(D) providing services of an agency of the Department of Agriculture to assist councils in developing and carrying out area plans.

''SEC. 1529. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.

''The Secretary shall establish a resource conservation and development program under which the Secretary shall provide technical assistance and financial assistance to councils to develop and carry out area plans and projects in designated areas—

''(1) to conserve and improve the use of land, develop natural resources, and improve and enhance the social, economic, and environmental conditions in primarily rural areas of the United States; and

''(2) to encourage and improve the capability of State, units of government, Indian tribes, nonprofit organizations, and councils to carry out the purposes described in paragraph (1).

''SEC. 1530. SELECTION OF DESIGNATED AREAS.

''The Secretary shall select designated areas for assistance under this subtitle on the basis of the elements of area plans.

''SEC. 1531. POWERS OF THE SECRETARY.

''In carrying out this subtitle, the Secretary may—

''(1) provide technical assistance to any council to assist in developing and implementing an area plan for a designated area;

''(2) cooperate with other departments and agencies of the Federal Government, States, local units of government, local Indian tribes, and local nonprofit organizations in conducting surveys and inventories, disseminating information, and developing area plans;

''(3) assist in carrying out an area plan approved by the Secretary for any designated area by providing technical assistance and financial assistance to any council; and

''(4) enter into agreements with councils in accordance with section 1532.

''SEC. 1532. ELIGIBILITY; TERMS AND CONDITIONS.

''(a) ELIGIBILITY.—Technical assistance and financial assistance may be provided by the Secretary under this subtitle to any council to assist in carrying out a project specified in an area plan approved by the Secretary only if—

''(1) the council agrees in writing—

''(A) to carry out the project; and

''(B) to finance or arrange for financing of any portion of the cost of carrying out the project for which financial assistance is not provided by the Secretary under this subtitle;

''(2) the project is included in an area plan and is approved by the council;

''(3) the Secretary determines that assistance is necessary to carry out the area plan;

''(4) the project provided for in the area plan is consistent with any comprehensive plan for the area;

''(5) the cost of the land or an interest in the land acquired or to be acquired under the

plan by any State, local unit of government, Indian tribe, or local nonprofit organization is borne by the State, local unit of government, Indian tribe, or local nonprofit organization, respectively; and

''(6) the State, local unit of government, Indian tribe, or local nonprofit organization participating in the area plan agrees to maintain and operate the project.

''(b) LOANS.—

''(1) IN GENERAL.—Subject to paragraphs (2) and (3), a loan made under this subtitle shall be made on such terms and conditions as the Secretary may prescribe.

''(2) TERM.—A loan for a project made under this subtitle shall have a term of not more than 30 years after the date of completion of the project.

''(3) INTEREST RATE.—A loan made under this subtitle shall bear interest at the average rate of interest paid by the United States on obligations of a comparable term, as determined by the Secretary of the Treasury.

''(c) APPROVAL BY SECRETARY.—Technical assistance and financial assistance under this subtitle may not be made available to a council to carry out an area plan unless the area plan has been submitted to and approved by the Secretary.

''(d) WITHDRAWAL.—The Secretary may withdraw technical assistance and financial assistance with respect to any area plan if the Secretary determines that the assistance is no longer necessary or that sufficient progress has not been made toward developing or implementing the elements of the area plan.

''(e) USE OF OTHER ENTITIES AND PERSONS.—A council may use another person or entity to assist in developing and implementing an area plan and otherwise carrying out this subtitle.

''SEC. 1533. RESOURCE CONSERVATION AND DEVELOPMENT POLICY ADVISORY BOARD.

''(a) ESTABLISHMENT.—The Secretary shall establish within the Department of Agriculture a Resource Conservation and Development Policy Advisory Board.

''(b) COMPOSITION.—

''(1) IN GENERAL.—The Board shall be composed of at least 7 employees of the Department of Agriculture selected by the Secretary.

''(2) CHAIRPERSON.—A member of the Board shall be designated by the Secretary to serve as chairperson of the Board.

''(c) DUTIES.—The Board shall advise the Secretary regarding the administration of this subtitle, including the formulation of policies for carrying out this subtitle.

''SEC. 1534. EVALUATION OF PROGRAM.

''(a) IN GENERAL.—The Secretary, in consultation with councils, shall evaluate the program established under this subtitle to determine whether the program is effectively meeting the needs of, and the purposes identified by, States, units of government, Indian tribes, nonprofit organizations, and councils participating in, or served by, the program.

''(b) REPORT.—Not later than June 30, 2005, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report describing the results of the evaluation, together with any recommendations of the Secretary for continuing, terminating, or modifying the program.

''SEC. 1535. LIMITATION ON ASSISTANCE.

''In carrying out this subtitle, the Secretary shall provide technical assistance and financial assistance with respect to not more than 450 active designated areas.

''SEC. 1536. SUPPLEMENTAL AUTHORITY OF THE SECRETARY.

''The authority of the Secretary under this subtitle to assist councils in the development and implementation of area plans shall be supplemental to, and not in lieu of, any authority of the Secretary under any other provision of law.

''SEC. 1537. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There are authorized to be such sums as are necessary to carry out this subtitle.

''(b) LOANS.—The Secretary shall not use more than $15,000,000 of any funds made available for a fiscal year to make loans under this subtitle.

''(c) AVAILABILITY.—Funds appropriated to carry out this subtitle shall remain available until expended.''.

SEC. 217. WILDLIFE HABITAT INCENTIVE PROGRAM.

(a) IN GENERAL.—Chapter 5 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839bb et seq.) is amended to read as follows:

''CHAPTER 5—OTHER CONSERVATION PROGRAMS

''SEC. 1240M. WILDLIFE HABITAT INCENTIVE PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ENDANGERED SPECIES.—The term 'endangered species' has the meaning given the term in section 3 of the Endangered Species Act of 1973 (16 U.S.C. 1532).

''(2) PROGRAM.—The term 'program' means the wildlife habitat incentive program established under subsection (b).

''(3) SENSITIVE SPECIES.—The term 'sensitive species' has the meaning given the term 'candidate species' within the meaning of section 424.02(b) of title 50, Code of Federal Regulations (or a successor regulation) or a species which may become threatened or endangered if conservation actions are not taken to conserve that species.

''(4) THREATENED SPECIES.—The term 'threatened species' has the meaning given the term in section 3 of the Endangered Species Act of 1973 (16 U.S.C. 1532).

''(b) ESTABLISHMENT.—In consultation with the State technical committees established under section 1261 of the Food Security Act of 1985 (16 U.S.C. 3861), the Secretary shall establish the wildlife habitat incentive program.

''(c) COST-SHARE PAYMENTS.—

''(1) IN GENERAL.—Under the program, the Secretary shall make cost-share payments, and provide technical assistance, to landowners of eligible land to develop and enhance wildlife habitat approved by the Secretary.

''(2) ENDANGERED AND THREATENED SPECIES.—Of the funds made available to carry out this subsection, the Secretary shall use at least 15 percent to make cost-share payments to carry out projects and activities relating to endangered species, threatened species, and sensitive species.

''(d) PILOT PROGRAM FOR ESSENTIAL PLANT AND ANIMAL HABITAT.—Under the program, the Secretary may establish procedures to use not more than 15 percent of funds made available to acquire and enroll eligible land for periods of at least 15 years to protect and restore essential (as determined by the Secretary) plant and animal habitat.

''(e) ELIGIBLE PARTIES.—After consulting, to the maximum extent practicable, with State wildlife officials, the Secretary may provide grants under this section to individuals and nonprofit organizations that lease public land.

''(f) NEXUS TO PRIVATE LAND.—Funds from a grant provided under subsection (e) may be used, as determined by the Secretary, for a purpose on public land if the purpose benefits private land.

''(g) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out this section (including the provision of technical assistance), to remain available until expended—

''(1) $50,000,000 for fiscal year 2002;

''(2) $225,000,000 for fiscal year 2003;

''(3) $275,000,000 for fiscal year 2004;

''(4) $325,000,000 for fiscal years 2005;

''(5) $375,000 for fiscal year 2006; and

''(6) $50,000 for fiscal year 2007.''.

''SEC. 1240N. WATERSHED RISK REDUCTION.

''(a) IN GENERAL.—The Secretary, acting through the Natural Resources Conservation Service (referred to in this section as the 'Secretary'), in cooperation with landowners and land users, may carry out such projects and activities (including the purchase of floodplain easements for runoff retardation and soil erosion prevention) as the Secretary determines to be necessary to safeguard lives and property from floods, drought, and the products of erosion on any watershed in any case in which fire, flood, or any other natural occurrence has caused, is causing, or may cause a sudden impairment of that watershed.

''(b) PRIORITY.—In carrying out this section, the Secretary shall give priority to any project or activity described in subsection (a) that is carried out on a floodplain adjacent to a major river, as determined by the Secretary.

''(c) PROHIBITION ON DUPLICATIVE FUNDS.—No project or activity under subsection (a) that is carried out using funds made available under this section may be carried out using funds made available under any Federal disaster relief program administered by the Secretary relating to floods.

''(d) FUNDING.—There is authorized to be appropriated to carry out this section $15,000,000 for each of fiscal years 2002 through 2006.

''SEC. 1240O. GREAT LAKES BASIN PROGRAM FOR SOIL EROSION AND SEDIMENT CONTROL.

''(a) IN GENERAL.—The Secretary, in consultation with the Great Lakes Commission created by Article IV of the Great Lakes Basin Compact (82 Stat. 415) and in cooperation with the Administrator of the Environmental Protection Agency and the Secretary of the Army, may carry out the Great Lakes basin program for soil erosion and sediment control (referred to in this section as the 'program').

''(b) ASSISTANCE.—In carrying out the program, the Secretary may—

''(1) provide project demonstration grants, provide technical assistance, and carry out information and education programs to improve water quality in the Great Lakes basin by reducing soil erosion and improving sediment control; and

''(2) provide a priority for projects and activities that directly reduce soil erosion or improve sediment control.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006.

''SEC. 1240P. CONSERVATION OF PRIVATE GRAZING LAND.

''(a) FINDINGS.—Congress finds that—

''(1) private grazing land constitutes nearly ½ of the non-Federal land of the United States and is basic to the environmental, social, and economic stability of rural communities;

''(2) private grazing land contains a complex set of interactions among soil, water, air, plants, and animals;

''(3) grazing land constitutes the single largest watershed cover type in the United

States and contributes significantly to the quality and quantity of water available for all of the many uses of the land;

''(4) private grazing land constitutes the most extensive wildlife habitat in the United States;

''(5) private grazing land can provide opportunities for improved nutrient management from land application of animal manures and other by-product nutrient resources;

''(6) landowners and managers of private grazing land need to continue to recognize conservation problems when the problems arise and receive sound technical assistance to improve or conserve grazing land resources to meet ecological and economic demands;

''(7) new science and technology must continually be made available in a practical manner so owners and managers of private grazing land may make informed decisions concerning vital grazing land resources;

''(8) agencies of the Department with private grazing land responsibilities are the agencies that have the expertise and experience to provide technical assistance, education, and research to owners and managers of private grazing land for the long-term productivity and ecological health of grazing land;

''(9) although competing demands on private grazing land resources are greater than ever before, assistance to private owners and managers of private grazing land is limited and does not meet the demand and basic need for adequately sustaining or enhancing the private grazing land resources; and

''(10) private grazing land can be enhanced to provide many benefits to all citizens of the United States through voluntary cooperation among owners and managers of the land, local conservation districts, and the agencies of the Department responsible for providing assistance to owners and managers of land and to conservation districts.

''(b) PURPOSE.—The purpose of this section is to authorize the Secretary to provide a coordinated technical, educational, and related assistance program to conserve and enhance private grazing land resources and provide related benefits to all citizens of the United States by—

''(1) establishing a coordinated and cooperative Federal, State, and local grazing conservation program for management of private grazing land;

''(2) strengthening technical, educational, and related assistance programs that provide assistance to owners and managers of private grazing land;

''(3) conserving and improving wildlife habitat on private grazing land;

''(4) conserving and improving fish habitat and aquatic systems through grazing land conservation treatment;

''(5) protecting and improving water quality;

''(6) improving the dependability and consistency of water supplies;

''(7) identifying and managing weed, noxious weed, and brush encroachment problems on private grazing land; and

''(8) integrating conservation planning and management decisions by owners and managers of private grazing land, on a voluntary basis.

''(c) DEFINITION OF PRIVATE GRAZING LAND.—In this section, the term 'private grazing land land' means rangeland, pastureland, grazed forest land, hay land, and any other non-federally owned land that is—

''(1) private;

''(2) owned by a State; or

''(3) under the jurisdiction of an Indian tribe .

''(d) PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.—

''(1) IN GENERAL.—Subject to the availability of appropriations for this section, the Secretary shall establish a voluntary program to provide technical, educational, and related assistance to owners and managers of private grazing land and public agencies, through local conservation districts, to enable the landowners, managers, and public agencies to voluntarily carry out activities that are consistent with this section, including—

''(A) maintaining and improving private grazing land and the multiple values and uses that depend on private grazing land;

''(B) implementing grazing land management technologies;

''(C) managing resources on private grazing land, including—

''(i) planning, managing, and treating private grazing land resources;

''(ii) ensuring the long-term sustainability of private grazing land resources;

''(iii) harvesting, processing, and marketing private grazing land resources; and

''(iv) identifying and managing weed, noxious weed, and brush encroachment problems;

''(D) protecting and improving the quality and quantity of water yields from private grazing land;

''(E) maintaining and improving wildlife and fish habitat on private grazing land;

''(F) enhancing recreational opportunities on private grazing land;

''(G) maintaining and improving the aesthetic character of private grazing land; and

''(H) identifying the opportunities and encouraging the diversification of private grazing land enterprises.

''(2) PROGRAM ELEMENTS.—

''(A) FUNDING.—Funds may be used to carry out this section only if the funds are provided through a specific line-item in the annual appropriations for the Natural Resources Conservation Service.

''(B) TECHNICAL ASSISTANCE AND EDUCATION.—Personnel of the Department of Agriculture trained in pasture and range management shall be made available under the program to deliver and coordinate technical assistance and education to owners and managers of private grazing land, at the request of the owners and managers.

''(e) GRAZING TECHNICAL ASSISTANCE SELF-HELP.—

''(1) FINDINGS.—Congress finds that—

''(A) there is a severe lack of technical assistance for farmers and ranchers that graze livestock;

''(B) Federal budgetary constraints preclude any significant expansion, and may force a reduction of, levels of technical support; and

''(C) farmers and ranchers have a history of cooperatively working together to address common needs in the promotion of their products and in the drainage of wet areas through drainage districts.

''(2) ESTABLISHMENT OF GRAZING DEMONSTRATION DISTRICTS.—In accordance with paragraph (3), the Secretary may establish 2 grazing management demonstration districts on the recommendation of the grazing land conservation initiative steering committee.

''(3) PROCEDURE.—

''(A) PROPOSAL.—Within a reasonable time after the submission of a proposal of an organization of farmers or ranchers engaged in grazing in a district, subject to subparagraphs (B) through (F), the Secretary establish a grazing management district in accordance with the proposal.

''(B) FUNDING.—The terms and conditions of the funding and operation of the grazing management district shall be proposed by the farmers and ranchers engaged in grazing in the district.

''(C) APPROVAL.—The Secretary shall approve the proposal if the Secretary determines that the proposal—

''(i) is reasonable;

''(ii) will promote sound grazing practices; and

''(iii) contains provisions similar to the provisions contained in the beef promotion and research order issued under section 4 of the Beef Research and Information Act (7 U.S.C. 2903) in effect on April 4, 1996.

''(D) AREA INCLUDED.—The area proposed to be included in a grazing management district shall be determined by the Secretary on the basis of the proposal submitted by farmers or ranchers under subparagraph (A).

''(E) AUTHORIZATION.—The Secretary may use authority under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, to operate, on a demonstration basis, a grazing management district.

''(F) ACTIVITIES.—The activities of a grazing management district shall be scientifically sound activities, as determined by the Secretary in consultation with a technical advisory committee composed of farmers, ranchers, and technical experts.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $60,000,000 for each of fiscal years 2002 through 2006.''.

(b) CONFORMING AMENDMENT.—Section 386 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b) is repealed.''.

SEC. 218. FARMLAND PROTECTION PROGRAM.

(a) IN GENERAL.—Chapter 2 of the Food Security Act of 1985 (as added by section 201) is amended by adding at the end the following:

"Subchapter B—Farmland Protection Program

"SEC. 1238H. DEFINITIONS.

''In this subchapter:

''(1) ELIGIBLE LAND.—

''(A) IN GENERAL.—The term 'eligible land' means land on a farm or ranch that—

''(i)(I) has prime, unique, or other productive soil; or

''(II) contains historical or archaeological resources; and

''(ii) is subject to a pending offer for purchase from—

''(I) any agency of any State or local government or an Indian tribe (including a farmland protection board or land resource council established under State law); or

''(II) any organization that—

''(aa) is organized for, and at all times since the formation of the organization, has been operated principally for, 1 or more of the conservation purposes specified in clause (i), (ii), or (iii) of section 170(h)(4)(A) of the Internal Revenue Code of 1986;

''(bb) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code; or

''(cc) is described in section 509(a)(3), and is controlled by an organization described in section 509(a)(2), of that Code.

''(B) INCLUSIONS.—The term 'eligible land' includes—

''(i) cropland;

''(ii) rangeland;

''(iii) grassland;

''(iv) pasture land; and

''(iii) forest land that is part of an agricultural operation, as determined by the Secretary.

''(2) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(3) PROGRAM.—The term 'program' means the farmland protection program established under section 1238I(a).

''SEC. 1238I. FARMLAND PROTECTION.

''(a) IN GENERAL.—The Secretary shall establish and carry out a farmland protection program under which the Secretary shall purchase conservation easements or other interests in eligible land for the purpose of protecting topsoil by limiting non-agricultural uses of the land.

''(b) CONSERVATION PLAN.—Any highly erodible cropland for which a conservation easement or other interest is purchased under this subchapter shall be subject to the requirements of a conservation plan that requires, at the option of the Secretary, the conversion of the cropland to less intensive uses.

''SEC. 1238J. MARKET VIABILITY PROGRAM.

''For each year for which funds are made available to carry out this subchapter, the Secretary may use not more than $10,000,000 to provide matching market viability grants and technical assistance to farm and ranch operators that participate in the program.''.

(b) FUNDING.—Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) (as amended by section 202) is amended by adding at the end the following:

''(d) FARMLAND PROTECTION PROGRAM.—

''(1) IN GENERAL.—Of the funds of the Commodity Credit Corporation, the Secretary shall use to carry out subchapter B of chapter 2 (including the provision of technical assistance), to remain available until expended—

''(1) $150,000,000 in fiscal year 2002;

''(2) $250,000,000 in fiscal year 2003;

''(3) $400,000,000 in fiscal year 2004;

''(4) $450,000,000 in fiscal year 2005;

''(5) $500,000,000 in fiscal year 2006; and

''(6) $100,000,000 in fiscal year 2007.''

''(2) COST SHARING.—

''(A) FARMLAND PROTECTION.—

''(i) IN GENERAL.—The share of the cost of purchasing a conservation easement or other interest described in section 1238I(a) provided under this subsection shall not exceed 50 percent of the appraised fair market value of the conservation easement or other interest.

''(ii) STATE AND LOCAL CONTRIBUTIONS.—In a case in which a State or local government purchases an easement under section 1238I(a), not more than 25 percent of the share of the cost of the easement contributed by the State or local government may be provided—

''(I) by a private landowner; or

''(II) in the form of in-kind goods or services.

''(B) MARKET VIABILITY CONTRIBUTIONS.—As a condition of receiving a grant under section 1238J(a), a grantee shall provide funds in an amount equal to the amount of the grant.''.

(c) CONFORMING AMENDMENT.—

(1) IN GENERAL.—Section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) is repealed.

(2) EFFECT ON CONTRACTS.—The amendment made by paragraph (1) shall have no effect on any contract entered into under section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) that is in effect as of the date of enactment of this Act.

SEC. 219. EXPANSION OF STATE MARKETING PROGRAMS.

(a) IN GENERAL.—Section 204(b) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1623) is amended by striking ''such sums as he may deem appropriate'' and inserting ''$10,000,000 from the Commodity Credit Corporation for each of fiscal years 2003 through 2006''.

(b) MARKET DEVELOPMENT GRANTS.—Section 203(e)(1) of the Agricultural Marketing Act of 1964 (7 U.S.C. 1622(e)(1)) is amended by adding at the end the following: ''The Secretary shall transfer to State departments of agriculture and other State marketing offices at least 10 percent of the funds appropriated for a fiscal year for this subsection to facilitate the development of local and regional markets for agricultural products, including direct farm-to-consumer markets.''.

(c) TERMINATION OF AUTHORITY.—Subtitle A of the Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) is amended by adding at the end the following:

''SEC. 209. TERMINATION OF AUTHORITY.

''The authority of the Secretary of Agriculture to make funds available under section 204, and to otherwise carry out this subtitle, terminates on October 1, 2006.''.

SEC. 220. GRASSLAND RESERVE PROGRAM.

Chapter 2 of the Food Security Act of 1985 (as amended by section 218) is amended by adding at the end the following:

''Subchapter C—Grassland Reserve Program

''SEC. 1238N. GRASSLAND RESERVE PROGRAM.

''(a) ESTABLISHMENT.—The Secretary, acting through the Natural Resource Conservation Service, shall establish a grassland reserve program (referred to in this subchapter as the 'program') to assist owners in restoring and protecting eligible land described in subsection (c).

''(b) ENROLLMENT CONDITIONS.—

''(1) IN GENERAL.—The Secretary shall enroll in the program, from willing owners, not less than—

''(A) 100 contiguous acres of land west of the 98th meridian; or

''(B) except as provided in paragraph (2), 40 contiguous acres of land east of the 98th meridian.

''(2) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the program shall not exceed 2,000,000 acres, of which not more than 500,000 acres shall be available for enrollment of tracts of native grassland of 40 acres or less.

''(3) METHODS OF ENROLLMENT.—The Secretary shall enroll land in the program through—

''(A) permanent easements or 30-year easements;

''(B) in a State that imposes a maximum duration for such an easement, an easement for the maximum duration allowed under State law; or

''(C) a 30-year rental agreement.

''(c) ELIGIBLE LAND.—Land shall be eligible to be enrolled in the program if the Secretary determines that the land is private land that is—

''(1) natural grassland (including prairie and land that contains shrubs or forb) that is indigenous to the locality;

''(2) land that—

''(A) is located in an area that has been historically dominated by natural grassland; and

''(B) has potential to serve as habitat for animal or plant populations of significant ecological value if the land is restored to a natural condition; or

''(3) land that is incidental to land described in paragraph (1) or (2), if the incidental land is determined by the Secretary to be necessary for the efficient administration of an easement.

''SEC. 1238O. EASEMENTS AND AGREEMENTS.

''(a) IN GENERAL.—To be eligible to enroll land in the program, the owner of the land shall enter into an agreement with the Secretary—

''(1) if the agreement is for an easement—

''(A) to grant an easement that applies to the land to the Secretary;

''(B) to create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement;

''(C) to provide a written statement of consent to the easement signed by persons holding a security interest or any vested interest in the land;

''(D) to provide proof of unencumbered title to the underlying fee interest in the land that is the subject of the easement; and

''(E) to comply with the terms of the easement and restoration agreement; and

''(2) if the agreement is for a rental agreement described in section 1238N(b)(3)(C), that specifies the terms and conditions applicable to—

''(A) the Secretary; and

''(B) the owner of the land.

''(b) TERMS OF EASEMENT OF RENTAL AGREEMENT.—An easement or rental agreement under subsection (a) shall—

''(1) permit—

''(A) grazing on the land in a manner that is consistent with maintaining the viability of natural grass, shrub, forb, and wildlife species indigenous to that locality;

''(B) haying (including haying for seed production) or mowing, except during the nesting and brood-rearing seasons for birds in the area that are in significant decline, as determined by the Natural Resources Conservation Service State conservationist, or are protected Federal or State law; and

''(C) fire rehabilitation, construction of fire breaks, and fences (including placement of the posts necessary for fences);

''(2) prohibit—

''(A) the production of row crops, fruit trees, vineyards, or any other agricultural commodity that requires breaking the soil surface; and

''(B) except as permitted under paragraph (1)(C), the conduct of any other activities that would disturb the surface of the land covered by the easement, including—

''(i) plowing; and

''(ii) disking; and

''(3) include such additional provisions as the Secretary determines are appropriate to carry out this subchapter or to facilitate the administration of this subchapter.

''(c) EVALUATION AND RANKING OF EASEMENT AND RENTAL AGREEMENT APPLICATIONS.—

''(1) IN GENERAL.—The Secretary, in conjunction with State technical committees, shall establish criteria to evaluate and rank applications for easements and rental agreements under this subchapter.

''(2) CRITERIA.—In establishing the criteria, the Secretary shall emphasize support for grazing operations, plant and animal biodiversity, and grassland and land containing shrubs or forb under the greatest threat of conversion.

''(d) RESTORATION AGREEMENTS.—

''(1) IN GENERAL.—The Secretary shall prescribe the terms of a restoration agreement by which grassland and shrubland subject to an easement or rental agreement entered into under the program shall be restored.

''(2) REQUIREMENTS.—The restoration agreement shall describe the respective duties of the owner and the Secretary (including paying the share of the cost of restoration provided by the Secretary and the provision of technical assistance).

''(e) VIOLATIONS.—

''(1) IN GENERAL.—On the violation of the terms or conditions of an easement, rental agreement, or restoration agreement entered into under this section—

''(A) the easement or rental agreement shall remain in force; and

''(B) the Secretary may require the owner to refund all or part of any payments received by the owner under this subchapter,

with interest on the payments as determined appropriate by the Secretary.

''(2) PERIODIC INSPECTIONS.—

''(A) IN GENERAL.—After providing notice to the owner, the Secretary shall conduct periodic inspections of land subject to easements and rental agreements under this subchapter to ensure compliance with the terms of the easement, rental agreement, and applicable restoration agreement.

''(B) LIMITATION.—The Secretary may not prohibit the owner, or a representative of the owner, from being present during a periodic inspection.

''SEC. 1238P. DUTIES OF SECRETARY.

''(a) IN GENERAL.—In return for the granting of an easement, or the execution of a rental agreement, by an owner under this subchapter, the Secretary shall, in accordance with this section—

''(1) make easement or rental agreement payments;

''(2) pay a share of the cost of restoration; and

''(3) provide technical assistance to the owner.

''(b) PAYMENT SCHEDULE.—

''(1) EASEMENT PAYMENTS.—

''(A) AMOUNT.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall make easement payments to the owner in an amount equal to—

''(i) in the case of a permanent easement, the fair market value of the land less the grazing value of the land encumbered by the easement; and

''(ii) in the case of a 30-year easement or an easement for the maximum duration allowed under applicable State law, 30 percent of the fair market value of the land less the grazing value of the land for the period during which the land is encumbered by the easement.

''(B) SCHEDULE.—Easement payments may be provided in not less than 1 payment nor more than 10 annual payments of equal or unequal amount, as agreed to by the Secretary and the owner.

''(2) RENTAL AGREEMENT PAYMENTS.—

''(A) AMOUNT.—If an owner enters into a 30-year rental agreement authorized under section 1238N(b)(3)(C), the Secretary shall make 30 annual rental payments to the owner in an amount that equals, to the maximum extent practicable, the 30-year easement payment amount under paragraph (1)(A)(ii).

''(B) ASSESSMENT.—Not less than once every 5 years throughout the 30-year rental period, the Secretary shall assess whether the value of the rental payments under subparagraph (A) equals, to the maximum extent practicable, the total amount of 30-year easement payments as of the date of the assessment.

''(C) ADJUSTMENT.—If on completion of the assessment under subparagraph (B), the Secretary determines that the rental payments do not equal, to the maximum extent practicable, the value of payments under a 30-year easement, the Secretary shall adjust the amount of the remaining payments to equal, to the maximum extent practicable, the value of a 30-year easement over the entire 30-year rental period.

''(c) COST OF RESTORATION.—The Secretary shall make payments to the owner of not more than 75 percent of the cost of carrying out measures and practices necessary to restore grassland and shrubland functions and values.

''(d) TECHNICAL ASSISTANCE.—The Secretary shall provide owners with technical assistance to execute easement documents and restore the grassland and shrubland.

''(e) PAYMENTS TO OTHERS.—If an owner that is entitled to a payment under this subchapter dies, becomes incompetent, is otherwise unable to receive the payment, or is succeeded by another person who renders or completes the required performance, the Secretary shall make the payment, in accordance with regulations promulgated by the Secretary and without regard to any other provision of law, in such manner as the Secretary determines is fair and reasonable in light of all the circumstances.

''(f) OTHER PAYMENTS.—Easement or rental agreement payments received by an owner under this subchapter shall be in addition to, and not affect, the total amount of payments that the owner is otherwise eligible to receive under other Federal laws (except for funds provided to achieve similar purposes).

''(g) REGULATIONS.—Not later than 180 days after the date of enactment of this subchapter, the Secretary shall promulgate such regulations as are necessary to carry out this subchapter.''.

(b) FUNDING.—Section 1241 of the Food Security Act of 1985 (16 U.S.C. 3841) (as amended by section 219(b)) is amended by adding at the end the following:

''(e) GRASSLAND RESERVE PROGRAM.—The Secretary shall use such sums of the Commodity Credit Corporation as are necessary to carry out subchapter C of chapter 2 (including the provision of technical assistance).''.

SEC. 221. STATE TECHNICAL COMMITTEES.

Subtitle G of title XII of the Food Security Act of 1985 (16 U.S.C. 3861 et seq.) is amended to read as follows:

''Subtitle G—State Technical Committees

''SEC. 1261. ESTABLISHMENT.

''(a) IN GENERAL.—The Secretary shall establish in each State a technical committee to assist the Secretary in the technical considerations relating to implementation of any private land conservation program administered by the Secretary.

''(b) STANDARDS.—Not later than 180 days after the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001, the Secretary shall develop standards to be used by each State technical committee in the development of technical guidelines under section 1262(b) for the implementation of the conservation programs under this title.

''(c) COMPOSITION.—Each State technical committee established under subsection (a) shall be composed of professional resource managers that represent a variety of disciplines in the soil, water, wetland, forest, and wildlife sciences, including representatives from among—

''(1) the Natural Resources Conservation Service (a representative of which shall serve as Chair of the Committee);

''(2) the Farm Service Agency;

''(3) the Forest Service;

''(4) the Extension Service;

''(5) the Fish and Wildlife Service;

''(6) such State departments and agencies as the Secretary determines to be appropriate, including—

''(A) a State fish and wildlife agency;

''(B) a State forester or equivalent State official;

''(C) a State water resources agency;

''(D) a State department of agriculture;

''(E) a State soil conservation agency;

''(F) a State association of soil and water conservation districts; and

''(G) land grant colleges and universities;

''(7) other individuals or agency personnel with expertise in soil, water, wetland, and wildlife or forest management as the Secretary determines to be appropriate;

''(8) agricultural producers with demonstrable conservation expertise;

''(9) nonprofit organizations with demonstrable conservation or forestry expertise;

''(10) persons knowledgeable about conservation or forestry techniques; and

''(11) agribusinesses.

''SEC. 1262. RESPONSIBILITIES.

''(a) INFORMATION.—

''(1) PROVISION.—

''(A) IN GENERAL.—Each State technical committee established under section 1261 shall meet regularly to provide information, analyses, and recommendations to the Secretary.

''(B) MANNER; FORM.—Information, analyses, and recommendations described in subparagraph (A) shall—

''(i) be provided in writing, in a manner that assists the Secretary in determining matters of fact, technical merit, or scientific question; and

''(ii) reflect the best professional information and judgment of the committee.

''(2) COORDINATION.—The Secretary shall coordinate activities conducted under this section with activities conducted under section 1628 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5831).

''(3) PUBLIC PARTICIPATION.—Each State technical committee shall—

''(A) provide public notice of, and permit public attendance at, meetings considering issues of concern related to any program under this title; and

''(B) distribute meeting minutes to each person attending a meeting described in subparagraph (A).

''(4) COMMUNICATION.—Each State conservationist shall communicate regularly with members of the State technical committee concerning status of action on recommendations of the committee.

''(b) OTHER DUTIES.—Each State technical committee shall provide assistance and offer recommendations with respect to the technical aspects of—

''(1) wetland protection, restoration, and mitigation requirements;

''(2) criteria to be used in evaluating bids for enrollment of environmentally-sensitive land in the conservation reserve program established under subchapter B of chapter 1;

''(3) guidelines for haying or grazing and the control of weeds to protect nesting wildlife on designated acreage relating to—

''(A) highly erodible land conservation under subtitle B;

''(B) wetland conservation under subtitle C; or

''(C) other conservation requirements

''(4) addressing common weed and pest problems and programs to control weeds and pests found on acreage enrolled in the conservation reserve program;

''(5) guidelines for planting perennial cover for water quality and wildlife habitat improvement on designated land;

''(6) establishing criteria and priorities for State initiatives under the environmental quality incentives program under chapter 4 of subtitle D;

''(7) establishing State and local conservation priorities under the conservation security program under subchapter A of chapter 2 of subtitle D;

''(8) establishing and maintaining natural resource indicators and conservation program monitoring and evaluation systems;

''(9) developing conservation program education and outreach activities;

''(10) evaluating innovative practices and systems under consideration for inclusion in the field office technical guides; and

''(11) other matters, as determined to be appropriate by the Secretary.

''(c) AUTHORITY.—

''(1) IN GENERAL.—Each State technical committee established under section 1261 shall—

''(A) serve in an advisory capacity; and

''(B) have no implementation or enforcement authority.

''(2) CONSIDERATION BY SECRETARY.—In carrying out any program under this title, the Secretary shall give strong consideration to the recommendations of a State technical committee (including factual, technical, or scientific findings and recommendations relating to areas in which the State technical committee bears responsibility).

''(d) FACA REQUIREMENTS.—A State technical committee established under section 1261 shall be exempt from the Federal Advisory Committee Act (5 U.S.C. App.).

''(e) ADVISORY SUBCOMMITTEES.—

''(1) IN GENERAL.—Any State or local work group, task force, or other advisory body authorized by any Federal law (including a regulation) to advise the Secretary on issues that are within the areas of responsibility of a State technical committee established under section 1261 shall be considered to be a subcommittee of the State technical committee.

''(2) COMPOSITION.—A person eligible to serve on a State technical committee under section 1261(c) shall also be eligible to serve on 1 or more subcommittees of a State technical committee.

''(3) LOCAL WORKING GROUPS.—A local working group shall be considered to be a subcommittee of a State technical committee established under section 1261.''.

SEC. 222. USE OF SYMBOLS, SLOGANS, AND LOGOS.

Section 356 of the Federal Agriculture Improvement Act of 1996 (16 U.S.C. 5801 et seq.) is amended—

(1) in subsection (c)—

(A) by redesignating paragraphs (4) through (7) as paragraphs (5) through (8), respectively; and

(B) by inserting after paragraph (3) the following:

''(4) on the written approval of the Secretary, to use, license, or transfer symbols, slogans, and logos of the Department;''; and

(2) in subsection (d), by adding at the end the following:

''(3) USE OF SYMBOLS, SLOGANS, AND LOGOS.—

''(A) IN GENERAL.—The Secretary may authorize the Foundation to use, license, or transfer symbols, slogans, and logos of the Department.

''(B) INCOME.—

''(i) IN GENERAL.—All revenue received by the Foundation from the use, licensing, or transfer of symbols, slogans, and logos of the Department shall be transferred to the Secretary.

''(ii) CONSERVATION OPERATIONS.—The Secretary shall transfer all revenue received under clause (i) to the account within the Natural Resources Conservation Service that is used to carry out conservation operations.''.

Subtitle C—Organic Farming

SEC. 231. ORGANIC AGRICULTURE RESEARCH TRUST FUND.

(a) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the ''Organic Agriculture Research Trust Fund'' (referred to in this section as the ''Fund''), consisting of—

(1) such amounts as are transferred to the Fund under subsection (b); and

(2) any interest earned on investment of amounts in the Fund under subsection (d).

(b) TRANSFER TO FUND.—During fiscal year 2003, the Commodity Credit Corporation shall transfer $50,000,000 to the Fund, which shall remain available until expended.

(c) EXPENDITURES FROM FUND.—On request by the Secretary of Agriculture, the Secretary of the Treasury shall transfer from the Fund to the Secretary of Agriculture such amounts as the Secretary of Agriculture determines are necessary—

(1) to carry out section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b); and

(2) for the board of trustees of the National Organic Research Endowment Institute established under section 232(a) (referred to in this subtitle as the ''Institute'') to implement a program of organic products research designed by the Institute and approved by the Secretary.

(d) INVESTMENT OF AMOUNTS.—

(1) IN GENERAL.—

(A) INVESTMENT.—The Secretary of the Treasury shall invest such portion of the Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals.

(B) TYPES OF INVESTMENTS.—Investments may be made only in—

(i) an obligation of the United States or an agency of the United States;

(ii) a general obligation of a State or a political subdivision of a State;

(iii) an interest-bearing account or certificate of deposit of a bank that is a member of the Federal Reserve System; or

(iv) an obligation fully guaranteed as to principal and interest by the United States.

(2) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under paragraph (1), obligations may be acquired—

(A) on original issue at the issue price; or

(B) by purchase of outstanding obligations at the market price.

(3) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

(4) CREDITS TO FUND.—The interest and dividends on, and the proceeds from the sale or redemption of, any obligations, interest-bearing accounts, or certificates of deposit held in the Fund shall be credited to and form a part of the Fund.

SEC. 232. ESTABLISHMENT OF NATIONAL ORGANIC RESEARCH ENDOWMENT INSTITUTE.

(a) IN GENERAL.—The Secretary of Agriculture, in consultation with the National Organic Standards Board, shall establish in the Department of Agriculture an institute to be known as the ''National Organic Research Endowment Institute'' (referred to in this section as the ''Institute'').

(b) BOARD OF TRUSTEES.—The Institute shall be headed by a board of trustees composed of the members of the National Organic Promotion and Research Board.

(c) DUTIES.—The duties of the Institute shall be to aid the organically grown and processed agricultural commodities industry through the development and implementation of a plan for organic products research described in subsection (d)(1).

(d) IMPLEMENTATION OF PLAN.—

(1) IN GENERAL.—The board of trustees of the Institute shall implement a plan for organic products research, to be carried out using funds made available to the board of trustees of the Institute from the Organic Agriculture Research Trust Fund established by section 231.

(2) EXPANSION OF MARKETS.—In implementing the plan described in paragraph (1), the board of trustees of the Institute shall provide a permanent system for funding research activities (as defined in section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b).

(e) EXECUTIVE COMMITTEE.—

(1) IN GENERAL.—The board of trustees of the Institute may appoint an executive committee from among the members of the board.

(2) MEMBERSHIP.—The membership of the executive committee shall reflect equally each of the various regions in the United States in which organically grown and processed agricultural commodities are produced.

(3) DUTIES AND POWERS.—The executive committee shall have such duties and powers as are delegated to the executive committee by the board of trustees of the Institute.

(f) COMPENSATION OF MEMBERS.—A member of the board of trustees of the Institute shall serve without compensation.

(g) TRAVEL EXPENSES.—To the extent recommended by the board of trustees of the Institute and approved by the Secretary of Agriculture, a member of the board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Institute.

Subtitle D—Regional Equity

SEC. 241. ALLOCATION OF CONSERVATION FUNDS BY STATE.

(a) STATE ALLOCATION.—

(1) IN GENERAL.—To the maximum extent practicable, in each of fiscal years 2002 through 2006, the Secretary of Agriculture (referred to in this section as the ''Secretary''), subject to requirements of the conservation programs administered by the Secretary, shall ensure that each State receives, at a minimum, the share of the funds made available under this title (and amendments made by this title) that equals, at a minimum, $12,000,000 for each State, for use in accordance with paragraph (2), for purposes consistent with this title.

(2) USE OF FUNDS.—Of the minimum amount made available to each State under paragraph (1)—

(A) $5,000,000 shall be used in accordance with the environmental quality incentives program under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.); and

(B) $7,000,000 shall be used in accordance with other conservation programs administered by the Secretary.

(3) UNUSED FUNDING.—Any funds made available for a fiscal year under paragraph (1) that are not obligated by April 1 of the fiscal year may be used to carry out other activities under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.).

Subtitle E—Advisory Council and Federal Interagency Working Group on Upper Mississippi River

SEC. 251. DEFINITIONS.

In this subtitle:

(1) ADVISORY COUNCIL.—The term ''Advisory Council'' means the Advisory Council on the Upper Mississippi River Stewardship Initiative established under section 252(a).

(2) BASIN.—

(A) IN GENERAL.—The term ''Basin'' means the watershed portion of the Upper Mississippi River and Illinois River basins, from Cairo, Illinois to the headwaters of the Mississippi River.

(B) INCLUSION.—The term ''Basin'' includes—

(i) the Kaskaskia watershed along the Illinois River; and

(ii) the Meramec watershed along the Missouri River.

(3) INITIATIVE.—The term ''Initiative'' means activities carried out to monitor and reduce nutrient and sediment loss in the Basin.

(4) INTERAGENCY WORKING GROUP.—The term ''Interagency working group'' means the Federal Interagency Working Group established under section 263(a).

(5) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

SEC. 252. ESTABLISHMENT OF ADVISORY COUNCIL ON THE UPPER MISSISSIPPI RIVER STEWARDSHIP INITIATIVE.

(a) ESTABLISHMENT.—The Secretary, in consultation with the Governors specified in subsection (c), shall establish an advisory body, to be known as the ''Advisory Council on the Upper Mississippi River Stewardship Initiative''.

(b) MEMBERSHIP.—

(1) VOTING MEMBERS.—The Advisory Council shall be composed of at least 15 voting members, of which—

(A) 2 members that are representative of nongovernmental agricultural, natural resources, recreational, or environmental groups or other persons having an interest in the natural resources of the Basin shall be appointed by each of the Governors of the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin; and

(B) 1 member representing each of the State Technical Committees established under section 1261 of the Food Security Act of 1985 (16 U.S.C. 3861) for the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin shall be appointed by the Secretary.

(2) NONVOTING MEMBERS.—Each of the Governors referred to in paragraph (1)(A) shall appoint to the Advisory Council 1 nonvoting member to serve as a representative of the Governor.

(c) CHAIRPERSON.—

(1) IN GENERAL.—Voting members of the Advisory Council shall elect 1 member appointed under subsection (b)(1) to serve as Chairperson of the Advisory Council.

(2) TERM.—The Chairperson shall serve for a term of not to exceed 1 year.

(d) DUTIES.—The Advisory Council shall—

(1) serve as a means for coordination, communication, and information sharing with respect to issues concerning the Basin, including—

(A) science and technology concerning conservation practices;

(B) monitoring and modeling needs;

(C) strategies for implementing conservation assistance and programs;

(D) performance assessment; and

(E) evaluation and reporting;

(2)(A) prepare an annual report regarding publicly-financed efforts to reduce sediment and nutrient loss in the Basin; and

(B) submit the report to—

(i) the State legislatures of each of the States of Arkansas, Illinois, Iowa, Kentucky, Louisiana, Minnesota, Mississippi, Missouri, Tennessee, and Wisconsin; and

(ii) the Upper Mississippi River Basin Association; and

(iii) Congress;

(3) establish (and, at the appropriate time, dissolve), in consultation with the Interagency Working Group and appropriate State agencies, such issue-specific task forces as are necessary to effectively carry out the responsibilities of the Advisory Council;

(4) hold annual public meetings, at which at least 2 or the 3 members of the Advisory Council from a State are present, in each of the States of Illinois, Iowa, Minnesota, Missouri, and Wisconsin to develop recommendations and seek public input regarding methods and priorities to reduce sediment and nutrient loss in the Basin; and

(5) in cooperation with the Secretary, coordinate outreach activities in the Basin that relate to technologies and other methods to reduce sediment and nutrient loss.

(e) STAFF DIRECTOR.—

(1) IN GENERAL.—The Secretary shall appoint an employee of the Natural Resources Conservation Service to serve as Staff Director of the Advisory Council.

(2) DUTIES.—The Staff Director shall work in conjunction with the Chairperson of the Advisory Council to assist in coordinating the activities of the Advisory Council.

(f) TRAVEL EXPENSES.—A member of the Advisory Council shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

(g) POLICY.—The Secretary and the heads of other Federal agencies that are members of the Interagency Working Group shall give significant consideration to recommendations of the Advisory Council in administering any natural resource program in the Basin, despite the facts that the Advisory Council—

(1) has no implementation or enforcement authority; and

(2) is authorized to act only in an advisory capacity.

SEC. 253. FEDERAL INTERAGENCY WORKING GROUP.

(a) ESTABLISHMENT.—The Secretary of Agriculture and the Secretary of the Interior shall establish an Interagency Working Group to coordinate Federal nutrient and sediment reduction efforts carried out in the Basin under the Initiative.

(b) CHAIRPERSON; ADDITIONAL INPUT AND PARTICIPATION.—The Secretary of Agriculture (or a designee of the Secretary)—

(1) shall serve as Chairperson of the Interagency Working Group; and

(2) may solicit input and participation by other Federal agencies engaged in sediment and nutrient reduction efforts in the Basin.

(c) ANNUAL WORK PLAN AND BUDGET.—The Interagency Working Group shall annually develop a coordinated work plan and budget for the Federal agencies participating in the Initiative—

(1) to better coordinate Federal efforts to address sediment and nutrient reduction in the Basin;

(2) to encourage Federal agencies responsible for sediment and nutrient reduction efforts to leverage Federal, State, and local resources;

(3) to identify deficiencies and redundancies in programs; and

(4) to better prioritize existing Federal spending to address major sources of sediment and nutrient loss.

(d) COORDINATION.—The Interagency Working Group shall coordinate any recommendations to be included in the work plan and budget under subsection (c) with any similar recommendations of individual member agencies.

(e) SUBMISSION OF WORK PLAN AND BUDGET.—Not later than September 15 of each year, the Interagency Working Group shall submit to the Office of Management and Budget the work plan and budget required by subsection (c).

SEC. 254. AUTHORIZATION OF APPROPRIATIONS.

There is authorized to be appropriated to carry out this subtitle $400,000 for each of fiscal years 2003 through 2006.

Subtitle F—Miscellaneous

SEC. 261. CRANBERRY ACREAGE RESERVE PROGRAM.

(a) DEFINITIONS.—In this section:

(1) ELIGIBLE AREA.—The term ''eligible area'' means a wetland or buffer strip adjacent to a wetland that, as determined by the Secretary—

(A)(i) is used, and has a history of being used, for the cultivation of cranberries; or

(ii) is an integral component of a cranberry-growing operation;

(B) is located in an environmentally sensitive area.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(b) PROGRAM.—The Secretary shall establish a program to purchase permanent easements in eligible areas from willing sellers.

(c) PURCHASE PRICE.—The Secretary shall ensure, to the maximum extent practicable, that each easement purchased under this section is for an amount that appropriately reflects the range of values for agricultural and nonagricultural land in the region in which the eligible area subject to the easement is located (including whether that land is located in 1 or more environmentally sensitive areas, as determined by the Secretary).

(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000.

SEC. 262. KLAMATH BASIN.

(a) DEFINITIONS.—In this section:

(1) TASK FORCE.—The term ''Task Force'' means the Klamath Basin Interagency Task Force established under subsection (b).

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(b) INTERAGENCY TASK FORCE.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—The Secretary of Agriculture shall establish the Klamath Basin Interagency Task Force.

(B) APPROVAL OF MEMBER.—A decision of the Task Force that affects any area under the jurisdiction of a member of the Task Force described in paragraph (2) shall not be implemented without the consent of the member.

(2) MEMBERSHIP.—The Task Force shall include representatives of—

(A) the Natural Resources Conservation Service;

(B) the Farm Services Agency;

(C) the United States Fish and Wildlife Service;

(D) the Bureau of Reclamation;

(E) the National Marine Fisheries Service;

(F) the Council on Environmental Quality;

(G) the Bureau of Indian Affairs;

(H) the Federal Energy Regulatory Commission;

(I) the Environmental Protection Agency; and

(J) the United States Geological Survey.

(3) DUTIES.—The Task Force shall use conservation programs of the Department of Agriculture and other Federal programs in the Klamath Basin in Oregon and California for the purposes of—

(A) development of a coordinated Federal effort for the management of water resources throughout the Klamath Basin;

(B) water conservation and improved agricultural practices;

(C) aquatic ecosystem restoration;

(D) improvement of water quality and quantity;

(E) recovery and enhancement of endangered species, including anadromous fish species and resident fish species; and

(F) restoration of the national wildlife refuges.

(4) COOPERATIVE AGREEMENT.—The Secretary of Agriculture, Secretary of the Interior, and Secretary of Commerce shall enter into a cooperative agreement to—

(A) provide funding to the Task Force; and

(B) use conservation programs administered by the Secretary of Agriculture and other Federal programs administered by the Secretary of the Interior and Secretary of Commerce in carrying out the purposes described in subsection (b)(3).

(5) GRANT PROGRAM.—The Task Force shall establish a grant program (including appropriate cost-share, monitoring, and enforcement requirements) under which the Secretary of Agriculture, Secretary of the Interior, or Secretary of Commerce may enter into 1 or more agreements or contracts with

non-Federal entities, Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), environmental organizations, and water districts in the Klamath Basin to carry out the purposes described in subsection (b)(3).

(c) PLAN.—

(1) DEVELOPMENT.—

(A) DRAFT PLAN.—Not later than 180 days after the date of enactment of this Act, the Task Force shall develop, and provide public notice of and an opportunity for comment on, a draft 5-year plan to perform the duties of the Task Force under subsection (b)(3).

(B) FINAL PLAN.—Not later than 1 year after the date of enactment of this Act, the Task Force shall finalize the plan described in subparagraph (A).

(2) MATTERS TO BE CONSIDERED.—In developing the plan under paragraph (1), the Task Force shall consider—

(A) the purchase of water conservation easements;

(B) purchase of agricultural land from willing sellers, with priority given to land that will enhance water storage capabilities;

(C) benefits to the agricultural economy through incentives for the use of irrigation efficiency, water conservation, or other agricultural practices;

(D) wetland restoration;

(E) feasibility studies for alternative water storage, water conservation, demand reduction, and restoration of endangered species;

(F) improvement of upper Klamath Basin watershed and water quality;

(G) improvement of habitat on the Tule Lake National Wildlife Refuge, the Lower Klamath National Wildlife Refuge, and the Upper Klamath Lake National Wildlife Refuge;

(H) fish screening and water metering;

(I) other activities in the Basin that may significantly affect water resources in the Basin, as determined by the Task Force; and

(J) other matters that the Task Force considers appropriate.

(d) COOPERATION WITH NON-FEDERAL ENTITIES.—In carrying out the duties of the Task Force under this section, the Task Force shall—

(1) consult with—

(A) environmental, fishing, and agricultural interests; and

(B) on a government-to-government basis, the Klamath, Hoopa, Yurok, and Karuk Tribes; and

(2) provide appropriate opportunities for public participation.

(e) FUNDING.—

(1) IN GENERAL.—To carry out the purposes and activities described in subsection (b)(3), the Secretary shall use $175,000,000 of the funds of the Commodity Credit Corporation for the period of fiscal years 2003 through 2006, of which—

(A) $15,000,000 shall be made available to the Klamath, Yurok, Hoopa, and Karuk Tribes for use in the State of California; and

(B) $15,000,000 shall be made available to those Tribes for use in the State of Oregon.

(2) OTHER FUNDS.—The funds made available under subparagraphs (A) and (B) of paragraph (1) shall be in addition to funds available to the States of California and Oregon under other provisions of this Act (including amendments made by this Act).

(3) EXPIRATION OF AUTHORITY TO OBLIGATE FUNDS.—The Secretary may not obligate funds made available under this paragraph after September 30, 2006.

(4) UNUSED FUNDING.—Any funds made available for a fiscal year under paragraph (1) that are not obligated by April 1 of the fiscal year may be used to carry out other activities under subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3801 et seq.).

(f) SAVINGS PROVISION.—Nothing in this section regarding the Klamath Basin affects any right or obligation of any party under any treaty or any provision of Federal or State law.

(g) COOPERATIVE AGREEMENTS.—Notwithstanding the Federal Grant and Cooperative Agreement Act of 1977 (41 U.S.C. 501 et seq.), the Secretary may enter into cooperative agreements under this section.

TITLE III—TRADE

Subtitle A—Agricultural Trade Development and Assistance Act of 1954 and Related Statutes

SEC. 301. UNITED STATES POLICY.

Section 2(2) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691(2)) is amended by inserting before the semicolon at the end the following: ''and conflict prevention''.

SEC. 302. PROVISION OF AGRICULTURAL COMMODITIES.

Section 202 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1722) is amended—

(1) in subsection (b), by adding at the end the following:

''(3) PROGRAM DIVERSITY.—The Administrator shall—

''(A) encourage eligible organizations to propose and implement program plans to address 1 or more aspects of the program under section 201; and

''(B) consider proposals that incorporate a variety of program objectives and strategic plans based on the identification by eligible organizations of appropriate activities to assist development in foreign countries.'';

(2) in subsection (e)(1), by striking ''not less than $10,000,000, and not more than $28,000,000,'' and inserting ''not less than 5 percent nor more than 10 percent of the funds''; and

(3) by adding at the end the following:

''(h) CERTIFIED INSTITUTIONAL PARTNERS.—

''(1) IN GENERAL.—The Administrator or the Secretary, as applicable, shall promulgate regulations and issue guidelines to permit private voluntary organizations and cooperatives to be certified as institutional partners.

''(2) REQUIREMENTS.—To become a certified institutional partner, a private voluntary organization or cooperative shall submit to the Administrator a certification of organizational capacity that describes—

''(A) the financial, programmatic, commodity management, and auditing abilities and practices of the organization or cooperative; and

''(B) the capacity of the organization or cooperative to carry out projects in particular countries.

''(3) MULTI-COUNTRY PROPOSALS.—A certified institutional partner shall be eligible to—

''(A) submit a single proposal for 1 or more countries that are the same as, or similar to, those countries in which the certified institutional partner has already demonstrated organizational capacity;

''(B) receive expedited review and approval of the proposal; and

''(C) receive commodities and assistance under this section for use in 1 or more countries.''.

SEC. 303. GENERATION AND USE OF CURRENCIES BY PRIVATE VOLUNTARY ORGANIZATIONS AND COOPERATIVES.

Section 203 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1723) is amended—

(1) in the section heading, by striking **''foreign''**;

(2) in subsection (a), by striking ''the recipient country, or in a country'' and inserting ''1 or more recipient countries, or 1 or more countries'';

(3) in subsection (b)—

(A) by striking ''in recipient countries, or in countries'' and inserting ''1 or more recipient countries, or in 1 or more countries''; and

(B) by striking ''foreign currency'';

(4) in subsection (c)—

(A) by striking ''foreign currency''; and

(B) by striking ''the recipient country, or in a country'' and inserting ''1 or more recipient countries, or in 1 or more countries''; and

(5) in subsection (d)—

(A) by striking ''Foreign currencies'' and inserting ''Proceeds'';

(B) in paragraph (2)—

(i) by striking ''income generating'' and inserting ''income-generating''; and

(ii) by striking ''the recipient country or within a country'' and inserting ''1 or more recipient countries or within 1 or more countries''; and

(C) in paragraph (3)—

(i) by inserting a comma after ''invested''; and

(ii) by inserting a comma after ''used''.

SEC. 304. LEVELS OF ASSISTANCE.

Section 204 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1724) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''that for each of fiscal years 1996 through 2002 is not less than 2,025,000 metric tons.'' and inserting ''that is not less than—

''(A) 2,100,000 metric tons for fiscal year 2002;

''(B) 2,200,000 metric tons for fiscal year 2003;

''(C) 2,300,000 metric tons for fiscal year 2004;

''(D) 2,400,000 metric tons for fiscal year 2005; and

''(E) 2,500,000 metric tons for fiscal year 2006.''; and

(B) in paragraph (2), by striking ''1996 through 2002'' and inserting ''2002 through 2006''; and

(2) in subsection (b)(1), by inserting ''(including crude degummed soybean oil)'' after ''bagged commodities''.

SEC. 305. FOOD AID CONSULTATIVE GROUP.

Section 205 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1725) is amended—

(1) in subsection (a), by inserting '', policies, guidelines,'' after ''regulations'';

(2) in subsection (d), by inserting ''policies,'' after ''regulations,'' each place it appears; and

(3) in subsection (f), by striking ''2002'' and inserting ''2006''.

SEC. 306. MAXIMUM LEVEL OF EXPENDITURES.

Section 206(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726(a)) is amended by striking ''$1,000,000,000'' and inserting ''$2,000,000,000''.

SEC. 307. ADMINISTRATION.

Section 207 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726a) is amended—

(1) in subsection (a)—

(A) by redesignating paragraph (2) as paragraph (3); and

(B) by striking paragraph (1) and inserting the following:

''(1) RECIPIENT COUNTRIES.—A proposal to enter into a nonemergency food assistance agreement under this title shall identify the recipient country or countries that are the subject of the agreement.

''(2) TIMING.—Not later than 120 days after the date of submission to the Administrator of a proposal submitted by an eligible organization under this title, the Administrator

shall determine whether to accept the proposal.'';

(2) in subsection (b), by striking ''guideline'' each place it appears and inserting ''guideline or policy determination'';

(3) in subsection (d), by striking ''a United States field mission'' and inserting ''an eligible organization with an approved program under this title''; and

(4) by adding at the end the following:

''(e) TIMELY APPROVAL.—

''(1) IN GENERAL.—The Administrator shall finalize program agreements and resource requests for programs under this section before the beginning of each fiscal year.

''(2) REPORT.—Not later than December 1 of each year, the Administrator shall submit to the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report that contains—

''(A) a list of programs, countries, and commodities approved to date for assistance under this section; and

''(B) a statement of the total amount of funds approved to date for transportation and administrative costs under this section.

''(f) DIRECT DELIVERY.—In addition to practices in effect on the date of enactment of this subsection, the Secretary may approve an agreement that provides for direct delivery of agricultural commodities to milling or processing facilities more than 50 percent of the interest in which is owned by United States citizens in foreign countries, with the proceeds of transactions transferred in cash to eligible organizations described in section 202(d) to carry out approved projects.''.

SEC. 308. ASSISTANCE FOR STOCKPILING AND RAPID TRANSPORTATION, DELIVERY, AND DISTRIBUTION OF SHELF-STABLE PREPACKAGED FOODS.

Section 208(f) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1726b(f)) is amended by striking ''and 2002'' and inserting ''through 2006''.

SEC. 309. SALE PROCEDURE.

Section 403 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733) is amended by adding at the end the following:

''(l) SALE PROCEDURE.—

''(1) IN GENERAL.—Subsection (b) shall apply to sales of commodities in recipient countries to generate proceeds to carry out projects under—

''(A) section 416(b) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)); and

''(B) title VIII of the Agricultural Trade Act of 1978.

''(2) CURRENCIES.—Sales of commodities described in paragraph (1) may be in United States dollars or in a different currency.

''(3) SALE PRICE.—Sales of commodities described in paragraph (1) shall be made at a reasonable market price in the economy where the commodity is to be sold, as determined by the Secretary or the Administrator, as appropriate.''.

SEC. 310. PREPOSITIONING.

Section 407(c)(4) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736a(c)(4)) is amended by striking ''and 2002'' and inserting ''through 2006''.

SEC. 311. EXPIRATION DATE.

Section 408 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736b) is amended by striking ''2002'' and inserting ''2006''.

SEC. 312. MICRONUTRIENT FORTIFICATION PROGRAM.

Section 415 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736g–2) is amended—

(1) in subsection (a)—

(A) in the first sentence, by striking ''a micronutrient fortification pilot program'' and inserting ''micronutrient fortification programs''; and

(B) in the second sentence—

(i) by striking ''the program'' and inserting ''a program'';

(ii) in paragraph (1), by striking ''and'' at the end;

(iii) in paragraph (2)—

(I) by striking ''whole''; and

(II) by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(3) encourage technologies and systems for the improved quality and safety of fortified grains and other commodities that are readily transferable to developing countries.'';

(2) in the first sentence of subsection (c)—

(A) by striking ''the pilot program, whole'' and inserting ''a program,'';

(B) by striking ''the pilot program may'' and inserting ''a program may''; and

(C) by striking ''including'' and inserting ''such as''; and

(3) in subsection (d), by striking ''2002'' and inserting ''2006''.

SEC. 313. FARMER-TO-FARMER PROGRAM.

Section 501(c) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1737(c)) is amended—

(1) by striking ''0.4'' and inserting ''0.5,''; and

(2) by striking ''2002'' and inserting ''2006''.

Subtitle B—Agricultural Trade Act of 1978

SEC. 321. EXPORT CREDIT GUARANTEE PROGRAM.

(a) TERM OF SUPPLIER CREDIT PROGRAM.—Section 202(a)(2) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(a)(2)) is amended by striking ''180'' and inserting ''360''.

(b) PROCESSED AND HIGH-VALUE PRODUCTS.—Section 202(k)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5622(k)(1)) is amended by striking '', 2001, and 2002'' and inserting ''through 2006''.

(c) REPORT.—Section 202 of the Agricultural Trade Act of 1978 (7 U.S.C. 5622) is amended by adding at the end the following:

''(l) REPORT ON AGRICULTURAL EXPORT CREDIT PROGRAMS.—

''(1) IN GENERAL.—Not later than 1 year after the date of enactment of this subsection, and annually thereafter, the Secretary shall submit to the Committee on Agriculture and the Committee on International Relations of the House of Representatives and the Committee on Agriculture, Nutrition and Forestry of the Senate a report on the status of multilateral negotiations regarding agricultural export credit programs at the World Trade Organization and the Organization of Economic Cooperation and Development in fulfillment of Article 10.2 of the Agreement on Agriculture (as described in section 101(d)(2) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(2))).

''(2) CLASSIFIED INFORMATION.—The report under paragraph (1) shall be submitted in unclassified form, but may contain a classified annex.''.

(d) REAUTHORIZATION.—Section 211(b)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(b)(1)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 322. MARKET ACCESS PROGRAM.

(a) IN GENERAL.—Section 211(c) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)) is amended—

(1) by redesignating paragraphs (1) and (2) as subparagraphs (A) and (B), respectively, and indenting appropriately;

(2) by striking ''The Commodity'' and inserting the following:

''(1) IN GENERAL.—The Commodity'';

(3) by striking subparagraph (A) (as so redesignated) and inserting the following:

''(A) in addition to any funds that may be specifically appropriated to implement a market access program, not more than $100,000,000 for fiscal year 2002, $120,000,000 for fiscal year 2003, $140,000,000 for fiscal year 2004, $180,000,000 for fiscal year 2005, and $200,000,000 for fiscal year 2006, of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation, except that this paragraph shall not apply to section 203(h); and''; and

(4) by adding at the end the following:

''(2) PROGRAM PRIORITIES.—Of funds made available under paragraph (1)(A) in excess of $90,000,000 for any fiscal year, priority shall be given to proposals—

''(A) made by eligible trade organizations that have never participated in the market access program under this title; or

''(B) for market access programs in emerging markets.''.

(b) UNITED STATES QUALITY EXPORT INITIATIVE.—

(1) FINDINGS.—Congress finds that—

(A) the market access program established under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) and foreign market development cooperator program established under title VII of that Act (7 U.S.C. 7251 et seq.) target generic and value-added agricultural products, with little emphasis on the high quality of United States agricultural products; and

(B) new promotional tools are needed to enable United States agricultural products to compete in higher margin, international markets on the basis of quality.

(2) INITIATIVE.—Section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623) is amended by adding at the end the following:

''(h) UNITED STATES QUALITY EXPORT INITIATIVE.—

''(1) IN GENERAL.—Subject to the availability of appropriations, using the authorities under this section, the Secretary shall establish a program under which, on a competitive basis, using practical and objective criteria, several agricultural products are selected to carry the 'U.S. Quality' seal.

''(2) PROMOTIONAL ACTIVITIES.—Agricultural products selected under paragraph (1) shall be promoted using the 'U.S. Quality' seal at trade fairs in key markets through electronic and print media.

''(3) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this subsection.''.

SEC. 323. EXPORT ENHANCEMENT PROGRAM.

(a) IN GENERAL.—Section 301(e)(1)(G) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by striking ''fiscal year 2002'' and inserting ''each of fiscal years 2002 through 2006''.

(b) UNFAIR TRADE PRACTICES.—Section 102(5)(A) of the Agricultural Trade Act of 1978 (7 U.S.C. 5602(5)(A)) is amended—

(1) in clause (i), by striking ''or'' at the end;

(2) in clause (ii), by striking the period at the end and inserting '', including, in the case of a state trading enterprise engaged in the export of an agricultural commodity, pricing practices that are not consistent with sound commercial practices conducted in the ordinary course of trade; or''; and

(3) by adding at the end the following:

''(iii) changes United States export terms of trade through a deliberate change in the dollar exchange rate of a competing exporter.''.

SEC. 324. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.

Section 703 of the Agricultural Trade Act of 1978 (7 U.S.C. 5723) is amended to read as follows:

"SEC. 703. FUNDING.

''(a) IN GENERAL.—To carry out this title, the Secretary shall use funds of the Commodity Credit Corporation, or commodities of the Commodity Credit Corporation of a comparable value, in the following amounts:

''(1) For fiscal year 2002, $37,500,000.

''(2) For fiscal year 2003, $40,000,000.

''(3) For fiscal year 2004 and each subsequent fiscal year, $42,500,000.

''(b) PROGRAM PRIORITIES.—Of funds or commodities provided under subsection (a) in excess of $35,000,000 for any fiscal year, priority shall be given to proposals—

''(1) made by eligible trade organizations that have never participated in the program established under this title; or

''(2) for programs established under this title in emerging markets.''.

SEC. 325. FOOD FOR PROGRESS AND EDUCATION PROGRAMS.

(a) IN GENERAL.—The Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

"TITLE VIII—FOOD FOR PROGRESS AND EDUCATION PROGRAMS

"SEC. 801. DEFINITIONS.

''In this title:

''(1) COOPERATIVE.—The term 'cooperative' means a private sector organization the members of which—

''(A) own and control the organization;

''(B) share in the profits of the organization; and

''(C) are provided services (such as business services and outreach in cooperative development) by the organization.

''(2) CORPORATION.—The term 'Corporation' means the Commodity Credit Corporation.

''(3) DEVELOPING COUNTRY.—The term 'developing country' means a foreign country that has—

''(A) a shortage of foreign exchange earnings; and

''(B) difficulty meeting all of the food needs of the country through commercial channels and domestic production.

''(4) ELIGIBLE COMMODITY.—The term 'eligible commodity' means an agricultural commodity (including vitamins and minerals) acquired by the Secretary or the Corporation for disposition in a program authorized under this title through—

''(A) commercial purchases; or

''(B) inventories of the Corporation.

''(5) ELIGIBLE ORGANIZATION.—The term 'eligible organization' means a private voluntary organization, cooperative, nongovernmental organization, or foreign country, as determined by the Secretary.

''(6) EMERGING AGRICULTURAL COUNTRY.—The term 'emerging agricultural country' means a foreign country that—

''(A) is an emerging democracy; and

''(B) has made a commitment to introduce or expand free enterprise elements in the agricultural economy of the country.

''(7) FOOD SECURITY.—The term 'food security' means access by all people at all times to sufficient food and nutrition for a healthy and productive life.

''(8) NONGOVERNMENTAL ORGANIZATION.—

''(A) IN GENERAL.—The term 'nongovernmental organization' means an organization that operates on a local level to solve development problems in a foreign country in which the organization is located.

''(B) EXCLUSION.—The term 'nongovernmental organization' does not include an organization that is primarily an agency or instrumentality of the government of a foreign country.

''(9) PRIVATE VOLUNTARY ORGANIZATION.—The term 'private voluntary organization' means a nonprofit, nongovernmental organization that—

''(A) receives—

''(i) funds from private sources; and

''(ii) voluntary contributions of funds, staff time, or in-kind support from the public;

''(B) is engaged in or is planning to engage in nonreligious voluntary, charitable, or development assistance activities; and

''(C) in the case of an organization that is organized under the laws of the United States or a State, is an organization described in section 501(c)(3) of the Internal Revenue Code of 1986 that is exempt from taxation under section 501(a) of that Code.

''(10) PROGRAM.—The term 'program' means a food or nutrition assistance or development initiative proposed by an eligible organization and approved by the Secretary under this title.

''(11) RECIPIENT COUNTRY.—The term 'recipient country' means an emerging agricultural country that receives assistance under a program.

"SEC. 802. FOOD FOR PROGRESS AND EDUCATION PROGRAMS.

''(a) IN GENERAL.—To provide agricultural commodities to support the introduction or expansion of free trade enterprises in national economies in recipient countries, and to provide food or nutrition assistance in recipient countries, the Secretary shall establish food for progress and education programs under which the Secretary may enter into agreements (including multiyear agreements and for programs in more than 1 country) with—

''(1) the governments of emerging agricultural countries;

''(2) private voluntary organizations;

''(3) nonprofit agricultural organizations and cooperatives;

''(4) nongovernmental organizations; and

''(5) other private entities.

''(b) CONSIDERATIONS.—In determining whether to enter into an agreement to establish a program under subsection (a), the Secretary shall take into consideration whether an emerging agricultural country is committed to carrying out, or is carrying out, policies that promote—

''(1) economic freedom;

''(2) private production of food commodities for domestic consumption; and

''(3) the creation and expansion of efficient domestic markets for the purchase and sale of those commodities.

''(c) INTERNATIONAL FOOD FOR EDUCATION AND NUTRITION PROGRAM.—

''(1) IN GENERAL.—In cooperation with other countries, the Secretary shall establish an initiative within the food for progress and education programs under this title to be known as the 'International Food for Education and Nutrition Program', through which the Secretary may provide to eligible organizations agricultural commodities and technical and nutritional assistance in connection with education programs to improve food security and enhance educational opportunities for preschool age and primary school age children in recipient countries.

''(2) AGREEMENTS.—In carrying out this subsection, the Secretary—

''(A) shall administer the programs under this subsection in manner that is consistent with this title; and

''(B) may enter into agreements with eligible organizations—

''(i) to purchase, acquire, and donate eligible commodities to eligible organizations to carry out agreements in recipient countries; and

''(ii) to provide technical and nutritional assistance to carry out agreements in recipient countries.

''(3) OTHER DONOR COUNTRIES.—The Secretary shall encourage other donor countries, directly or through eligible organizations—

''(A) to donate goods and funds to recipient countries; and

''(B) to provide technical and nutritional assistance to recipient countries.

''(4) PRIVATE SECTOR.—The President and the Secretary are urged to encourage the support and active involvement of the private sector, foundations, and other individuals and organizations in programs and activities assisted under this subsection.

''(5) GRADUATION.—An agreement with an eligible organization under this subsection shall include provisions—

''(A)(i) to sustain the benefits to the education, enrollment, and attendance of children in schools in the targeted communities when the provision of commodities and assistance to a recipient country under the program under this subsection terminates; and

''(ii) to estimate the period of time required until the recipient country or eligible organization is able to provide sufficient assistance without additional assistance under this subsection; or

''(B) to provide other long-term benefits to targeted populations of the recipient country.

''(6) ANNUAL REPORT.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report that describes—

''(A) the results of the implementation of this subsection during the year covered by the report, including the impact on the enrollment, attendance, and performance of children in preschools and primary schools targeted under the program under this subsection; and

''(B) the level of commitments by, and the potential for obtaining additional goods and assistance from, other countries for subsequent years.

''(d) TERMS.—

''(1) IN GENERAL.—The Secretary may provide agricultural commodities under this title on—

''(A) a grant basis; or

''(B) subject to paragraph (2), credit terms.

''(2) CREDIT TERMS.—Payment for agricultural commodities made available under this title that are purchased on credit terms shall be made on the same basis as payments made under section 103 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1703).

''(3) NO EFFECT ON DOMESTIC PROGRAMS.—The Secretary shall not make an agricultural commodity available for disposition under this section in any amount that will reduce the amount of the commodity that is traditionally made available through donations to domestic feeding programs or agencies, as determined by the Secretary.

''(e) REPORTS.—Each eligible organization that enters into an agreement under this title shall submit to the Secretary, at such time as the Secretary may request, a report containing such information as the Secretary may request relating to the use of agricultural commodities and funds provided to the eligible organization under this title.

''(f) COORDINATION.—To ensure that the provision of commodities under this section is coordinated with and complements other foreign assistance provided by the United States, assistance under this section shall be coordinated through the mechanism designated by the President to coordinate assistance under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

''(g) QUALITY ASSURANCE.—

''(1) IN GENERAL.—The Secretary shall ensure, to the maximum extent practicable,

that each eligible organization participating in 1 or more programs under this section—

''(A) uses eligible commodities made available under this title—

''(i) in an effective manner;

''(ii) in the areas of greatest need; and

''(iii) in a manner that promotes the purposes of this title;

''(B) in using eligible commodities, assesses and takes into account the needs of recipient countries and the target populations of the recipient countries;

''(C) works with recipient countries, and indigenous institutions or groups in recipient countries, to design and carry out mutually acceptable programs authorized in subsection (h)(2)(C)(i);

''(D) monitors and reports on the distribution or sale of eligible commodities provided under this title using methods that, as determined by the Secretary, facilitate accurate and timely reporting;

''(E) periodically evaluates the effectiveness of the program of the eligible organization, including, as applicable, an evaluation of whether the development or food and nutrition purposes of the program can be sustained in a recipient country if the assistance provided to the recipient country is reduced and eventually terminated; and

''(F) considers means of improving the operation of the program of the eligible organization.

''(2) CERTIFIED INSTITUTIONAL PARTNERS.—

''(A) IN GENERAL.—The Secretary shall promulgate regulations and guidelines to permit private voluntary organizations and cooperatives to be certified as institutional partners.

''(B) REQUIREMENTS.—To become a certified institutional partner, a private voluntary organization or cooperative shall submit to the Secretary a certification of organizational capacity that describes—

''(i) the financial, programmatic, commodity management, and auditing abilities and practices of the organization or cooperative; and

''(ii) the capacity of the organization or cooperative to carry out projects in particular countries.

''(C) MULTICOUNTRY PROPOSALS.—A certified institutional partner shall be eligible to—

''(i) submit a single proposal for 1 or more countries that are the same as, or similar to, those countries in which the certified institutional partner has already demonstrated organizational capacity;

''(ii) receive expedited review and approval of the proposal; and

''(iii) request commodities and assistance under this section for use in 1 or more countries.

''(D) MULTIYEAR AGREEMENTS.—In carrying out this title, on request and subject to the availability of commodities, the Secretary is encouraged to approve agreements that provide for commodities to be made available for distribution on a multiyear basis, if the agreements otherwise meet the requirements of this title.

''(h) TRANSSHIPMENT AND RESALE.—

''(1) IN GENERAL.—The transshipment or resale of an eligible commodity to a country other than a recipient country shall be prohibited unless the transshipment or resale is approved by the Secretary.

''(2) MONETIZATION.—

''(A) IN GENERAL.—Subject to subparagraphs (B) through (D), an eligible commodity provided under this section may be sold for foreign currency or United States dollars or bartered, with the approval of the Secretary.

''(B) SALE OR BARTER OF FOOD ASSISTANCE.—The sale or barter of eligible commodities under this title may be conducted only within (as determined by the Secretary)—

''(i) a recipient country or country nearby to the recipient country; or

''(ii) another country, if—

''(I) the sale or barter within the recipient country or nearby country is not practicable; and

''(II) the sale or barter within countries other than the recipient country or nearby country will not disrupt commercial markets for the agricultural commodity involved.

''(C) HUMANITARIAN OR DEVELOPMENT PURPOSES.—The Secretary may authorize the use of proceeds or exchanges to reimburse, within a recipient country or other country in the same region, the costs incurred by an eligible organization for—

''(i)(I) programs targeted at hunger and malnutrition; or

''(II) development programs involving food security or education;

''(ii) transportation, storage, and distribution of eligible commodities provided under this title; and

''(iii) administration, sales, monitoring, and technical assistance.

''(D) EXCEPTION.—The Secretary shall not approve the use of proceeds described in subparagraph (C) to fund any administrative expenses of a foreign government.

''(E) PRIVATE SECTOR ENHANCEMENT.—As appropriate, the Secretary may provide eligible commodities under this title in a manner that uses commodity transactions as a means of developing in the recipient countries a competitive private sector that can provide for the importation, transportation, storage, marketing, and distribution of commodities.

''(i) DISPLACEMENT OF COMMERCIAL SALES.—In carrying out this title, the Secretary shall, to the maximum extent practicable consistent with the purposes of this title, avoid—

''(1) displacing any commercial export sale of United States agricultural commodities that would otherwise be made;

''(2) disrupting world prices of agricultural commodities; or

''(3) disrupting normal patterns of commercial trade of agricultural commodities with foreign countries.

''(j) DEADLINE FOR PROGRAM ANNOUNCEMENTS.—

''(1) IN GENERAL.—Before the beginning of the applicable fiscal year, the Secretary shall, to the maximum extent practicable—

''(A) make all determinations concerning program agreements and resource requests for programs under this title; and

''(B) announce those determinations.

''(2) REPORT.—Not later than November 1 of the applicable fiscal year, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a list of programs, countries, and commodities, and the total amount of funds for transportation and administrative costs, approved to date under this title.

''(k) MILITARY DISTRIBUTION OF ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall ensure, to the maximum extent practicable, that agricultural commodities made available under this title are provided without regard to—

''(A) the political affiliation, geographic location, ethnic, tribal, or religious identity of the recipient; or

''(B) any other extraneous factors, as determined by the Secretary.

''(2) PROHIBITION ON HANDLING OF COMMODITIES BY THE MILITARY.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), the Secretary shall not enter into an agreement under this title to provide agricultural commodities if the agreement requires or permits the distribution, handling, or allocation of agricultural commodities by the military forces of any foreign government or insurgent group.

''(B) EXCEPTION.—The Secretary may authorize the distribution, handling, or allocation of commodities by the military forces of a country in exceptional circumstances in which—

''(i) nonmilitary channels are not available for distribution, handling, or allocation;

''(ii) the distribution, handling, or allocation is consistent with paragraph (1); and

''(iii) the Secretary determines that the distribution, handling, or allocation is necessary to meet the emergency health, safety, or nutritional requirements of the population of a recipient country.

''(3) ENCOURAGEMENT OF SAFE PASSAGE.—In entering into an agreement under this title that involves 1 or more areas within a recipient country that is experiencing protracted warfare or civil unrest, the Secretary shall, to the maximum extent practicable, encourage all parties to the conflict to—

''(A) permit safe passage of the commodities and other relief supplies; and

''(B) establish safe zones for—

''(i) medical and humanitarian treatment; and

''(ii) evacuation of injured persons.

''(l) LEVEL OF ASSISTANCE.—The cost of commodities made available under this title, and the expenses incurred in connection with the provision of those commodities shall be in addition to the level of assistance provided under the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.).

''(m) COMMODITY CREDIT CORPORATION.—

''(1) IN GENERAL.—Subject to paragraphs (6) through (8), the Secretary may use the funds, facilities, and authorities of the Corporation to carry out this title.

''(2) MINIMUM TONNAGE.—Subject to paragraphs (5) and (7)(B), not less than 400,000 metric tons of commodities may be provided under this title for each of fiscal years 2002 through 2006.

''(3) AUTHORIZATION OF APPROPRIATIONS.—In addition to tonnage authorized under paragraph (2), there are authorized to be appropriated such sums as are necessary to carry out this title.

''(4) TITLE I FUNDS.—In addition to tonnage and funds authorized under paragraphs (2), (3), and (7)(B), the Corporation may use funds appropriated to carry out title I of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1701 et seq.)) in carrying out this section with respect to commodities made available under this title.

''(5) INTERNATIONAL FOOD FOR EDUCATION AND NUTRITION PROGRAM.—

''(A) IN GENERAL.—Of the funds that would be available to carry out paragraph (2), the Secretary may use not more than $200,000,000 for each fiscal year to carry out the initiative established under subsection (c).

''(B) REALLOCATION.—Tons not allocated under subsection (c) by June 30 of each fiscal year shall be made available for proposals submitted under the food for progress and education programs under subsection (a).

''(6) LIMITATION ON PURCHASES OF COMMODITIES.—The Corporation may purchase agricultural commodities for disposition under this title only if Corporation inventories are insufficient to satisfy commitments made in agreements entered into under this title.

''(7) ELIGIBLE COSTS AND EXPENSES.—

''(A) IN GENERAL.—Subject to subparagraph (B), with respect to an eligible commodity

made available under this title, the Corporation may pay—

''(i) the costs of acquiring the eligible commodity;

''(ii) the costs associated with packaging, enriching, preserving, and fortifying of the eligible commodity;

''(iii) the processing, transportation, handling, and other incidental costs incurred before the date on which the commodity is delivered free on board vessels in United States ports;

''(iv) the vessel freight charges from United States ports or designated Canadian transshipment ports, as determined by the Secretary, to designated ports of entry abroad;

''(v) the costs associated with transporting the eligible commodity from United States ports to designated points of entry abroad in a case in which—

''(I) a recipient country is landlocked;

''(II) ports of a recipient country cannot be used effectively because of natural or other disturbances;

''(III) carriers to a specific country are unavailable; or

''(IV) substantial savings in costs or time may be gained by the use of points of entry other than ports;

''(vi) the transportation and associated distribution costs incurred in moving the commodity (including repositioned commodities) from designated points of entry or ports of entry abroad to storage and distribution sites;

''(vii) in the case of an activity under subsection (c), the internal transportation, storage, and handling costs incurred in moving the eligible commodity, if the Secretary determines that payment of the costs is appropriate and that the recipient country is a low income, net food-importing country that—

''(I) meets the poverty criteria established by the International Bank for Reconstruction and Development for Civil Works Preference; and

''(II) has a national government that is committed to or is working toward, through a national action plan, the World Declaration on Education for All convened in 1990 in Jomtien, Thailand, and the followup Dakar Framework for Action of the World Education Forum in 2000;

''(viii) the charges for general average contributions arising out of the ocean transport of commodities transferred; and

''(ix) the costs, in addition to costs authorized by clauses (i) through (viii), of providing—

''(I) assistance in the administration, sale, and monitoring of food assistance activities under this title; and

''(II) technical assistance for monetization programs.

''(B) FUNDING.—Except for costs described in subparagraph (A)(i), not more than $80,000,000 of funds that would be made available to carry out paragraph (2) may be used to cover costs under this paragraph unless authorized in advance in an appropriation Act.

''(8) PAYMENT OF ADMINISTRATIVE COSTS.—An eligible organization that receives payment for administrative costs through monetization of the eligible commodity under subsection (h)(2) shall not be eligible to receive payment for the same administrative costs through direct payments under paragraph (7)(A)(ix)(I).''.

(b) CONFORMING AMENDMENTS.—

(1) Section 416(b)(7)(D)(iii) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)(iii)) is amended by striking ''the Food for Progress Act of 1985'' and inserting ''title VIII of the Agricultural Trade Act of 1978''.

(2) The Act of August 19, 1958 (7 U.S.C. 1431 note; Public Law 85–683) is amended by striking ''the Food for Progress Act of 1985'' and inserting ''title VIII of the Agricultural Trade Act of 1978''.

(3) Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is repealed.

SEC. 326. EXPORTER ASSISTANCE INITIATIVE.

(a) FINDINGS.—Congress find that—

(1) information in the possession of Federal agencies other than the Department of Agriculture that is necessary for the export of agricultural commodities and products is available only from multiple disparate sources; and

(2) because exporters often need access to information quickly, exporters lack the time to search multiple sources to access necessary information, and exporters often are unaware of where the necessary information can be located.

(b) INITIATIVE.—Title I of the Agricultural Trade Act of 1978 (7 U.S.C. 5601 et seq.) is amended by adding at the end the following:

''SEC. 107. EXPORTER ASSISTANCE INITIATIVE.

''(a) IN GENERAL.—In order to create a single source of information for exports of United States agricultural commodities, the Secretary shall develop a website on the Internet that collates onto a single website all information from all agencies of the Federal Government that is relevant to the export of United States agricultural commodities.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out subsection (a)—

''(1) $1,000,000 for each of fiscal years 2002 through 2004; and

''(2) $500,000 for each of fiscal years 2005 and 2006.''.

Subtitle C—Miscellaneous Agricultural Trade Provisions

SEC. 331. BILL EMERSON HUMANITARIAN TRUST.

Section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) is amended by striking ''2002'' each place it appears in subsection (b)(2)(B)(i) and paragraphs (1) and (2) of subsection (h) and inserting ''2006''.

SEC. 332. EMERGING MARKETS.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law 101–624) is amended by striking ''2002'' each place it appears in subsections (a) and (d)(1)(A)(i) and inserting ''2006''.

SEC. 333. BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note; Public Law 101–624) is amended by adding at the end the following:

''(g) BIOTECHNOLOGY AND AGRICULTURAL TRADE PROGRAM.—

''(1) IN GENERAL.—The Secretary of Agriculture shall establish a program to enhance foreign acceptance of agricultural biotechnology and United States agricultural products developed through biotechnology.

''(2) FOCUS.—The program shall address the continuing and increasing market access, regulatory, and marketing issues relating to export commerce of United States agricultural biotechnology products.

''(3) EDUCATION AND OUTREACH.—

''(A) FOREIGN MARKETS.—Support for United States agricultural market development organizations to carry out education and other outreach efforts concerning biotechnology shall target such educational initiatives directed toward—

''(i) producers, buyers, consumers, and media in foreign markets through initiatives in foreign markets; and

''(ii) government officials, scientists, and trade officials from foreign countries through exchange programs.

''(B) FUNDING FOR EDUCATION AND OUTREACH.—Funding for activities under subparagraph (A) may be—

''(i) used through—

''(I) the emerging markets program under this section; or

''(II) the Cochran Fellowship Program under section 1543; or

''(ii) applied directly to foreign market development cooperators through the foreign market development cooperator program established under section 702.

''(4) RAPID RESPONSE.—

''(A) IN GENERAL.—The Secretary shall assist exporters of United States agricultural commodities in cases in which the exporters are harmed by unwarranted and arbitrary barriers to trade due to—

''(i) marketing of biotechnology products;

''(ii) food safety;

''(iii) disease; or

''(iv) other sanitary or phytosanitary concerns.

''(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $1,000,000 for each of fiscal years 2002 through 2006.

''(5) FUNDING.—

''(A) COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this subsection (other than paragraph (4)).

''(B) FUNDING AMOUNT.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available to carry out this subsection (other than paragraph (4)) $15,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 334. SURPLUS COMMODITIES FOR DEVELOPING OR FRIENDLY COUNTRIES.

(a) USE OF CURRENCIES.—Section 416(b)(7)(D) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(7)(D)) is amended—

(1) in clauses (i) and (iii), by striking ''foreign currency'' each place it appears;

(2) in clause (ii)—

(A) in the first sentence, by striking ''Foreign currencies'' and inserting ''Proceeds''; and

(B) in the second sentence, by striking ''foreign currency''; and

(3) in clause (iv)—

(A) by striking ''Foreign currency proceeds'' and inserting ''Proceeds''; and

(B) by striking ''; or'' and all that follows and inserting a period.

(b) IMPLEMENTATION OF AGREEMENTS.—Section 416(b)(8) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(8)) is amended by striking ''(8)(A)'' and all that follows through ''(B) The Secretary'' and inserting the following:

''(8) ADMINISTRATIVE PROVISIONS.—

''(A) DIRECT DELIVERY.—In addition to practices in effect on the date of enactment of this subparagraph, the Secretary may approve an agreement that provides for direct delivery of eligible commodities to milling or processing facilities more than 50 percent of the interest in which is owned by United States citizens in recipient countries, with the proceeds of transactions transferred in cash to eligible organizations to carry out approved projects.

''(B) REGULATIONS.—The Secretary''.

(c) CERTIFIED INSTITUTIONAL PARTNERS.—Section 416 of the Agricultural Act of 1949 (7 U.S.C. 1431) is amended by adding at the end the following:

''(c) CERTIFIED INSTITUTIONAL PARTNERS.—

''(1) IN GENERAL.—The Secretary shall promulgate regulations and guidelines to permit private voluntary organizations and cooperatives to be certified as institutional partners.

''(2) REQUIREMENTS.—To become a certified institutional partner, a private voluntary organization or cooperative shall submit to the

Secretary a certification of organizational capacity that describes—

''(A) the financial, programmatic, commodity management, and auditing abilities and practices of the organization or cooperative; and

''(B) the capacity of the organization or cooperative to carry out projects in particular countries.

''(3) MULTI-COUNTRY PROPOSALS.—A certified institutional partner shall be eligible to—

''(A) submit a single proposal for 1 or more countries that are the same as, or similar to, those countries in which the certified institutional partner has already demonstrated organizational capacity;

''(B) receive expedited review and approval of the proposal; and

''(C) request commodities and assistance under this section for use in 1 or more countries.''.

SEC. 335. AGRICULTURAL TRADE WITH CUBA.

(a) IN GENERAL.—Section 908 of the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2001 (22 U.S.C. 7207), is amended by striking subsection (b).

(b) CONFORMING AMENDMENTS.—Section 908(a) of the Agriculture, Rural Development, Food and Drug Administration and Related Agencies Appropriations Act, 2001 (22 U.S.C. 7207(a)) (as amended by subsection (a)), is amended—

(1) by striking ''(a)'' and all that follows through ''Notwithstanding'' and inserting the following:

''(a) IN GENERAL.—Notwithstanding'';

(2) by striking ''(2) RULE OF CONSTRUCTION.—Nothing in paragraph (1)'' and inserting the following:

''(b) RULE OF CONSTRUCTION.—Nothing in subsection (a)''; and

(3) by striking ''(3) WAIVER.—The President may waive the application of paragraph (1)'' and inserting the following:

''(c) WAIVER.—The President may waive the application of subsection (a)''.

SEC. 336. SENSE OF CONGRESS CONCERNING AGRICULTURAL TRADE.

(a) AGRICULTURE TRADE NEGOTIATING OBJECTIVES.—It is the sense of Congress that the principal negotiating objective of the United States with respect to agricultural trade in all multilateral, regional, and bilateral negotiations is to obtain competitive opportunities for the export of United States agricultural commodities in foreign markets substantially equivalent to the competitive opportunities afforded foreign exports in United States markets and to achieve fairer and more open conditions of agricultural trade in bulk and value-added commodities by—

(1) reducing or eliminating, by a date certain, tariffs or other charges that decrease market opportunities for the export of United States agricultural commodities, giving priority to United States agricultural commodities that are subject to significantly higher tariffs or subsidy regimes of major producing countries;

(2) immediately eliminating all export subsidies on agricultural commodities worldwide while maintaining bona fide food aid and preserving United States agricultural market development and export credit programs that allow the United States to compete with other foreign export promotion efforts;

(3) leveling the playing field for United States agricultural producers by disciplining domestic supports such that no other country can provide greater support, measured as a percentage of total agricultural production value, than the United States does while preserving existing green box category to support conservation activities, family farms, and rural communities;

(4) developing, strengthening, and clarifying rules and effective dispute settlement mechanisms to eliminate practices that unfairly decrease United States market access opportunities for United States agricultural commodities or distort agricultural markets to the detriment of the United States, including—

(A) unfair or trade-distorting activities of state trading enterprises and other administrative mechanisms, with emphasis on—

(i) requiring price transparency in the operation of state trading enterprises and such other mechanisms; and

(ii) ending discriminatory pricing practices for agricultural commodities that amount to de facto export subsidies so that the enterprises or other mechanisms do not (except in cases of bona fide food aid) sell agricultural commodities in foreign markets at prices below domestic market prices or prices below the full costs of acquiring and delivering agricultural commodities to the foreign markets;

(B) unjustified trade restrictions or commercial requirements affecting new agricultural technologies, including biotechnology;

(C) unjustified sanitary or phytosanitary restrictions, including restrictions that are not based on scientific principles, in contravention of the Agreement on the Application of Sanitary and Phytosanitary Measures (as described in section 101(d)(3) of the Uruguay Round Agreements Act (19 U.S.C. 3511(d)(3)));

(D) other unjustified technical barriers to agricultural trade; and

(E) restrictive and nontransparent rules in the administration of tariff rate quotas;

(5) improving import relief mechanisms to recognize the unique characteristics of perishable agricultural commodities;

(6) taking into account whether a party to negotiations with respect to trading in an agricultural commodity has—

(A) failed to adhere to the provisions of an existing bilateral trade agreement with the United States;

(B) circumvented obligations under a multilateral trade agreement to which the United States is a signatory; or

(C) manipulated its currency value to the detriment of United States agricultural producers or exporters; and

(7) otherwise ensuring that countries that accede to the World Trade Organization—

(A) have made meaningful market liberalization commitments in agriculture; and

(B) make progress in fulfilling those commitments over time.

(b) PRIORITY FOR AGRICULTURE TRADE.—It is the sense of Congress that—

(1) reaching a successful agreement on agriculture should be the top priority of United States negotiators in World Trade Organization talks; and

(2) if the primary export competitors of the United States fail to reduce their trade distorting domestic supports and eliminate export subsidies in accordance with the negotiating objectives expressed in this section, the United States should take steps to increase the leverage of United States negotiators and level the playing field for United States producers, within existing World Trade Organization commitments.

(c) CONSULTATION WITH CONGRESSIONAL COMMITTEES.—It is the sense of Congress that—

(1) before the United States Trade Representative negotiates a trade agreement that would reduce tariffs on agricultural commodities or require a change in United States agricultural law, the United States Trade Representative should consult with the Committee on Agriculture and the Committee on Ways and Means of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Finance of the Senate;

(2) not less than 48 hours before initialing an agreement relating to agricultural trade negotiated under the auspices of the World Trade Organization, the United States Trade Representative should consult closely with the committees referred to in paragraph (1) regarding—

(A) the details of the agreement;

(B) the potential impact of the agreement on United States agricultural producers; and

(C) any changes in United States law necessary to implement the agreement; and

(3) any agreement or other understanding (whether verbal or in writing) that relates to agricultural trade that is not disclosed to Congress before legislation implementing a trade agreement is introduced in either the Senate or the House of Representatives should not be considered to be part of the agreement approved by Congress and should have no force and effect under Unites States law or in any dispute settlement body.

TITLE IV—NUTRITION PROGRAMS

SEC. 401. SHORT TITLE.

This title may be cited as the ''Food Stamp Reauthorization Act of 2001''.

Subtitle A—Food Stamp Program

SEC. 411. ENCOURAGEMENT OF PAYMENT OF CHILD SUPPORT.

(a) EXCLUSION.—Section 5(d)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(6)) is amended by adding at the end the following: ''and child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments,''.

(b) SIMPLIFIED PROCEDURE.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e), by striking paragraph (4) and inserting the following:

''(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

''(A) IN GENERAL.—In lieu of providing an exclusion for legally obligated child support payments made by a household member under subsection (d)(6), a State agency may elect to provide a deduction for the amount of the payments.

''(B) ORDER OF DETERMINING DEDUCTIONS.—A deduction under this paragraph shall be determined before the computation of the excess shelter expense deduction under paragraph (6).''; and

(2) by adding at the end the following:

''(n) STATE OPTIONS TO SIMPLIFY DETERMINATION OF CHILD SUPPORT PAYMENTS MADE BY HOUSEHOLD MEMBERS.—

''(1) IN GENERAL.—Regardless of whether a State agency elects to provide a deduction under subsection (e)(4), the Secretary shall establish simplified procedures to allow State agencies, at the option of the State agencies, to determine the amount of the legally obligated child support payments made, including procedures to allow the State agency to rely on information from the agency responsible for implementing the program under part D of title IV of the Social Security Act (42 U.S.C. 661 et seq.) concerning payments made in prior months in lieu of obtaining current information from the household.

''(2) DURATION OF DETERMINATION OF AMOUNT OF SUPPORT PAYMENTS.—If a State agency makes a determination of the amount of support payments of a household under paragraph (1), the State agency may provide that the amount of the exclusion or deduction for the household shall not change until the eligibility of the household is next redetermined under section 11(e)(4).''.

SEC. 412. SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking ''and (15)'' and inserting ''(15)''; and

(2) by inserting before the period at the end the following: '', (16) at the option of the State agency, any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like (other than loans, grants, scholarships, fellowships, veterans' educational benefits, and the like excluded under paragraph (3)), to the extent that they are required to be excluded under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), (17) at the option of the State agency, any State complementary assistance program payments that are excluded for the purpose of determining eligibility for medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), and (18) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for (A) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or the amount of such assistance, or (B) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph does not authorize a State agency to exclude wages or salaries, benefits under title I, II, IV, X, XIV, or XVI of the Social Security Act (42 U.S.C. 1381 et seq.), regular payments from a government source (such as unemployment benefits and general assistance), worker's compensation, child support payments made to a household member by an individual who is legally obligated to make the payments, or such other types of income the consideration of which the Secretary determines by regulation to be essential to equitable determinations of eligibility and benefit levels''.

SEC. 413. INCREASE IN BENEFITS TO HOUSEHOLDS WITH CHILDREN.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

''(1) STANDARD DEDUCTION.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall allow for each household a standard deduction that is equal to the greater of—

''(i) the applicable percentage specified in subparagraph (D) of the applicable income standard of eligibility established under subsection (c)(1); or

''(ii) the minimum deduction specified in subparagraph (E).

''(B) GUAM.—The Secretary shall allow for each household in Guam a standard deduction that is—

''(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

''(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

''(C) HOUSEHOLDS OF 6 OR MORE MEMBERS.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

''(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

''(i) 8 percent for each of fiscal years 2002 through 2007;

''(ii) 8.25 percent for fiscal year 2008;

''(iii) 8.5 percent for each of fiscal years 2009 and 2010; and

''(iv) 9 percent for fiscal year 2011 and each fiscal year thereafter.

''(E) MINIMUM DEDUCTION.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.''.

SEC. 414. SIMPLIFIED DETERMINATION OF HOUSING COSTS.

(a) IN GENERAL.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended—

(1) in subparagraph (A)—

(A) by striking ''A household'' and inserting the following:

''(i) IN GENERAL.—A household''; and

(B) by adding at the end the following:

''(ii) INCLUSION OF CERTAIN PAYMENTS.—In determining the shelter expenses of a household under this paragraph, the State agency shall include any required payment to the landlord of the household without regard to whether the required payment is designated to pay specific charges.''; and

(2) by adding at the end the following:

''(D) HOMELESS HOUSEHOLDS.—

''(i) ALTERNATIVE DEDUCTION.—In lieu of the deduction provided under subparagraph (A), a State agency may elect to allow a household in which all members are homeless individuals, but that is not receiving free shelter throughout the month, to receive a deduction of $143 per month.

''(ii) INELIGIBILITY.—The State agency may make a household with extremely low shelter costs ineligible for the alternative deduction under clause (i).''.

(b) CONFORMING AMENDMENTS.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e)—

(A) by striking paragraph (5); and

(B) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(2) in subsection (k)(4)(B), by striking ''subsection (e)(7)'' and inserting ''subsection (e)(6)''.

SEC. 415. SIMPLIFIED UTILITY ALLOWANCE.

Section 5(e)(6)(C)(iii) of the Food Stamp Act of 1977 (as amended by section 414(b)(1)(B)) is amended—

(1) in subclause (I)(bb), by inserting ''(without regard to subclause (III))'' after ''Secretary finds''; and

(2) by adding at the end the following:

''(III) INAPPLICABILITY OF CERTAIN RESTRICTIONS.—Clauses (ii)(II) and (ii)(III) shall not apply in the case of a State agency that has made the use of a standard utility allowance mandatory under subclause (I).''.

SEC. 416. SIMPLIFIED PROCEDURE FOR DETERMINATION OF EARNED INCOME.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended by adding at the end the following:

''(C) SIMPLIFIED DETERMINATION OF EARNED INCOME.—

''(i) IN GENERAL.—A State agency may elect to determine monthly earned income by multiplying weekly income by 4 and biweekly income by 2.

''(ii) ADJUSTMENT OF EARNED INCOME DEDUCTION.—A State agency that makes an election described in clause (i) shall adjust the earned income deduction under subsection (e)(2)(B) to the extent necessary to prevent the election from resulting in increased costs to the food stamp program, as determined consistent with standards promulgated by the Secretary.''.

SEC. 417. SIMPLIFIED DETERMINATION OF DEDUCTIONS.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) (as amended by section 416) is amended by adding at the end the following:

''(D) SIMPLIFIED DETERMINATION OF DEDUCTIONS.—

''(i) IN GENERAL.—Except as provided in clause (ii), for the purposes of subsection (e), a State agency may elect to disregard until the next redetermination of eligibility under section 11(e)(4) 1 or more types of changes in the circumstances of a household that affect the amount of deductions the household may claim under subsection (e).

''(ii) CHANGES THAT MAY NOT BE DISREGARDED.—Under clause (i), a State agency may not disregard—

''(I) any reported change of residence; or

''(II) under standards prescribed by the Secretary, any change in earned income.''.

SEC. 418. SIMPLIFIED DEFINITION OF RESOURCES.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

''(6) EXCLUSION OF TYPES OF FINANCIAL RESOURCES NOT CONSIDERED UNDER CERTAIN OTHER FEDERAL PROGRAMS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall promulgate regulations under which a State agency may, at the option of the State agency, exclude from financial resources under this subsection any types of financial resources that the State agency does not consider when determining eligibility for—

''(i) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

''(ii) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1).

''(B) LIMITATIONS.—Subparagraph (A) does not authorize a State agency to exclude—

''(i) cash;

''(ii) licensed vehicles;

''(iii) amounts in any account in a financial institution that are readily available to the household; or

''(iv) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility under the food stamp program, except to the extent that any of those types of resources are excluded under another paragraph of this subsection.''.

SEC. 419. ALTERNATIVE ISSUANCE SYSTEMS IN DISASTERS.

Section 5(h)(3)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(3)(B)) is amended—

(1) in the first sentence, by inserting ''issuance methods and'' after ''shall adjust''; and

(2) in the second sentence, by inserting '', any conditions that make reliance on electronic benefit transfer systems described in section 7(i) impracticable,'' after ''personnel''.

SEC. 420. STATE OPTION TO REDUCE REPORTING REQUIREMENTS.

Section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended—

(1) in subparagraph (B), by striking ''on a monthly basis''; and

(2) by adding at the end the following:

''(D) FREQUENCY OF REPORTING.—

''(i) IN GENERAL.—Except as provided in subparagraphs (A) and (C), a State agency may require households that report on a periodic basis to submit reports—

''(I) not less often than once each 6 months; but

''(II) not more often than once each month.

''(ii) REPORTING BY HOUSEHOLDS WITH EXCESS INCOME.—A household required to report less often than once each 3 months shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the income of the household for any month exceeds the standard established under section 5(c)(2).''.

SEC. 421. BENEFITS FOR ADULTS WITHOUT DEPENDENTS.

(a) IN GENERAL.—Section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)) is amended—

(1) in paragraph (1)—

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

(B) in subparagraph (C)—

(i) by striking ''subsection (d)(4),'' and inserting ''subsection (d)(4)''; and

(ii) by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(D) a job search program or job search training program if—

''(i) the program meets standards established by the Secretary to ensure that the participant is continuously and actively seeking employment in the private sector; and

''(ii) no position is currently available for the participant in an employment or training program that meets the requirements of subparagraph (C).'';

(2) in paragraph (2)—

(A) by striking ''36-month'' and inserting ''24-month''; and

(B) by striking ''3'' and inserting ''6'';

(3) by striking paragraph (5) and inserting the following:

''(5) ELIGIBILITY OF INDIVIDUALS WHILE MEETING WORK REQUIREMENT.—Notwithstanding paragraph (2), an individual who would otherwise be ineligible under that paragraph shall be eligible to participate in the food stamp program during any period in which the individual meets the work requirement of subparagraph (A), (B), or (C) of that paragraph.''; and

(4) in paragraph (6)(A)(ii)—

(A) in subclause (III), by adding ''and'' at the end;

(B) in subclause (IV)—

(i) by striking ''3'' and inserting ''6''; and

(ii) by striking ''; and'' and inserting a period; and

(C) by striking subclause (V).

(b) IMPLEMENTATION OF AMENDMENTS.—For the purpose of implementing the amendments made by subsection (a), a State agency shall disregard any period during which an individual received food stamp benefits before the effective date of this title.

SEC. 422. PRESERVATION OF ACCESS TO ELECTRONIC BENEFITS.

(a) IN GENERAL.—Section 7(i)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(1)) is amended by adding at the end the following:

''(E) ACCESS TO EBT SYSTEMS.—

''(i) IN GENERAL.—No benefits shall be taken off-line or otherwise made inaccessible because of inactivity until at least 180 days have elapsed since a household last accessed the account of the household.

''(ii) NOTICE TO HOUSEHOLD.—In a case in which benefits are taken off-line or otherwise made inaccessible, the household shall be sent a notice that—

''(I) explains how to reactivate the benefits; and

''(II) offers assistance if the household is having difficulty accessing the benefits of the household.''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to each State agency beginning on the date on which the State agency, after the date of enactment of this Act, enters into a contract to operate an electronic benefit transfer system.

SEC. 423. COST NEUTRALITY FOR ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 7(i)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(2)) is amended—

(1) by striking subparagraph (A); and

(2) by redesignating subparagraphs (B) through (I) as subparagraphs (A) through (H), respectively.

SEC. 424. ALTERNATIVE PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.

(a) IN GENERAL.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

''(f) SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.—

''(1) IN GENERAL.—At the option of the State agency, allotments for residents of facilities described in subparagraph (B), (C), (D), or (E) of section 3(i)(5) may be determined and issued under this subsection in lieu of subsection (a).

''(2) AMOUNT OF ALLOTMENT.—The allotment for each eligible resident described in paragraph (1) shall be calculated in accordance with standardized procedures established by the Secretary that take into account the allotments typically received by residents of facilities described in paragraph (1).

''(3) ISSUANCE OF ALLOTMENT.—

''(A) IN GENERAL.—The State agency shall issue an allotment determined under this subsection to the administration of a facility described in paragraph (1) as the authorized representative of the residents of the facility.

''(B) ADJUSTMENT.—The Secretary shall establish procedures to ensure that a facility described in paragraph (1) does not receive a greater proportion of a resident's monthly allotment than the proportion of the month during which the resident lived in the facility.

''(4) DEPARTURES OF COVERED RESIDENTS.—

''(A) NOTIFICATION.—Any facility described in paragraph (1) that receives an allotment for a resident under this subsection shall—

''(i) notify the State agency promptly on the departure of the resident; and

''(ii) notify the resident, before the departure of the resident, that the resident—

''(I) is eligible for continued benefits under the food stamp program; and

''(II) should contact the State agency concerning continuation of the benefits.

''(B) ISSUANCE TO DEPARTED RESIDENTS.—On receiving a notification under subparagraph (A)(i) concerning the departure of a resident, the State agency—

''(i) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resident (calculated in a manner prescribed by the Secretary) unless the departed resident reapplies to participate in the food stamp program; and

''(ii) may issue an allotment for the month following the month of the departure (but not any subsequent month) based on this subsection unless the departed resident reapplies to participate in the food stamp program.

''(C) STATE OPTION.—The State agency may elect not to issue an allotment under subparagraph (B)(i) if the State agency lacks sufficient information on the location of the departed resident to provide the allotment.

''(D) EFFECT OF REAPPLICATION.—If the departed resident reapplies to participate in the food stamp program, the allotment of the departed resident shall be determined without regard to this subsection.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—

(A) by striking ''(i) 'Household' means (1) an'' and inserting the following:

''(i)(1) 'Household' means—

''(A) an'';

(B) in the first sentence, by striking ''others, or (2) a group'' and inserting the following: ''others; or

''(B) a group'';

(C) in the second sentence, by striking ''Spouses'' and inserting the following:

''(2) Spouses'';

(D) in the third sentence, by striking ''Notwithstanding'' and inserting the following:

''(3) Notwithstanding'';

(E) in paragraph (3) (as designated by subparagraph (D)), by striking ''the preceding sentences'' and inserting ''paragraphs (1) and (2)'';

(F) in the fourth sentence, by striking ''In no event'' and inserting the following:

''(4) In no event'';

(G) in the fifth sentence, by striking ''For the purposes of this subsection, residents'' and inserting the following:

''(5) For the purposes of this subsection, the following persons shall not be considered to be residents of institutions and shall be considered to be individual households:

''(A) Residents''; and

(H) in paragraph (5) (as designated by subparagraph (G))—

(i) by striking ''Act, or are individuals'' and inserting the following: ''Act.

''(B) Individuals'';

(ii) by striking ''such section, temporary'' and inserting the following: ''that section.

''(C) Temporary'';

(iii) by striking ''children, residents'' and inserting the following: ''children.

''(D) Residents'';

(iv) by striking ''coupons, and narcotics'' and inserting the following: ''coupons.

''(E) Narcotics''; and

(v) by striking ''shall not'' and all that follows and inserting a period.

(2) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by striking ''the third sentence of section 3(i)'' each place it appears and inserting ''section 3(i)(4)''.

(3) Section 8(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2017(e)(1)) is amended by striking ''the last sentence of section 3(i)'' and inserting ''section 3(i)(5)''.

(4) Section 17(b)(1)(B)(iv)(III)(aa) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(aa)) is amended by striking ''the last 2 sentences of section 3(i)'' and inserting ''paragraphs (4) and (5) of section 3(i)''.

SEC. 425. AVAILABILITY OF FOOD STAMP PROGRAM APPLICATIONS ON THE INTERNET.

Section 11(e)(2)(B)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(2)(B)(ii)) is amended—

(1) by inserting ''(I)'' after ''(ii)'';

(2) in subclause (I) (as designated by paragraph (1)), by adding ''and'' at the end; and

(3) by adding at the end the following:

''(II) if the State agency maintains a website for the State agency, shall make the application available on the website in each language in which the State agency makes a printed application available;''.

SEC. 426. SIMPLIFIED DETERMINATIONS OF CONTINUING ELIGIBILITY.

(a) IN GENERAL.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) by striking paragraph (4) and inserting the following:

''(4)(A) that the State agency shall periodically require each household to cooperate in a redetermination of the eligibility of the household.

''(B) A redetermination under subparagraph (A) shall—

''(i) be based on information supplied by the household; and

''(ii) conform to standards established by the Secretary.

''(C) The interval between redeterminations of eligibility under subparagraph (A) shall not exceed the eligibility review period;'' and

(2) in paragraph (10)—

(A) by striking ''within the household's certification period''; and

(B) by striking ''or until'' and all that follows through ''occurs earlier''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended—

(A) by striking ''Certification period'' and inserting ''Eligibility review period''; and

(B) by striking ''certification period'' each place it appears and inserting ''eligibility review period''.

(2) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(A) in subsection (d)(2), by striking ''in the certification period which'' and inserting ''that''; and

(B) in subsection (e) (as amended by section 414(b)(1)(B))—

(i) in paragraph (5)(B)(ii)—

(I) in subclause (II), by striking ''certification period'' and inserting ''eligibility review period''; and

(II) in subclause (III), by striking ''has been anticipated for the certification period'' and inserting ''was anticipated when the household applied or at the most recent redetermination of eligibility for the household''; and

(ii) in paragraph (6)(C)(iii)(II), by striking ''the end of a certification period'' and inserting ''each redetermination of the eligibility of the household''.

(3) Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(A) in subsection (c)(1)(C)(iv), by striking ''certification period'' each place it appears and inserting ''interval between required redeterminations of eligibility''; and

(B) in subsection (d)(1)(D)(v)(II), by striking ''a certification period'' and inserting ''an eligibility review period''.

(4) Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended—

(A) in the second sentence of paragraph (1), by striking ''within a certification period''; and

(B) in paragraph (2)(B), by striking ''expiration of'' and all that follows through ''during a certification period,'' and inserting ''termination of benefits to the household,''.

(5) Section 11(e)(16) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(16)) is amended by striking ''the certification or recertification'' and inserting ''determining the eligibility''.

SEC. 427. CLEARINGHOUSE FOR SUCCESSFUL NUTRITION EDUCATION EFFORTS.

Section 11(f) of the Food Stamp Act of 1977 (7 U.S.C. 2020(f)) is amended by striking paragraph (2) and inserting the following:

''(2) NUTRITION EDUCATION CLEARINGHOUSE.—The Secretary shall—

''(A) request State agencies to submit to the Secretary descriptions of successful nutrition education programs designed for use in the food stamp program and other nutrition assistance programs;

''(B) make the descriptions submitted under subparagraph (A) available on the website of the Department of Agriculture; and

''(C) inform State agencies of the availability of the descriptions on the website.''.

SEC. 428. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

''(s) TRANSITIONAL BENEFITS OPTION.—

''(1) IN GENERAL.—A State agency may provide transitional food stamp benefits to a household that ceases to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(2) TRANSITIONAL BENEFITS PERIOD.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

''(3) AMOUNT OF BENEFITS.—During the transitional benefits period under paragraph (2), a household shall receive an amount of food stamp benefits equal to the allotment received in the month immediately preceding the date on which cash assistance was terminated, adjusted for—

''(A) the change in household income as a result of the termination of cash assistance; and

''(B) any changes in circumstances that may result in an increase in the food stamp allotment of the household and that the household elects to report.

''(4) DETERMINATION OF FUTURE ELIGIBILITY.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

''(A) require the household to cooperate in a redetermination of eligibility; and

''(B) initiate a new eligibility review period for the household without regard to whether the preceding eligibility review period has expired.

''(5) LIMITATION.—A household shall not be eligible for transitional benefits under this subsection if the household—

''(A) loses eligibility under section 6;

''(B) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in paragraph (1); or

''(C) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: ''The limits specified in this section may be extended until the end of any transitional benefit period established under section 11(s).''.

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking ''No household'' and inserting ''Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household''.

SEC. 429. DELIVERY TO RETAILERS OF NOTICES OF ADVERSE ACTION.

Section 14(a) of the Food Stamp Act of 1977 (7 U.S.C. 2023(a)) is amended by striking paragraph (2) and inserting the following:

''(2) DELIVERY OF NOTICES.—A notice under paragraph (1) shall be delivered by any form of delivery that the Secretary determines will provide evidence of the delivery.''.

SEC. 430. REFORM OF QUALITY CONTROL SYSTEM.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1)—

(A) by striking ''enhances payment accuracy'' and all that follows through ''(A) the Secretary'' and inserting the following: ''enhances payment accuracy and that has the following elements:

''(A) ENHANCED ADMINISTRATIVE FUNDING.—With respect to fiscal year 2001, the Secretary'';

(B) in subparagraph (A)—

(i) by striking ''one percentage point to a maximum of 60'' and inserting ''½ of 1 percentage point to a maximum of 55''; and

(ii) by striking the semicolon at the end and inserting a period; and

(C) by striking subparagraph (B) and all that follows and inserting the following:

''(B) INVESTIGATION AND INITIAL SANCTIONS.—

''(i) INVESTIGATION.—Except as provided under subparagraph (C), for any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, the Secretary shall investigate the administration by the State agency of the food stamp program unless the Secretary determines that sufficient information is already available to review the administration by the State agency.

''(ii) INITIAL SANCTIONS.—If an investigation under clause (i) results in a determination that the State agency has been seriously negligent (as determined under standards promulgated by the Secretary), the State agency shall pay the Secretary an amount that reflects the extent of such negligence (as determined under standards promulgated by the Secretary), not to exceed 5 percent of the amount provided to the State agency under subsection (a) for the fiscal year.

''(C) ADDITIONAL SANCTIONS.—If, for any fiscal year, the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, and that the State agency was sanctioned under this paragraph or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Secretary an amount equal to the product obtained by multiplying—

''(i) the value of all allotments issued by the State agency in the fiscal year;

''(ii) the lesser of—

''(I) the ratio that—

''(aa) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year; bears to

''(bb) 10 percent; or

''(II) 1; and

''(iii) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year.

''(D) CORRECTIVE ACTION PLANS.—The Secretary shall foster management improvements by the States by requiring State agencies to develop and implement corrective action plans to reduce payment errors.'';

(2) in paragraph (2)(A), by inserting before the semicolon the following: '', as adjusted downward as appropriate under paragraph (10)'';

(3) in paragraph (4), by striking ''(4)'' and all that follows through the end of the first sentence and inserting the following:

''(4) REPORTING REQUIREMENTS.—The Secretary may require a State agency to report any factors that the Secretary considers necessary to determine a State agency's payment error rate, enhanced administrative funding, claim for payment error under paragraph (1), or performance under the performance measures under paragraph (11).'';

(4) in paragraph (5), by striking ''(5)'' and all that follows through the end of the second sentence and inserting the following:

''(5) PROCEDURES.—To facilitate the implementation of this subsection, each State agency shall expeditiously submit to the Secretary data concerning the operations of the State agency in each fiscal year sufficient for the Secretary to establish the payment error rate for the State agency for the fiscal year, to comply with paragraph (10), and to determine the amount of enhanced

administrative funding under paragraph (1)(A), high performance bonus payments under paragraph (11), or claims under subparagraph (B) or (C) of paragraph (1).'';

(5) in paragraph (6)—

(A) in the first and third sentences, by striking ''paragraph (5)'' each place it appears and inserting ''paragraph (8)''; and

(B) in the first sentence, by inserting ''(but determined without regard to paragraph (10))'' before ''times that''; and

(6) by adding at the end the following:

''(10) ADJUSTMENTS OF PAYMENT ERROR RATE.—

''(A) FISCAL YEAR 2002.—

''(i) ADJUSTMENT FOR HIGHER PERCENTAGE OF HOUSEHOLDS WITH EARNED INCOME.—Subject to subparagraph (B), with respect to fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to take into account any increases in errors that result from the State agency's serving a higher percentage of households with earned income than the lesser of—

''(I) the percentage of households with earned income that receive food stamps in all States; or

''(II) the percentage of households with earned income that received food stamps in the State in fiscal year 1992.

''(ii) ADJUSTMENT FOR HIGHER PERCENTAGE OF HOUSEHOLDS WITH NONCITIZEN MEMBERS.—Subject to subparagraph (B), with respect to fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to take into account any increases in errors that result from the State agency's serving a higher percentage of households with 1 or more members who are not United States citizens than the lesser of—

''(I) the percentage of households with 1 or more members who are not United States citizens that receive food stamps in all States; or

''(II) the percentage of households with 1 or more members who are not United States citizens that received food stamps in the State in fiscal year 1998.

''(B) EXPANDED APPLICABILITY TO STATE AGENCIES SUBJECT TO SANCTIONS.—In the case of a State agency subject to sanctions for fiscal year 2001 or any fiscal year thereafter under paragraph (1), the adjustments described in subparagraph (A) shall apply to the State agency for the fiscal year.

''(C) ADDITIONAL ADJUSTMENTS.—For fiscal year 2003 and each fiscal year thereafter, the Secretary may make such additional adjustments to the payment error rate determined under paragraph (2)(A) as the Secretary determines to be consistent with achieving the purposes of this Act.''.

(b) APPLICABILITY.—Except as otherwise provided in the amendments made by subsection (a), the amendments made by subsection (a) shall apply to fiscal year 2001 and each fiscal year thereafter.

SEC. 431. IMPROVEMENT OF CALCULATION OF STATE PERFORMANCE MEASURES.

(a) IN GENERAL.—Section 16(c)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(8)) is amended—

(1) in subparagraph (B), by striking ''180 days after the end of the fiscal year'' and inserting ''the first May 31 after the end of the fiscal year referred to in subparagraph (A)''; and

(2) in subparagraph (C), by striking ''30 days thereafter'' and inserting ''the first June 30 after the end of the fiscal year referred to in subparagraph (A)''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 432. BONUSES FOR STATES THAT DEMONSTRATE HIGH PERFORMANCE.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) (as amended by section 430(a)(6)) is amended by adding at the end the following:

''(11) HIGH PERFORMANCE BONUS PAYMENTS.—

''(A) IN GENERAL.—The Secretary shall—

''(i) with respect to fiscal year 2002 and each fiscal year thereafter, measure the performance of each State agency with respect to each of the performance measures specified in subparagraph (B); and

''(ii) in fiscal year 2003 and each fiscal year thereafter, subject to subparagraphs (C) and (D), make high performance bonus payments to the State agencies with the highest or most improved performance with respect to those performance measures.

''(B) PERFORMANCE MEASURES.—The performance measures specified in this subparagraph are—

''(i) the ratio, expressed as a percentage, that—

''(I) the number of households in the State that—

''(aa) receive food stamps;

''(bb) have incomes less than 130 percent of the poverty line (as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902));

''(cc) have annual earnings equal to at least 1000 times the Federal minimum hourly rate under the Fair Labor Standards Act of 1938 (29 U.S.C. 201 et seq.); and

''(dd) have children under age 18; bears to

''(II) the number of households in the State that meet the criteria specified in items (bb) through (dd) of subclause (I); and

''(ii) 4 additional performance measures, established by the Secretary in consultation with the National Governors Association, the American Public Human Services Association, and the National Conference of State Legislatures not later than 180 days after the date of enactment of this paragraph, of which not less than 1 performance measure shall relate to provision of timely and appropriate services to applicants for and recipients of food stamp benefits.

''(C) HIGH PERFORMANCE BONUS PAYMENTS.—

''(i) DEFINITION OF CASELOAD.—In this subparagraph, the term 'caseload' has the meaning given the term in section 6(o)(6)(A).

''(ii) AMOUNT OF PAYMENTS.—

''(I) IN GENERAL.—In fiscal year 2003 and each fiscal year thereafter, the Secretary shall—

''(aa) make 1 high performance bonus payment of $6,000,000 for each of the 5 performance measures under subparagraph (B); and

''(bb) allocate the high performance bonus payment with respect to each performance measure in accordance with subclauses (II) and (III).

''(II) PAYMENTS FOR PERFORMANCE MEASURES.—In fiscal year 2003 and each fiscal year thereafter, the Secretary shall allocate, in accordance with subclause (III), the high performance bonus payment made for each performance measure under subparagraph (B) among the 6 State agencies with, as determined by the Secretary by regulation—

''(aa) the greatest improvement in the level of performance with respect to the performance measure between the 2 most recent years for which the Secretary determines that reliable data are available;

''(bb) the highest performance in the performance measure for the most recent year for which the Secretary determines that reliable data are available; or

''(cc) a combination of the greatest improvement described in item (aa) and the highest performance described in item (bb).

''(III) ALLOCATION AMONG STATE AGENCIES ELIGIBLE FOR PAYMENTS.—A high performance bonus payment under subclause (II) made for a performance measure shall be allocated among the 6 State agencies eligible for the payment in the ratio that—

''(aa) the caseload of each of the 6 State agencies eligible for the payment; bears to

''(bb) the caseloads of the 6 State agencies eligible for the payment.

''(D) PROHIBITION ON RECEIPT OF HIGH PERFORMANCE BONUS PAYMENTS BY STATE AGENCIES SUBJECT TO SANCTIONS.—If, for any fiscal year, a State agency is subject to a sanction under paragraph (1), the State agency shall not be eligible for a high performance bonus payment for the fiscal year.

''(E) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what amount, to make a high performance bonus payment under this paragraph shall not be subject to judicial review.''.

(b) APPLICABILITY.—The amendment made by subsection (a) takes effect on the date of enactment of this Act.

SEC. 433. EMPLOYMENT AND TRAINING PROGRAM.

(a) LEVELS OF FUNDING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking '', to remain available until expended,''; and

(B) by striking clause (vii) and inserting the following:

''(vii) for each of fiscal years 2002 through 2006, $90,000,000, to remain available until expended.'';

(2) by striking subparagraph (B) and inserting the following:

''(B) ALLOCATION.—Funds made available under subparagraph (A) shall be made available to and reallocated among State agencies under a reasonable formula that—

''(i) is determined and adjusted by the Secretary; and

''(ii) takes into account the number of individuals who are not exempt from the work requirement under section 6(o).''; and

(3) by striking subparagraphs (E) through (G) and inserting the following:

''(E) ADDITIONAL ALLOCATIONS FOR STATES THAT ENSURE AVAILABILITY OF WORK OPPORTUNITIES.—

''(i) IN GENERAL.—In addition to the allocations under subparagraph (A), from funds made available under section 18(a)(1), the Secretary shall allocate not more than $25,000,000 for each of fiscal years 2002 through 2006 to reimburse a State agency that is eligible under clause (ii) for the costs incurred in serving food stamp recipients who—

''(I) are not eligible for an exception under section 6(o)(3); and

''(II) are placed in and comply with a program described in subparagraph (B) or (C) of section 6(o)(2).

''(ii) ELIGIBILITY.—To be eligible for an additional allocation under clause (i), a State agency shall—

''(I) exhaust the allocation to the State agency under subparagraph (A) (including any reallocation that has been made available under subparagraph (C)); and

''(II) make and comply with a commitment to offer a position in a program described in subparagraph (B) or (C) of section 6(o)(2) to each applicant or recipient who—

''(aa) is in the last month of the 6-month period described in section 6(o)(2);

''(bb) is not eligible for an exception under section 6(o)(3);

''(cc) is not eligible for a waiver under section 6(o)(4); and

''(dd) is not eligible for an exemption under section 6(o)(6).''.

(b) RESCISSION OF CARRYOVER FUNDS.—Notwithstanding any other provision of law,

funds provided under section 16(h)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)(A)) for any fiscal year before fiscal year 2002 shall cease to be available on the date of enactment of this Act, unless obligated by a State agency before that date.

(c) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking ''$25 per month'' and inserting ''$50 per month''.

(d) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking ''$25'' and inserting ''$50''.

(e) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 434. REAUTHORIZATION OF FOOD STAMP PROGRAM AND FOOD DISTRIBUTION PROGRAM ON INDIAN RESERVATIONS.

(a) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in the first sentence of subparagraph (A), by striking ''2002'' and inserting ''2006''; and

(2) in subparagraph (B)(ii), by striking ''2002'' and inserting ''2006''.

(b) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking ''2002'' and inserting ''2006''.

(c) GRANTS TO IMPROVE FOOD STAMP PARTICIPATION.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

SEC. 435. COORDINATION OF PROGRAM INFORMATION EFFORTS.

Section 16(k)(5) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(5)) is amended—

(1) in subparagraph (A), by striking ''No funds'' and inserting ''Except as provided in subparagraph (C), no funds''; and

(2) by adding at the end the following:

''(C) FOOD STAMP INFORMATIONAL ACTIVITIES.—Subparagraph (A) shall not apply to any funds or expenditures described in clause (i) or (ii) of subparagraph (B) used to pay the costs of any activity that is eligible for reimbursement under subsection (a)(4).''.

SEC. 436. EXPANDED GRANT AUTHORITY.

Section 17(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(a)(1)) is amended—

(1) by striking '', by way of making contracts with or grants to public or private organizations or agencies,'' and inserting ''enter into contracts with or make grants to public or private organizations or agencies under this section to''; and

(2) by adding at the end the following: ''The waiver authority of the Secretary under subsection (b) shall extend to all contracts and grants under this section.''.

SEC. 437. ACCESS AND OUTREACH PILOT PROJECTS.

Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h) and inserting the following:

''(h) ACCESS AND OUTREACH PILOT PROJECTS.—

''(1) IN GENERAL.—The Secretary shall make grants to State agencies and other entities to pay the Federal share of the eligible costs of projects to improve—

''(A) access by eligible individuals to benefits under the food stamp program; or

''(B) outreach to individuals eligible for those benefits.

''(2) FEDERAL SHARE.—The Federal share shall be 75 percent.

''(3) TYPES OF PROJECTS.—To be eligible for a grant under this subsection, a project may consist of—

''(A) establishing a single site at which individuals may apply for—

''(i) benefits under the food stamp program; and

''(ii)(I) supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.);

''(II) benefits under the medicaid program under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.);

''(III) benefits under the State children's health insurance program under title XXI of the Social Security Act (42 U.S.C. 1397aa et seq.);

''(IV) benefits under the special supplemental nutrition program for women, infants, and children under section 17 of the Child Nutrition Act of 1966 (42 U.S.C. 1786); or

''(V) benefits under such other programs as the Secretary determines to be appropriate;

''(B) developing forms that allow an individual to apply for more than 1 of the programs referred to in subparagraph (A);

''(C) dispatching State agency personnel to conduct outreach and enroll individuals in the food stamp program and other programs in nontraditional venues (such as shopping malls, schools, community centers, county fairs, clinics, food banks, and job training centers);

''(D) developing systems to enable increased participation in the provision of benefits under the food stamp program through farmers' markets, roadside stands, and other community-supported agriculture programs, including wireless electronic benefit transfer systems and other systems appropriate to open-air settings where farmers and other vendors sell directly to consumers;

''(E) allowing individuals to submit applications for the food stamp program by means of the telephone or the Internet, in particular individuals who live in rural areas, elderly individuals, and individuals with disabilities;

''(F) encouraging consumption of fruit and vegetables by developing a cost-effective system for providing discounts for purchases of fruit and vegetables made through use of electronic benefit transfer cards;

''(G) reducing barriers to participation by individuals, with emphasis on working families, eligible immigrants, elderly individuals, and individuals with disabilities;

''(H) developing training materials, guidebooks, and other resources to improve access and outreach;

''(I) conforming verification practices under the food stamp program with verification practices under other assistance programs; and

''(J) such other activities as the Secretary determines to be appropriate.

''(4) SELECTION.—

''(A) IN GENERAL.—The Secretary shall develop criteria for selecting recipients of grants under this subsection that include the consideration of—

''(i) the demonstrated record of a State agency or other entity in serving low-income individuals;

''(ii) the ability of a State agency or other entity to reach hard-to-serve populations;

''(iii) the level of innovative proposals in the application of a State agency or other entity for a grant; and

''(iv) the development of partnerships between public and private sector entities and linkages with the community.

''(B) PREFERENCE.—In selecting recipients of grants under paragraph (1), the Secretary shall provide a preference to any applicant that consists of a partnership between a State and a private entity, such as—

''(i) a food bank;

''(ii) a community-based organization;

''(iii) a public school;

''(iv) a publicly-funded health clinic;

''(v) a publicly-funded day care center; and

''(vi) a nonprofit health or welfare agency.

''(C) GEOGRAPHICAL DISTRIBUTION OF RECIPIENTS.—

''(i) IN GENERAL.—Subject to clause (ii), the Secretary shall select, from all eligible applications received, at least 1 recipient to receive a grant under this subsection from—

''(I) each region of the Department of Agriculture administering the food stamp program; and

''(II) each additional rural or urban area that the Secretary determines to be appropriate.

''(ii) EXCEPTION.—The Secretary shall not be required to select grant recipients under clause (i) to the extent that the Secretary determines that an insufficient number of eligible grant applications has been received.

''(5) PROJECT EVALUATIONS.—

''(A) IN GENERAL.—The Secretary shall conduct evaluations of projects funded by grants under this subsection.

''(B) LIMITATION.—Not more than 10 percent of funds made available to carry out this subsection shall be used for project evaluations described in subparagraph (A).

''(6) MAINTENANCE OF EFFORT.—A State agency or other entity shall provide assurances to the Secretary that funds provided to the State agency or other entity under this subsection will be used only to supplement, not to supplant, the amount of Federal, State, and local funds otherwise expended to carry out access and outreach activities in the State under this Act.

''(7) FUNDING.—There is authorized to be appropriated to carry out this subsection $3,000,000 for the period of fiscal years 2003 through 2005.''.

SEC. 438. CONSOLIDATED BLOCK GRANTS AND ADMINISTRATIVE FUNDS.

(a) CONSOLIDATED FUNDING.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking ''the Commonwealth of Puerto Rico'' and inserting ''governmental entities specified in subparagraph (D)'';

(B) in clause (ii), by striking ''and'' at the end; and

(C) by striking clause (iii) and all that follows and inserting the following:

''(iii) for fiscal year 2002, $1,356,000,000; and

''(iv) for each of fiscal years 2003 through 2006, the amount provided in clause (iii), as adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2001, and June 30 of the immediately preceding fiscal year;

to pay the expenditures for nutrition assistance programs for needy persons as described in subparagraphs (B) and (C).'';

(2) in subparagraph (B)—

(A) by striking ''(B) The'' and inserting the following:

''(B) MAXIMUM PAYMENTS TO COMMONWEALTH OF PUERTO RICO.—

''(i) IN GENERAL.—The'';

(B) by inserting ''of Puerto Rico'' after ''Commonwealth'' each place it appears; and

(C) by adding at the end the following:

''(ii) EXCEPTION FOR EXPENDITURES FOR CERTAIN SYSTEMS.—Notwithstanding subparagraph (A) and clause (i), the Commonwealth of Puerto Rico may spend not more than $6,000,000 of the amount required to be paid to the Commonwealth for fiscal year 2002 under subparagraph (A) to pay 100 percent of the costs of—

''(I) upgrading and modernizing the electronic data processing system used to carry out nutrition assistance programs for needy persons;

''(II) implementing systems to simplify the determination of eligibility to receive that nutrition assistance; and

''(III) operating systems to deliver benefits through electronic benefit transfers.''; and

(3) by adding at the end the following:

''(C) AMERICAN SAMOA.—For each fiscal year, the Secretary shall reserve 0.4 percent of the funds made available under subparagraph (A) for payment to American Samoa to pay 100 percent of the expenditures for a nutrition assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).

''(D) GOVERNMENTAL ENTITY.—A governmental entity specified in this subparagraph is—

''(i) the Commonwealth of Puerto Rico; and

''(ii) for fiscal year 2003 and each fiscal year thereafter, American Samoa.''.

(b) CONFORMING AMENDMENT.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is repealed.

(c) EFFECTIVE DATE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the amendments made by this section take effect on October 1, 2002.

(2) EXCEPTION FOR EXPENDITURES FOR CERTAIN SYSTEMS.—The amendments made by subsection (a)(2) take effect on the date of enactment of this Act.

SEC. 439. ASSISTANCE FOR COMMUNITY FOOD PROJECTS.

Section 25 of the Food Stamp Act of 1977 (7 U.S.C. 2034) is amended—

(1) in subsection (b)(2)(B), by striking ''2002'' and inserting ''2006'';

(2) in subsection (d)—

(A) in paragraph (3), by striking ''or'' at the end; and

(B) by striking paragraph (4) and inserting the following:

''(4) encourage long-term planning activities, and multisystem, interagency approaches with multistakeholder collaborations, that build the long-term capacity of communities to address the food and agriculture problems of the communities, such as food policy councils and food planning associations; or

''(5) meet, as soon as practicable, specific neighborhood, local, or State food and agriculture needs, including needs for—

''(A) infrastructure improvement and development;

''(B) planning for long-term solutions; or

''(C) the creation of innovative marketing activities that mutually benefit farmers and low-income consumers.''; and

(3) in subsection (e)(1), by striking ''50'' and inserting ''75''.

SEC. 440. AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking ''1997 through 2002'' and inserting ''2002 through 2006''; and

(B) by striking ''$100,000,000'' and inserting ''$110,000,000''; and

(2) by adding at the end the following:

''(c) USE OF FUNDS FOR RELATED COSTS.—

''(1) IN GENERAL.—For each of fiscal years 2002 through 2006, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay the direct and indirect costs of States relating to the processing, storing, transporting, and distributing to eligible recipient agencies of—

''(A) commodities purchased by the Secretary under subsection (a); and

''(B) commodities acquired from other sources, including commodities acquired by gleaning (as defined in section 111(a) of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note; Public Law 100–435)).

''(2) ALLOCATION OF FUNDS.—The amount required to be used in accordance with paragraph (1) shall be allocated in accordance with section 204(a) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)).''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 441. INNOVATIVE PROGRAMS FOR ADDRESSING COMMON COMMUNITY PROBLEMS.

The Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) is amended by adding at the end the following:

''SEC. 28. INNOVATIVE PROGRAMS FOR ADDRESSING COMMON COMMUNITY PROBLEMS.

''(a) IN GENERAL.—The Secretary shall offer to enter into a contract with a nongovernmental organization described in subsection (b) to coordinate with Federal agencies, States, political subdivisions, and nongovernmental organizations (referred to in this section as 'targeted entities') to develop, and recommend to the targeted entities, innovative programs for addressing common community problems, including loss of farms, rural poverty, welfare dependency, hunger, the need for job training, juvenile crime prevention, and the need for self-sufficiency by individuals and communities.

''(b) NONGOVERNMENTAL ORGANIZATION.—The nongovernmental organization referred to in subsection (a)—

''(1) shall be selected on a competitive basis; and

''(2) as a condition of entering into the contract—

''(A) shall be experienced in working with targeted entities, and in organizing workshops that demonstrate programs to targeted entities;

''(B) shall be experienced in identifying programs that effectively address problems described in subsection (a) that can be implemented by other targeted entities;

''(C) shall agree—

''(i) to contribute in-kind resources toward the establishment and maintenance of programs described in subsection (a); and

''(ii) to provide to targeted entities, free of charge, information on the programs;

''(D) shall be experienced in, and capable of, receiving information from, and communicating with, targeted entities throughout the United States; and

''(E) shall be experienced in operating a national information clearinghouse that addresses 1 or more of the problems described in subsection (a).

''(c) AUDITS.—The Secretary shall establish auditing procedures and otherwise ensure the effective use of funds made available under this section.

''(d) FUNDING.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this section, and on October 1, 2002, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $200,000, to remain available until expended.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.''.

SEC. 442. REPORT ON USE OF ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall submit to Congress a report on—

(1) difficulties relating to use of electronic benefit transfer systems in issuance of food stamp benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.);

(2) the extent to which there exists fraud, and the types of fraud that exist, in use of the electronic benefit transfer systems; and

(3) the efforts being made by the Secretary of Agriculture, retailers, electronic benefit transfer system contractors, and States to address the problems described in paragraphs (1) and (2).

SEC. 443. VITAMIN AND MINERAL SUPPLEMENTS.

(a) IN GENERAL.—Section 3(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2012(g)(1)) is amended by striking ''or food product'' and inserting '', food product, or dietary supplement that provides exclusively 1 or more vitamins or minerals''.

(b) IMPACT STUDY.—

(1) IN GENERAL.—Not later than April 1, 2003, the Secretary of Agriculture shall enter into a contract with a scientific research organization to study and develop a report on the technical issues, economic impacts, and health effects associated with allowing individuals to use benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) to purchase dietary supplements that provide exclusively 1 or more vitamins or minerals (referred to in this subsection as ''vitamin-mineral supplements'').

(2) REQUIRED ELEMENTS.—At a minimum, the study shall examine—

(A) the extent to which problems arise in the purchase of vitamin-mineral supplements with electronic benefit transfer cards;

(B) the extent of any difficulties in distinguishing vitamin-mineral supplements from herbal and botanical supplements for which food stamp benefits may not be used;

(C) whether participants in the food stamp program spend more on vitamin-mineral supplements than nonparticipants;

(D) to what extent vitamin-mineral supplements are substituted for other foods purchased with use of food stamp benefits;

(E) the proportion of the average food stamp allotment that is being used to purchase vitamin-mineral supplements; and

(F) the extent to which the quality of the diets of participants in the food stamp program has changed as a result of allowing participants to use food stamp benefits to purchase vitamin-mineral supplements.

(3) REPORT.—The report required under paragraph (1) shall be submitted to the Secretary of Agriculture not later than 2 years after the date on which the contract referred to in that paragraph is entered into.

(4) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated $3,000,000 to carry out this subsection.

Subtitle B—Miscellaneous Provisions

SEC. 451. REAUTHORIZATION OF COMMODITY PROGRAMS.

(a) COMMODITY DISTRIBUTION PROGRAM.—Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

(b) COMMODITY SUPPLEMENTAL FOOD PROGRAM.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) GRANTS PER ASSIGNED CASELOAD SLOT.—

''(1) IN GENERAL.—In carrying out the program under section 4 (referred to in this section as the 'commodity supplemental food program'), for each of fiscal years 2003 through 2006, the Secretary shall provide to each State agency from funds made available to carry out that section (including any such

funds remaining available from the preceding fiscal year), a grant per assigned caseload slot for administrative costs incurred by the State agency and local agencies in the State in operating the commodity supplemental food program.

''(2) AMOUNT OF GRANTS.—For each of fiscal years 2003 through 2006, the amount of each grant per caseload slot shall be equal to $50, adjusted by the percentage change between—

''(A) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30 of the second preceding fiscal year; and

''(B) the value of that index for the 12-month period ending June 30 of the preceding fiscal year.''; and

(2) in subsection (d)(2), by striking ''2002'' each place it appears and inserting ''2006''.

(c) DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.—Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

(d) EMERGENCY FOOD ASSISTANCE.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended in the first sentence—

(1) by striking ''2002'' and inserting ''2006'';

(2) by striking ''administrative''; and

(3) by inserting ''storage,'' after ''processing,''.

SEC. 452. PARTIAL RESTORATION OF BENEFITS TO LEGAL IMMIGRANTS.

(a) RESTORATION OF BENEFITS TO ALL QUALIFIED ALIEN CHILDREN.—

(1) IN GENERAL.—Section 402(a)(2)(J) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(J)) is amended by striking ''who'' and all that follows through ''is under'' and inserting ''who is under''.

(2) CONFORMING AMENDMENTS.—

(A) Section 403(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is amended by adding at the end the following:

''(L) Assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).''.

(B) Section 421(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(d)) is amended by adding at the end the following:

''(3) This section shall not apply to assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.) to the extent that a qualified alien is eligible under section 402(a)(2)(J).''.

(C) Section 5(i)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)(2)(E)) is amended by inserting before the period at the end the following: '', or to any alien who is under 18 years of age''.

(3) APPLICABILITY.—The amendments made by this subsection shall apply to fiscal year 2004 and each fiscal year thereafter.

(b) WORK REQUIREMENT FOR LEGAL IMMIGRANTS.—

(1) WORKING IMMIGRANT FAMILIES.—Section 402(a)(2)(B)(ii)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(B)(ii)(I)) is amended by striking ''40'' and inserting ''40 (or 16, in the case of the specified Federal program described in paragraph (3)(B))''.

(2) CONFORMING AMENDMENTS.—

(A) Section 213A(a)(3)(A) of the Immigration and Nationality Act (8 U.S.C. 1183a(a)(3)(A)) is amended by striking ''40'' and inserting ''40 (or 16, in the case of the specified Federal program described in section 402(a)(3)(B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(3)(B)))''.

(B) Section 421(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(b)(2)(A)) is amended by striking ''40'' and inserting ''40 (or 16, in the case of the specified Federal program described in section 402(a)(3)(B))''.

(c) RESTORATION OF BENEFITS TO REFUGEES AND ASYLEES.—Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended—

(1) in subparagraph (A), by striking ''programs described in paragraph (3)'' and inserting ''program described in paragraph (3)(A)''; and

(2) by adding at the end the following:

''(L) FOOD STAMP EXCEPTION FOR REFUGEES AND ASYLEES.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to an alien with respect to which an action described in subparagraph (A) was taken and was not revoked.''.

(d) RESTORATION OF BENEFITS TO DISABLED ALIENS.—Section 402(a)(2)(F) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(F)) is amended by striking ''(i) was'' and all that follows through ''(II) in the case'' and inserting the following:

''(i) in the case of the specified Federal program described in paragraph (3)(A)—

''(I) was lawfully residing in the United States on August 22, 1996; and

''(II) is blind or disabled, as defined in paragraph (2) or (3) of section 1614(a) of the Social Security Act (42 U.S.C. 1382c(a)); and

''(ii) in the case''.

SEC. 453. COMMODITIES FOR SCHOOL LUNCH PROGRAMS.

(a) IN GENERAL.—Section 6(e)(1)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 454. ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS.

(a) IN GENERAL.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended by adding at the end the following:

''(7) EXCLUSION OF CERTAIN MILITARY HOUSING ALLOWANCES.—For each of fiscal years 2002 and 2003, the amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of a member of a uniformed service for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law, shall not be considered to be income for the purpose of determining the eligibility of a child who is a member of the household of the member of a uniformed service for free or reduced price lunches under this Act.''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 455. ELIGIBILITY FOR ASSISTANCE UNDER THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) IN GENERAL.—Section 17(d)(2)(B)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(B)(i)) is amended—

(1) by striking ''basic allowance for housing'' and inserting the following: ''basic allowance—

''(I) for housing'';

(2) by striking ''and'' at the end and inserting ''or''; and

(3) by adding at the end the following:

''(II) provided under section 403 of title 37, United States Code, for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law; and''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 456. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall carry out and expand a seniors farmers' market nutrition program.

(b) PROGRAM PURPOSES.—The purposes of the seniors farmers' market nutrition program are—

(1) to provide to low-income seniors resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands, and community-supported agriculture programs;

(2) to increase domestic consumption of agricultural commodities by expanding or assisting in the expansion of domestic farmers' markets, roadside stands, and community-supported agriculture programs; and

(3) to develop or aid in the development of new farmers' markets, roadside stands, and community-supported agriculture programs.

(c) REGULATIONS.—The Secretary of Agriculture may promulgate such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program under this section.

(d) FUNDING.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $15,000,000.

(2) RECEIPT AND ACCEPTANCE.—The Secretary of Agriculture shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

SEC. 457. FRUIT AND VEGETABLE PILOT PROGRAM.

(a) IN GENERAL.—In the school year beginning July 2002, the Secretary of Agriculture shall use funds made available under section 32 of the Act of August 24, 1935 (7 U.S.C. 612c), to conduct a pilot program to make available to students, in 25 elementary or secondary schools in each of 4 States, and in elementary or secondary schools on 1 Indian reservation, free fruits and vegetables throughout the school day in—

(1) a cafeteria;

(2) a student lounge; or

(3) another designated room of the school.

(b) PUBLICITY.—A school that participates in the pilot program shall widely publicize within the school the availability of free fruits and vegetables under the pilot program.

(c) EVALUATION OF PILOT PROGRAM.—

(1) IN GENERAL.—The Secretary of Agriculture shall conduct an evaluation of the results of the pilot program to determine—

(A) whether students took advantage of the pilot program;

(B) whether interest in the pilot program increased or lessened over time; and

(C) what effect, if any, the pilot program had on vending machine sales.

(2) FUNDING.—The Secretary shall use $200,000 of the funds described in subsection (a) to carry out the evaluation under this subsection.

SEC. 458. CONGRESSIONAL HUNGER FELLOWS PROGRAM.

(a) SHORT TITLE.—This section may be cited as the ''Congressional Hunger Fellows Act of 2001''.

(b) FINDINGS.—Congress finds that—

(1) there are—

(A) a critical need for compassionate individuals who are committed to assisting people who suffer from hunger; and

(B) a need for those individuals to initiate and administer solutions to the hunger problem;

(2) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated—

(A) his commitment to solving the problem of hunger in a bipartisan manner;

(B) his commitment to public service; and

(C) his great affection for the institution and the ideals of Congress;

(3) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated—

(A) his compassion for individuals in need;

(B) his high regard for public service; and

(C) his lively exercise of political talents;

(4) the special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all; and

(5) since those 2 outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by establishing a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(c) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means—

(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the Senate.

(2) BOARD.—The term ''Board'' means the Board of Trustees of the Program.

(3) FUND.—The term ''Fund'' means the Congressional Hunger Fellows Trust Fund established by subsection (g).

(4) PROGRAM.—The term ''Program'' means the Congressional Hunger Fellows Program established by subsection (d).

(d) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government an entity to be known as the ''Congressional Hunger Fellows Program''.

(e) BOARD OF TRUSTEES.—

(1) IN GENERAL.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) MEMBERS OF THE BOARD.—

(A) APPOINTMENT.—

(i) IN GENERAL.—The Board shall be composed of 6 voting members appointed under clause (ii) and 1 nonvoting ex-officio member designated by clause (iii).

(ii) VOTING MEMBERS.—The voting members of the Board shall be the following:

(I) 2 members appointed by the Speaker of the House of Representatives.

(II) 1 member appointed by the minority leader of the House of Representatives.

(III) 2 members appointed by the majority leader of the Senate.

(IV) 1 member appointed by the minority leader of the Senate.

(iii) NONVOTING MEMBER.—The Executive Director of the Program shall serve as a nonvoting ex-officio member of the Board.

(B) TERMS.—

(i) IN GENERAL.—Each member of the Board shall serve for a term of 4 years.

(ii) INCOMPLETE TERM.—If a member of the Board does not serve the full term of the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(C) VACANCY.—A vacancy on the Board—

(i) shall not affect the powers of the Board; and

(ii) shall be filled in the same manner as the original appointment was made.

(D) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) COMPENSATION.—

(i) IN GENERAL.—Subject to clause (ii), a member of the Board shall not receive compensation for service on the Board.

(ii) TRAVEL.—A member of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Board.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as are appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Bylaws and other regulations established under clause (i) shall include provisions—

(I) for appropriate fiscal control, accountability for funds, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in—

(aa) the procurement and employment actions taken by the Board or by any officer or employee of the Board; and

(bb) the selection and placement of individuals in the fellowships developed under the Program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) SUBMISSION TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall submit to the appropriate congressional committees a copy of the bylaws established by the Board.

(B) BUDGET.—For each fiscal year in which the Program is in operation—

(i) the Board shall determine a budget for the Program for the fiscal year; and

(ii) all spending by the Program shall be in accordance with the budget unless a change is approved by the Board.

(C) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the Program.

(D) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board shall determine—

(i) the priority of the programs to be carried out under this section; and

(ii) the amount of funds to be allocated for the fellowships established under subsection (f)(3)(A).

(f) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the Program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service;

(B) to recognize the needs of people who are hungry and poor;

(C) to provide assistance and compassion for people in need;

(D) to increase awareness of the importance of public service; and

(E) to provide training and development opportunities for the leaders through placement in programs operated by appropriate entities.

(2) AUTHORITY.—The Program may develop fellowships to carry out the purposes of the Program, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—

(A) IN GENERAL.—The Program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS.—

(I) BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(II) MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iii) WORK PLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the Program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including the specific duties and responsibilities relating to the objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOWSHIP.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for a period of not more than 1 year.

(ii) LELAND FELLOWSHIP.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for a period of not more than 2 years, of which not less than 1 year shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded through a nationwide competition established by the Program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) leadership potential or leadership experience;

(III) diverse life experience;

(IV) proficient writing and speaking skills;

(V) an ability to live in poor or diverse communities; and

(VI) such other attributes as the Board determines to be appropriate.

(iii) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the Program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a Bill Emerson Hunger Fellowship shall be known as an ''Emerson Fellow''.

(II) LELAND FELLOW.—An individual awarded a Mickey Leland Hunger Fellowship shall be known as a ''Leland Fellow''.

(4) EVALUATIONS.—

(A) IN GENERAL.—The Program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships.

(B) REQUIRED ELEMENTS.—Each evaluation shall include—

(i) an assessment of the successful completion of the work plan of each fellow;

(ii) an assessment of the impact of the fellowship on the fellows;

(iii) an assessment of the accomplishment of the purposes of the Program; and

(iv) an assessment of the impact of each fellow on the community.

(g) TRUST FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the ''Congressional Hunger Fellows Trust Fund'', consisting of—

(A) amounts appropriated to the Fund under subsection (k);

(B) any amounts earned on investment of amounts in the Fund under paragraph (2); and

(C) amounts received under subsection (i)(3)(A).

(2) INVESTMENT OF AMOUNTS.—

(A) IN GENERAL.—

(i) AUTHORITY TO INVEST.—The Secretary of the Treasury shall invest such portion of the Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals.

(ii) TYPES OF INVESTMENTS.—Each investment may be made only in an interest-bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary of the Treasury in consultation with the Board, has a maturity suitable for the Fund.

(B) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under subparagraph (A), obligations may be acquired—

(i) on original issue at the issue price; or

(ii) by purchase of outstanding obligations at the market price.

(C) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

(D) CREDITS TO FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(3) TRANSFERS OF AMOUNTS.—

(A) IN GENERAL.—The amounts required to be transferred to the Fund under this subsection shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

(B) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(h) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the Program from the amounts described in subsections (g)(2)(D) and (i)(3)(A) such sums as the Board determines to be necessary to enable the Program to carry out this section.

(2) LIMITATION.—The Secretary may not transfer to the Program the amounts appropriated to the Fund under subsection (k).

(3) USE OF FUNDS.—Funds transferred to the Program under paragraph (1) shall be used—

(A) to provide a living allowance for the fellows;

(B) to defray the costs of transportation of the fellows to the fellowship placement sites;

(C) to defray the costs of appropriate insurance of the fellows, the Program, and the Board;

(D) to defray the costs of preservice and midservice education and training of fellows;

(E) to pay staff described in subsection (i);

(F) to make end-of-service awards under subsection (f)(3)(D)(iii)(II); and

(G) for such other purposes as the Board determines to be appropriate to carry out the Program.

(4) AUDIT BY COMPTROLLER GENERAL.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the Program.

(B) BOOKS.—The Program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the Program and necessary to facilitate the audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit to the appropriate congressional committees a copy of the results of each audit under subparagraph (A).

(i) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the Program who shall—

(i) administer the Program; and

(ii) carry out such other functions consistent with this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of such additional personnel as the Executive Director considers necessary to carry out this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate payable for level GS–15 of the General Schedule.

(3) POWERS.—

(A) GIFTS.—

(i) IN GENERAL.—The Program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Program.

(ii) USE OF GIFTS.—Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall—

(I) be deposited in the Fund; and

(II) be available for disbursement on order of the Board.

(B) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—To carry out this section, the Program may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay payable for level GS–15 of the General Schedule.

(C) CONTRACT AUTHORITY.—To carry out this section, the Program may, with the approval of a majority of the members of the Board, contract with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) OTHER NECESSARY EXPENDITURES.—

(i) IN GENERAL.—Subject to clause (ii), the Program may make such other expenditures as the Program considers necessary to carry out this section.

(ii) PROHIBITION.—The Program may not expend funds to develop new or expanded projects at which fellows may be placed.

(j) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the Program carried out during the preceding fiscal year that includes—

(1) an analysis of the evaluations conducted under subsection (f)(4) during the fiscal year; and

(2) a statement of—

(A) the total amount of funds attributable to gifts received by the Program in the fiscal year under subsection (i)(3)(A); and

(B) the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $18,000,000.

(l) EFFECTIVE DATE.—This section takes effect on October 1, 2002.

SEC. 459. NUTRITION INFORMATION AND AWARENESS PILOT PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture may establish, in not more than 15 States, a pilot program to increase the domestic consumption of fresh fruits and vegetables.

(b) PURPOSE.—The purpose of the program shall be to provide funds to States to assist eligible public and private sector entities with cost-share assistance to carry out demonstration projects—

(1) to increase fruit and vegetable consumption; and

(2) to convey related health promotion messages.

(c) PRIORITY.—To the maximum extent practicable, the Secretary shall—

(1) establish the program in States in which the production of fruits or vegetables is a significant industry, as determined by the Secretary; and

(2) base the program on strategic initiatives, including—

(A) health promotion and education interventions;

(B) public service and paid advertising or marketing activities;

(C) health promotion campaigns relating to locally grown fruits and vegetables; and

(D) social marketing campaigns.

(d) PARTICIPANT ELIGIBILITY.—In selecting States to participate in the program, the Secretary shall take into consideration, with respect to projects and activities proposed to be carried out by the State under the program—

(1) experience in carrying out similar projects or activities;

(2) innovation; and

(3) the ability of the State—

(A) to conduct marketing campaigns for, promote, and track increases in levels of, produce consumption; and

(B) to optimize the availability of produce through distribution of produce.

(e) FEDERAL SHARE.—The Federal share of the cost of any project or activity carried out using funds provided under this section shall be 50 percent.

(f) USE OF FUNDS.—Funds made available to carry out this section shall not be made available to any foreign for-profit corporation.

(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2002 through 2006.

SEC. 460. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title take effect on September 1, 2002, except that a State agency may, at the option of the State agency, elect not to implement any or all of the amendments until October 1, 2002.

TITLE V—CREDIT

Subtitle A—Farm Ownership Loans

SEC. 501. DIRECT LOANS.

Section 302(b)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(b)(1)) is amended by striking ''operated'' and inserting ''participated in the business operations of''.

SEC. 502. FINANCING OF BRIDGE LOANS.

Section 303(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1923(a)(1)) is amended—

(1) in subparagraph (C), by striking ''or'' at the end;

(2) in subparagraph (D), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(E) refinancing, during a fiscal year, a short-term, temporary bridge loan made by a commercial or cooperative lender to a beginning farmer or rancher for the acquisition of land for a farm or ranch, if—

''(i) the Secretary approved an application for a direct farm ownership loan to the beginning farmer or rancher for acquisition of the land; and

''(ii) funds for direct farm ownership loans under section 346(b) were not available at the time at which the application was approved.''.

SEC. 503. LIMITATIONS ON AMOUNT OF FARM OWNERSHIP LOANS.

Section 305 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925) is amended by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—The Secretary shall not make or insure a loan under section 302, 303, 304, 310D, or 310E that would cause the unpaid indebtedness under those sections of any 1 borrower to exceed the lesser of—

''(1) the value of the farm or other security; or

''(2)(A) in the case of a loan made by the Secretary—

''(i) to a beginning farmer or rancher, $250,000, as adjusted (beginning with fiscal year 2003) by the inflation percentage applicable to the fiscal year in which the loan is made; or

''(ii) to a borrower other than a beginning farmer or rancher, $200,000; or

''(B) in the case of a loan guaranteed by the Secretary, $700,000, as—

''(i) adjusted (beginning with fiscal year 2000) by the inflation percentage applicable to the fiscal year in which the loan is guaranteed; and

''(ii) reduced by the amount of any unpaid indebtedness of the borrower on loans under subtitle B that are guaranteed by the Secretary.''.

SEC. 504. JOINT FINANCING ARRANGEMENTS.

Section 307(a)(3)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1927(a)(3)(D)) is amended—

(1) by striking ''If'' and inserting the following:

''(i) IN GENERAL.—Subject to clause (ii), if''; and

(2) by adding at the end the following:

''(ii) BEGINNING FARMERS AND RANCHERS.—The interest rate charged a beginning farmer or rancher for a loan described in clause (i) shall be 50 basis points less than the rate charged farmers and ranchers that are not beginning farmers or ranchers.''.

SEC. 505. GUARANTEE PERCENTAGE FOR BEGINNING FARMERS AND RANCHERS.

Section 309(h)(6) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)(6)) is amended by striking ''GUARANTEED UP'' and all that follows through ''more than'' and inserting ''GUARANTEED AT 95 PERCENT.—The Secretary shall guarantee''.

SEC. 506. GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.

Section 309 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929) is amended by adding at the end the following:

''(j) GUARANTEE OF LOANS MADE UNDER STATE BEGINNING FARMER OR RANCHER PROGRAMS.—The Secretary may guarantee under this title a loan made under a State beginning farmer or rancher program, including a loan financed by the net proceeds of a qualified small issue agricultural bond for land or property described in section 144(a)(12)(B)(ii) of the Internal Revenue Code of 1986.''.

SEC. 507. DOWN PAYMENT LOAN PROGRAM.

Section 310E of the Consolidated Farm and Rural Development Act (7 U.S.C. 1935) is amended—

(1) in subsection (b)—

(A) in paragraph (1), by striking ''30 percent'' and inserting ''40 percent''; and

(B) in paragraph (3), by striking ''10 years'' and inserting ''20 years''; and

(2) in subsection (c)(3)(B), by striking ''10-year'' and inserting ''20-year''.

SEC. 508. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922 et seq.) is amended by adding at the end the following:

''SEC. 310F. BEGINNING FARMER AND RANCHER CONTRACT LAND SALES PROGRAM.

''(a) IN GENERAL.—Not later than October 1, 2002, the Secretary shall carry out a pilot program in not fewer than 10 geographically dispersed States, as determined by the Secretary, to guarantee up to 5 loans per State in each of fiscal years 2003 through 2006 made by a private seller of a farm or ranch to a qualified beginning farmer or rancher on a contract land sale basis, if the loan meets applicable underwriting criteria and a commercial lending institution agrees to serve as escrow agent.

''(b) DATE OF COMMENCEMENT OF PROGRAM.—The Secretary shall commence the pilot program on making a determination that guarantees of contract land sales present a risk that is comparable with the risk presented in the case of guarantees to commercial lenders.''.

Subtitle B—Operating Loans

SEC. 511. DIRECT LOANS.

Section 311(c)(1)(A) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)(1)(A)) is amended by striking ''who has not'' and all that follows through ''5 years''.

SEC. 512. AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL FARM OPERATIONS; WAIVER OF LIMITATIONS FOR TRIBAL OPERATIONS AND OTHER OPERATIONS.

(a) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL OPERATIONS.—Section 309(h) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1929(h)) is amended—

(1) in paragraph (4), by striking ''paragraphs (5) and (6)'' and inserting ''paragraphs (5), (6), and (7)''; and

(2) by adding at the end the following:

''(7) AMOUNT OF GUARANTEE OF LOANS FOR TRIBAL OPERATIONS.—In the case of an operating loan made to a farmer or rancher who is a member of an Indian tribe and whose farm or ranch is within an Indian reservation (as defined in section 335(e)(1)(A)(ii)), the Secretary shall guarantee 95 percent of the loan.''.

(b) WAIVER OF LIMITATIONS.—Section 311(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1941(c)) is amended—

(1) in paragraph (1), by striking ''paragraph (3)'' and inserting ''paragraphs (3) and (4)''; and

(2) by adding at the end the following:

''(4) WAIVERS.—

''(A) TRIBAL FARM AND RANCH OPERATIONS.—The Secretary shall waive the limitation under paragraph (1)(C) or (3) for a direct loan made under this subtitle to a farmer or rancher who is a member of an Indian tribe and whose farm or ranch is within an Indian reservation (as defined in section 335(e)(1)(A)(ii)) if the Secretary determines that commercial credit is not generally available for such farm or ranch operations.

''(B) OTHER FARM AND RANCH OPERATIONS.—On a case-by-case determination not subject to administrative appeal, the Secretary may grant a borrower a waiver, 1 time only for a period of 2 years, of the limitation under paragraph (1)(C) or (3) for a direct operating loan if the borrower demonstrates to the satisfaction of the Secretary that—

''(i) the borrower has a viable farm or ranch operation;

''(ii) the borrower applied for commercial credit from at least 2 commercial lenders;

''(iii) the borrower was unable to obtain a commercial loan (including a loan guaranteed by the Secretary); and

''(iv) the borrower successfully has completed, or will complete within 1 year, borrower training under section 359 (from which requirement the Secretary shall not grant a waiver under section 359(f)).''.

Subtitle C—Administrative Provisions

SEC. 521. ELIGIBILITY OF LIMITED LIABILITY COMPANIES FOR FARM OWNERSHIP LOANS, FARM OPERATING LOANS, AND EMERGENCY LOANS.

(a) IN GENERAL.—Sections 302(a), 311(a), and 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922(a), 1941(a), 1961(a)) are amended by striking ''and joint operations'' each place it appears and inserting ''joint operations, and limited liability companies''.

(b) CONFORMING AMENDMENT.—Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking ''or joint operations'' each place it appears and inserting ''joint operations, or limited liability companies''.

SEC. 522. DEBT SETTLEMENT.

Section 331(b)(4) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981(b)(4)) is amended by striking ''carried out—'' and all that follows through ''(B) after'' and inserting ''carried out after''.

SEC. 523. TEMPORARY AUTHORITY TO ENTER INTO CONTRACTS; PRIVATE COLLECTION AGENCIES.

(a) IN GENERAL.—Section 331 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981) is amended by striking subsections (d) and (e).

(b) APPLICATION.—The amendment made by subsection (a) shall not apply to a contract entered into before the effective date of this Act.

SEC. 524. INTEREST RATE OPTIONS FOR LOANS IN SERVICING.

Section 331B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981b) is amended—

(1) by striking ''lower of (1) the'' and inserting the following: ''lowest of—

''(1) the''; and

(2) by striking ''original loan or (2) the'' and inserting the following: ''original loan;

''(2) the rate being charged by the Secretary for loans, other than guaranteed loans, of the same type at the time at which the borrower applies for a deferral, consolidation, rescheduling, or reamortization; or

''(3) the''.

SEC. 525. ANNUAL REVIEW OF BORROWERS.

Section 333 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983) is amended by striking paragraph (2) and inserting the following:

''(2) except with respect to a loan under section 306, 310B, or 314—

''(A) an annual review of the credit history and business operation of the borrower; and

''(B) an annual review of the continued eligibility of the borrower for the loan;''.

SEC. 526. SIMPLIFIED LOAN APPLICATIONS.

Section 333A(g)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a(g)(1)) is amended by striking ''of loans the principal amount of which is $50,000 or less'' and inserting ''of farmer program loans the principal amount of which is $100,000 or less''.

SEC. 527. INVENTORY PROPERTY.

Section 335(c) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1985(c)) is amended—

(1) in paragraph (1)—

(A) in subparagraph (B)—

(i) in clause (i), by striking ''75 days'' and inserting ''135 days''; and

(ii) by adding at the end the following:

''(iv) COMBINING AND DIVIDING OF PROPERTY.—To the maximum extent practicable, the Secretary shall maximize the opportunity for beginning farmers and ranchers to purchase real property acquired by the Secretary under this title by combining or dividing inventory parcels of the property in such manner as the Secretary determines to be appropriate.''; and

(B) in subparagraph (C)—

(i) by striking ''75 days'' and inserting ''135 days''; and

(ii) by striking ''75-day period'' and inserting ''135-day period'';

(2) by striking paragraph (2) and inserting the following:

''(2) PREVIOUS LEASE.—In the case of real property acquired before April 4, 1996, that the Secretary leased before April 4, 1996, not later than 60 days after the lease expires, the Secretary shall offer to sell the property in accordance with paragraph (1).''; and

(3) in paragraph (3)—

(A) in subparagraph (A), by striking ''subparagraph (B)'' and inserting ''subparagraphs (B) and (C)''; and

(B) by adding at the end the following:

''(C) OFFER TO SELL OR GRANT FOR FARMLAND PRESERVATION.—For the purpose of farmland preservation, the Secretary shall—

''(i) in consultation with the State Conservationist of each State in which inventory property is located, identify each parcel of inventory property in the State that should be preserved for agricultural use; and

''(ii) offer to sell or grant an easement, restriction, development right, or similar legal right to each parcel identified under clause (i) to a State, a political subdivision of a State, or a private nonprofit organization separately from the underlying fee or other rights to the property owned by the United States.''.

SEC. 528. DEFINITIONS.

(a) QUALIFIED BEGINNING FARMER OR RANCHER.—Section 343(a)(11)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(11)(F)) is amended by striking ''25 percent'' and inserting ''30 percent''.

(b) DEBT FORGIVENESS.—Section 343(a)(12) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)(12)) is amended by striking subparagraph (B) and inserting the following:

''(B) EXCEPTIONS.—The term 'debt forgiveness' does not include—

''(i) consolidation, rescheduling, reamortization, or deferral of a loan; or

''(ii) any write-down provided as part of a resolution of a discrimination complaint against the Secretary.''.

SEC. 529. LOAN AUTHORIZATION LEVELS.

Section 346 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1994) is amended—

(1) in subsection (b)—

(A) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—The Secretary may make or guarantee loans under subtitles A and B from the Agricultural Credit Insurance Fund provided for in section 309 for not more than $3,750,000,000 for each of fiscal years 2002 through 2006, of which, for each fiscal year—

''(A) $750,000,000 shall be for direct loans, of which—

''(i) $200,000,000 shall be for farm ownership loans under subtitle A; and

''(ii) $550,000,000 shall be for operating loans under subtitle B; and

''(B) $3,000,000,000 shall be for guaranteed loans, of which—

''(i) $1,000,000,000 shall be for guarantees of farm ownership loans under subtitle A; and

''(ii) $2,000,000,000 shall be for guarantees of operating loans under subtitle B.''; and

(B) in paragraph (2)(A)(ii), by striking ''farmers and ranchers'' and all that follows and inserting ''farmers and ranchers 35 percent for each of fiscal years 2002 through 2006.''; and

(2) in subsection (c), by striking the last sentence.

SEC. 530. INTEREST RATE REDUCTION PROGRAM.

Section 351 of the Consolidated Farm and Rural Development Act (7 U.S.C. 1999) is amended—

(1) in subsection (a)—

(A) by striking ''PROGRAM.—'' and all that follows through ''The Secretary'' and inserting ''PROGRAM.—The Secretary''; and

(B) by striking paragraph (2);

(2) by striking subsection (c) and inserting the following:

''(c) AMOUNT OF INTEREST RATE REDUCTION.—

''(1) IN GENERAL.—In return for a contract entered into by a lender under subsection (b) for the reduction of the interest rate paid on a loan, the Secretary shall make payments to the lender in an amount equal to not more than 100 percent of the cost of reducing the annual rate of interest payable on the loan, except that such payments shall not exceed the cost of reducing the rate by more than—

''(A) in the case of a borrower other than a beginning farmer or rancher, 3 percent; and

''(B) in the case of a beginning farmer or rancher, 4 percent.

''(2) BEGINNING FARMERS AND RANCHERS.—The percentage reduction of the interest rate for which payments are authorized to be made for a beginning farmer or rancher under paragraph (1) shall be 1 percent more than the percentage reduction for farmers and ranchers that are not beginning farmers or ranchers.''; and

(3) in subsection (e), by striking paragraph (2) and inserting the following:

''(2) MAXIMUM AMOUNT OF FUNDS.—

''(A) IN GENERAL.—The total amount of funds used by the Secretary to carry out this section for a fiscal year shall not exceed $750,000,000.

''(B) BEGINNING FARMERS AND RANCHERS.—

''(i) IN GENERAL.—The Secretary shall reserve not less than 25 percent of the funds used by the Secretary under subparagraph (A) to make payments for guaranteed loans made to beginning farmers and ranchers.

''(ii) DURATION OF RESERVATION OF FUNDS.—Funds reserved for beginning farmers or ranchers under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.''.

SEC. 531. OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT FOR SHARED APPRECIATION AGREEMENTS.

(a) IN GENERAL.—Section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) is amended—

(1) in subparagraph (C), by redesignating clauses (i) and (ii) as subclauses (I) and (II), respectively, and adjusting the margins appropriately;

(2) by redesignating subparagraphs (A) through (C) as clauses (i) through (iii), respectively, and adjusting the margins appropriately;

(3) by striking the paragraph heading and inserting the following:

''(7) OPTIONS FOR SATISFACTION OF OBLIGATION TO PAY RECAPTURE AMOUNT.—

''(A) IN GENERAL.—As an alternative to repaying the full recapture amount at the end of the term of the shared appreciation agreement (as determined by the Secretary in accordance with this subsection), a borrower may satisfy the obligation to pay the amount of recapture by—

''(i) financing the recapture payment in accordance with subparagraph (B); or

''(ii) granting the Secretary an agricultural use protection and conservation easement on the property subject to the shared appreciation agreement in accordance with subparagraph (C).

''(B) FINANCING OF RECAPTURE PAYMENT.—''; and

(4) by adding at the end the following:

''(C) AGRICULTURAL USE PROTECTION AND CONSERVATION EASEMENT.—

''(i) IN GENERAL.—Subject to clause (iii), the Secretary shall accept an agricultural use protection and conservation easement from the borrower for all of the real security property subject to the shared appreciation agreement in lieu of payment of the recapture amount.

''(ii) TERM.—The term of an easement accepted by the Secretary under this subparagraph shall be 25 years.

''(iii) CONDITIONS.—The easement shall require that the property subject to the easement shall continue to be used or conserved for agricultural and conservation uses in accordance with sound farming and conservation practices, as determined by the Secretary.

''(iv) REPLACEMENT OF METHOD OF SATISFYING OBLIGATION.—A borrower that has begun financing of a recapture payment under subparagraph (B) may replace that financing with an agricultural use protection and conservation easement under this subparagraph.''.

(b) APPLICABILITY.—The amendments made by subsection (a) shall apply to a shared appreciation agreement entered into under section 353(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)) that—

(1) matures on or after the date of enactment of this Act; or

(2) matured before the date of enactment of this Act, if—

(A) the recapture amount was reamortized under section 353(e)(7) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2001(e)(7)) (as in effect on the day before the date of enactment of this Act); or

(B)(i) the recapture amount had not been paid before the date of enactment of this Act because of circumstances beyond the control of the borrower; and

(ii) the borrower acted in good faith (as determined by the Secretary) in attempting to repay the recapture amount.

SEC. 532. WAIVER OF BORROWER TRAINING CERTIFICATION REQUIREMENT.

Section 359 of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a) is amended by striking subsection (f) and inserting the following:

''(f) WAIVERS.—

''(1) IN GENERAL.—The Secretary may waive the requirements of this section for an

individual borrower if the Secretary determines that the borrower demonstrates adequate knowledge in areas described in this section.

''(2) CRITERIA.—The Secretary shall establish criteria providing for the application of paragraph (1) consistently in all counties nationwide.''.

SEC. 533. ANNUAL REVIEW OF BORROWERS.

Section 360(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(d)(1)) is amended by striking ''biannual'' and inserting ''annual''.

Subtitle D—Farm Credit

SEC. 541. REPEAL OF BURDENSOME APPROVAL REQUIREMENTS.

(a) BANKS FOR COOPERATIVES.—Section 3.1(11)(B) of the Farm Credit Act of 1971 (12 U.S.C. 2122(11)(B)) is amended—

(1) by striking clause (iii); and

(2) by redesignating clause (iv) as clause (iii).

(b) OTHER SYSTEM BANKS; ASSOCIATIONS.—Section 4.18A of the Farm Credit Act of 1971 (12 U.S.C. 2206a) is amended—

(1) in subsection (a)(1), by striking ''3.1(11)(B)(iv)'' and inserting ''3.1(11)(B)(iii)''; and

(2) by striking subsection (c).

SEC. 542. BANKS FOR COOPERATIVES.

Section 3.7(b) of the Farm Credit Act of 1971 (12 U.S.C. 2128(b)) is amended—

(1) in paragraphs (1) and (2)(A)(i), by striking ''farm supplies'' each place it appears and inserting ''agricultural supplies''; and

(2) by adding at the end the following:

''(4) DEFINITION OF AGRICULTURAL SUPPLY.—In this subsection, the term 'agricultural supply' includes—

''(A) a farm supply; and

''(B)(i) agriculture-related processing equipment;

''(ii) agriculture-related machinery; and

''(iii) other capital goods related to the storage or handling of agricultural commodities or products.''.

SEC. 543. INSURANCE CORPORATION PREMIUMS.

(a) REDUCTION IN PREMIUMS FOR GSE-GUARANTEED LOANS.—

(1) IN GENERAL.—Section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) is amended—

(A) in subsection (a)—

(i) in paragraph (1)—

(I) in subparagraph (A), by striking ''government-guaranteed loans provided for in subparagraph (C)'' and inserting ''loans provided for in subparagraphs (C) and (D)'';

(II) in subparagraph (B), by striking ''and'' at the end;

(III) in subparagraph (C), by striking the period at the end and inserting ''; and''; and

(IV) by adding at the end the following:

''(D) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans made by the bank that are in accrual status, multiplied by a factor, not to exceed 0.0015, determined by the Corporation at the sole discretion of the Corporation.''; and

(ii) by adding at the end the following:

''(4) DEFINITION OF GOVERNMENT SPONSORED ENTERPRISE-GUARANTEED LOAN.—In this section and sections 1.12(b) and 5.56(a), the term 'Government Sponsored Enterprise-guaranteed loan' means a loan or credit, or portion of a loan or credit, that is guaranteed by an entity that is chartered by Congress to serve a public purpose and the debt obligations of which are not explicitly guaranteed by the United States, including the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the Federal Home Loan Bank System, and the Federal Agricultural Mortgage Corporation, but not including any other institution of the Farm Credit System.''; and

(B) in subsection (e)(4)(B), by striking ''government-guaranteed loans described in subsection (a)(1)(C)'' and inserting ''loans described in subparagraph (C) or (D) of subsection (a)(1)''.

(2) CONFORMING AMENDMENTS.—

(A) Section 1.12(b) of the Farm Credit Act of 1971 (12 U.S.C. 2020(b)) is amended—

(i) in paragraph (1), by inserting ''and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) provided for in paragraph (4)'' after ''government-guaranteed loans (as defined in section 5.55(a)(3)) provided for in paragraph (3)'';

(ii) in paragraph (2), by striking ''and'' at the end;

(iii) in paragraph (3), by striking the period at the end and inserting ''; and''; and

(iv) by adding at the end the following:

''(4) the annual average principal outstanding for such year on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as so defined) made by the association, or by the other financing institution and funded by or discounted with the Farm Credit Bank, that are in accrual status, multiplied by a factor, not to exceed 0.0015, determined by the Corporation for the purpose of setting the premium for such guaranteed portions of loans under section 5.55(a)(1)(D).''.

(B) Section 5.56(a) of the Farm Credit Act of 1971 (12 U.S.C. 2277a–5(a)) is amended—

(i) in paragraph (1), by inserting ''and Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4))'' after ''government-guaranteed loans'';

(ii) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(iii) by inserting after paragraph (3) the following:

''(4) the annual average principal outstanding on the guaranteed portions of Government Sponsored Enterprise-guaranteed loans (as defined in section 5.55(a)(4)) that are in accrual status;''.

(b) EFFECTIVE DATE.—The amendments made by subsection (a) take effect on the date on which Farm Credit System Insurance Corporation premiums are due from insured Farm Credit System banks under section 5.55 of the Farm Credit Act of 1971 (12 U.S.C. 2277a–4) for calendar year 2001.

SEC. 544. BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.

Section 8.2(b) of the Farm Credit Act of 1971 (12 U.S.C. 2279aa–2(b)) is amended—

(1) in paragraph (2)—

(A) by striking ''15'' and inserting ''17'';

(B) in subparagraph (A), by striking ''common stock'' and all that follows and inserting ''Class A voting common stock;'';

(C) in subparagraph (B), by striking ''common stock'' and all that follows and inserting ''Class B voting common stock;'';

(D) by redesignating subparagraph (C) as subparagraph (D); and

(E) by inserting after subparagraph (B) the following:

''(C) 2 members shall be elected by holders of Class A voting common stock and Class B voting common stock, 1 of whom shall be the chief executive officer of the Corporation and 1 of whom shall be another executive officer of the Corporation; and'';

(2) in paragraph (3), by striking ''(2)(C)'' and inserting ''(2)(D)'';

(3) in paragraph (4)—

(A) in subparagraph (A), by striking ''(A) or (B)'' and inserting ''(A), (B), or (C)''; and

(B) in subparagraph (B), by striking ''(2)(C)'' and inserting ''(2)(D)'';

(4) in paragraph (5)(A)—

(A) by inserting ''executive officers of the Corporation or'' after ''from among persons who are''; and

(B) by striking ''such a representative'' and inserting ''such an executive officer or representative'';

(5) in paragraph (6)(B), by striking ''(A) and (B)'' and inserting ''(A), (B), and (C)'';

(6) in paragraph (7), by striking ''8 members'' and inserting ''Nine members'';

(7) in paragraph (8)—

(A) in the paragraph heading, by inserting ''OR EXECUTIVE OFFICERS OF THE CORPORATION'' after ''EMPLOYEES''; and

(B) by inserting ''or executive officers of the Corporation'' after ''United States''; and

(8) by striking paragraph (9) and inserting the following:

''(9) CHAIRPERSON.—

''(A) ELECTION.—The permanent board shall annually elect a chairperson from among the members of the permanent board.

''(B) TERM.—The term of the chairperson shall coincide with the term served by elected members of the permanent board under paragraph (6)(B).''.

Subtitle E—General Provisions

SEC. 551. INAPPLICABILITY OF FINALITY RULE.

Section 281(a)(1) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 7001(a)(1)) is amended—

(1) by striking ''This subsection'' and inserting the following:

''(A) IN GENERAL.—Except as provided in subparagraph (B), this subsection''; and

(2) by adding at the end the following:

''(B) AGRICULTURAL CREDIT DECISIONS.—This subsection shall not apply with respect to an agricultural credit decision made by such a State, county, or area committee, or employee of such a committee, under the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.).''.

SEC. 552. TECHNICAL AMENDMENTS.

(a) Section 321(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1961(a)) is amended by striking ''Disaster Relief and Emergency Assistance Act'' each place it appears and inserting ''Robert T. Stafford Disaster Relief and Emergency Assistance Act (42 U.S.C. 5121 et seq.)''.

(b) Section 336(b) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1986(b)) is amended in the second sentence by striking ''provided for in section 332 of this title''.

(c) Section 359(c)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006a(c)(1)) is amended by striking ''established pursuant to section 332,''.

(d) Section 360(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2006b(a)) is amended by striking ''established pursuant to section 332''.

SEC. 553. EFFECTIVE DATE.

(a) IN GENERAL.—Except as provided in subsection (b) and section 543(b), this title and the amendments made by this title take effect on October 1, 2001.

(b) BOARD OF DIRECTORS OF THE FEDERAL AGRICULTURAL MORTGAGE CORPORATION.—The amendments made by section 544 take effect on the date of enactment of this Act.

TITLE VI—RURAL DEVELOPMENT

Subtitle A—Empowerment of Rural America

SEC. 601. NATIONAL RURAL COOPERATIVE AND BUSINESS EQUITY FUND.

The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) is amended by adding at the end the following:

''Subtitle G—National Rural Cooperative and Business Equity Fund

''SEC. 383A. SHORT TITLE.

''This subtitle may be cited as the 'National Rural Cooperative and Business Equity Fund Act'.

"SEC. 383B. PURPOSE.

"The purpose of this subtitle is to revitalize rural communities and enhance farm income through sustainable rural business development by providing Federal funds and credit enhancements to a private equity fund in order to encourage investments by institutional and noninstitutional investors for the benefit of rural America.

"SEC. 383C. DEFINITIONS.

"In this subtitle:

"(1) AUTHORIZED PRIVATE INVESTOR.—The term 'authorized private investor' means an individual, legal entity, or affiliate or subsidiary of an individual or legal entity that—

"(A) is eligible to receive a loan guarantee under this title;

"(B) is eligible to receive a loan guarantee under the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.);

"(C) is created under the National Consumer Cooperative Bank Act (12 U.S.C. 3011 et seq.);

"(D) is an insured depository institution subject to section 383E(b)(2);

"(E) is a Farm Credit System institution described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)); or

"(F) is determined by the Board to be an appropriate investor in the Fund.

"(2) BOARD.—The term 'Board' means the board of directors of the Fund established under section 383G.

"(3) FUND.—The term 'Fund' means the National Rural Cooperative and Business Equity Fund established under section 383D.

"(4) GROUP OF SIMILAR AUTHORIZED PRIVATE INVESTORS.—The term 'group of similar investors' means any 1 of the following:

"(A) Insured depository institutions with total assets of more than $250,000,000.

"(B) Insured depository institutions with total assets equal to or less than $250,000,000.

"(C) Farm Credit System institutions described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)).

"(D) Cooperative financial institutions (other than Farm Credit System institutions).

"(E) Private investors, other than those described in subparagraphs (A) through (D), authorized by the Secretary.

"(F) Other nonprofit organizations, including credit unions.

"(5) INSURED DEPOSITORY INSTITUTION.—The term 'insured depository institution' means any bank or savings association the deposits of which are insured under the Federal Deposit Insurance Act (12 U.S.C. 1811 et seq.).

"(6) RURAL BUSINESS.—The term 'rural business' means a rural cooperative, a value-added agricultural enterprise, or any other business located or locating in a rural area.

"SEC. 383D. ESTABLISHMENT.

"(a) AUTHORITY.—

"(1) IN GENERAL.—On certification by the Secretary that, to the maximum extent practicable, the parties proposing to establish a fund provide a broad representation of all of the groups of similar authorized private investors described in subparagraphs (A) through (F) of section 383C(4), the parties may establish a non-Federal entity under State law to purchase shares of, and manage a fund to be known as the 'National Rural Cooperative and Business Equity Fund', to generate and provide equity capital to rural businesses.

"(2) OWNERSHIP.—

"(A) IN GENERAL.—To the maximum extent practicable, equity ownership of the Fund shall be distributed among authorized private investors representing all of the groups of similar authorized private investors described in subparagraphs (A) through (F) of section 383C(4).

"(B) EXCLUSION OF GROUPS.—No group of authorized private investors shall be excluded from equity ownership of the Fund during any period during which the Fund is in existence if an authorized private investor representative of the group is able and willing to invest in the Fund.

"(b) PURPOSES.—The purposes of the Fund shall be—

"(1) to strengthen the economy of rural areas;

"(2) to further sustainable rural business development;

"(3) to encourage—

"(A) start-up rural businesses;

"(B) increased opportunities for small and minority-owned rural businesses; and

"(C) the formation of new rural businesses;

"(4) to enhance rural employment opportunities;

"(5) to provide equity capital to rural businesses, many of which have difficulty obtaining equity capital; and

"(6) to leverage non-Federal funds for rural businesses.

"(c) ARTICLES OF INCORPORATION AND BYLAWS.—The articles of incorporation and bylaws of the Fund shall set forth purposes of the Fund that are consistent with the purposes described in subsection (b).

"SEC. 383E. INVESTMENT IN THE FUND.

"(a) IN GENERAL.—Of the funds made available under section 383H, the Secretary shall—

"(1) subject to subsection (b)(1), make available to the Fund $150,000,000;

"(2) subject to subsection (c), guarantee 50 percent of each investment made by an authorized private investor in the Fund; and

"(3) subject to subsection (d), guarantee the repayment of principal of, and accrued interest on, debentures issued by the Fund to authorized private investors.

"(b) PRIVATE INVESTMENT.—

"(1) MATCHING REQUIREMENT.—Under subsection (a)(1), the Secretary shall make an amount available to the Fund only after an equal amount has been invested in the Fund by authorized private investors in accordance with this subtitle and the terms and conditions set forth in the bylaws of the Fund.

"(2) INSURED DEPOSITORY INSTITUTIONS.—

"(A) IN GENERAL.—Subject to subparagraphs (B) and (C)—

"(i) an insured depository institution may be an authorized private investor in the Fund; and

"(ii) an investment in the Fund may be considered to be part of the record of an institution in meeting the credit needs of the community in which the institution is located under any applicable Federal law.

"(B) INVESTMENT LIMIT.—The total investment in the Fund of an insured depository institution shall not exceed 5 percent of the capital and surplus of the institution.

"(C) REGULATORY AUTHORITY.—An appropriate Federal banking agency may, by regulation or order, impose on any insured depository institution investing in the Fund, any safeguard, limitation, or condition (including an investment limit that is lower than the investment limit under subparagraph (B)) that the Federal banking agency considers to be appropriate to ensure that the institution operates—

"(i) in a financially sound manner; and

"(ii) in compliance with all applicable law.

"(c) GUARANTEE OF PRIVATE INVESTMENTS.—

"(1) IN GENERAL.—The Secretary shall guarantee, under terms and conditions determined by the Secretary, 50 percent of any loss of the principal of an investment made in the Fund by an authorized private investor.

"(2) MAXIMUM TOTAL GUARANTEE.—The aggregate potential liability of the Secretary with respect to all guarantees under paragraph (1) shall not apply to more than $300,000,000 in private investments in the Fund.

"(3) REDEMPTION OF GUARANTEE.—

"(A) DATE.—An authorized private investor in the Fund may redeem a guarantee under paragraph (1), with respect to the total investments in the Fund and the total losses of the authorized private investor as of the date of redemption—

"(i) on the date that is 5 years after the date of the initial investment by the authorized private investor; or

"(ii) annually thereafter.

"(B) EFFECT OF REDEMPTION.—On redemption of a guarantee under subparagraph (A)—

"(i) the shares in the Fund of the authorized private investor shall be redeemed; and

"(ii) the authorized private investor shall be prohibited from making any future investment in the Fund.

"(d) DEBT SECURITIES.—

"(1) IN GENERAL.—The Fund may, at the discretion of the Board, generate additional capital through—

"(A) the issuance of debt securities; and

"(B) other means determined to be appropriate by the Board.

"(2) GUARANTEE OF DEBT BY SECRETARY.—

"(A) IN GENERAL.—The Secretary shall guarantee 100 percent of the principal of, and accrued interest on, debentures issued by the Fund that are approved by the Secretary.

"(B) MAXIMUM DEBT GUARANTEED BY SECRETARY.—The outstanding value of debentures issued by the Fund and guaranteed by the Secretary shall not exceed the lesser of—

"(i) the amount equal to twice the value of the assets held by the Fund; or

"(ii) $500,000,000.

"(C) RECAPTURE OF GUARANTEE PAYMENTS.—If the Secretary makes a payment on a debt security issued by the Fund as a result of a guarantee of the Secretary under this paragraph, the Secretary shall have priority over other creditors for repayment of the debt security.

"(3) AUTHORIZED PRIVATE INVESTORS.—An authorized private investor may purchase debt securities issued by the Fund.

"SEC. 383F. INVESTMENTS AND OTHER ACTIVITIES OF THE FUND.

"(a) INVESTMENTS.—

"(1) IN GENERAL.—

"(A) TYPES.—Subject to subparagraphs (B) and (C), the Fund may—

"(i) make equity investments in a rural business that meets—

"(I) the requirements of paragraph (6); and

"(II) such other requirements as the Board may establish; and

"(ii) extend credit to the rural business in—

"(I) the form of mezzanine debt or subordinated debt; or

"(II) any other form of quasi-equity.

"(B) LIMITATIONS ON INVESTMENTS.—

"(i) TOTAL INVESTMENTS BY A SINGLE RURAL BUSINESS.—Subject to clause (ii), investment by the Fund in a single rural business shall not exceed the greater of—

"(I) an amount equal to 7 percent of the capital of the Fund; or

"(II) $2,000,000.

"(ii) WAIVER.—The Secretary may waive the limitation in clause (i) in any case in which an investment exceeding the limits specified in clause (i) is necessary to preserve prior investments in the rural business.

"(iii) TOTAL NONEQUITY INVESTMENTS.—Except in the case of a project to assist a rural cooperative, the total amount of nonequity investments described in subparagraph (A)(ii) that may be provided by the Fund shall not exceed 20 percent of the total investments of the Fund in the project.

''(C) LIMITATION.—Notwithstanding subparagraph (B), the amount of any investment by the Fund in a rural business shall not exceed the aggregate amount invested in like securities by other private entities in that rural business.

''(2) PROCEDURES.—The Fund shall implement procedures to ensure that—

''(A) the financing arrangements of the Fund meet the Fund's primary focus of providing equity capital; and

''(B) the Fund does not compete with conventional sources of credit.

''(3) DIVERSITY OF PROJECTS.—The Fund—

''(A) shall seek to make equity investments in a variety of viable projects, with a significant share of investments—

''(i) in smaller enterprises (as defined in section 384A) in rural communities of diverse sizes; and

''(ii) in cooperative and noncooperative enterprises; and

''(B) shall be managed in a manner that diversifies the risks to the Fund among a variety of projects.

''(4) LIMITATION ON RURAL BUSINESSES ASSISTED.—The Fund shall not invest in any rural business that is primarily retail in nature (as determined by the Board), other than a purchasing cooperative.

''(5) INTEREST RATE LIMITATIONS.—Returns on investments in and by the Fund and returns on the extension of credit by participants in projects assisted by the Fund, shall not be subject to any State or Federal law establishing a maximum allowable interest rate.

''(6) REQUIREMENTS FOR RECIPIENTS.—

''(A) OTHER INVESTMENTS.—Any recipient of amounts from the Fund shall make or obtain a significant investment from a source of capital other than the Fund.

''(B) SPONSORSHIP.—To be considered for an equity investment from the Fund, a rural business investment project shall be sponsored by a regional, State, or local sponsoring or endorsing organization such as—

''(i) a financial institution;

''(ii) a development organization; or

''(iii) any other established entity engaging or assisting in rural business development, including a rural cooperative.

''(b) TECHNICAL ASSISTANCE.—The Fund, under terms and conditions established by the Board, shall use not less than 2 percent of capital provided by the Federal Government to provide technical assistance to rural businesses seeking an equity investment from the Fund.

''(c) ANNUAL AUDIT.—

''(1) IN GENERAL.—The Board shall authorize an annual audit of the financial statements of the Fund by a nationally recognized auditing firm using generally accepted accounting principles.

''(2) AVAILABILITY OF AUDIT RESULTS.—The results of the audit required by paragraph (1) shall be made available to investors in the Fund.

''(d) ANNUAL REPORT.—The Board shall prepare and make available to the public an annual report that—

''(1) describes the projects funded with amounts from the Fund;

''(2) specifies the recipients of amounts from the Fund;

''(3) specifies the coinvestors in all projects that receive amounts from the Fund; and

''(4) meets the reporting requirements, if any, of the State under the law of which the Fund is established.

''(e) OTHER AUTHORITIES.—

''(1) IN GENERAL.—The Board may exercise such other authorities as are necessary to carry out this subtitle.

''(2) OVERSIGHT.—The Secretary shall enter in to a contract with the Administrator of the Small Business Administration under which the Administrator of the Small Business Administration shall be responsible for the routine duties of the Secretary in regard to the Fund.

''SEC. 383G. GOVERNANCE OF THE FUND.

''(a) IN GENERAL.—The Fund shall be governed by a board of directors that represents all of the authorized private investors in the Fund and the Federal Government and that consists of—

''(1) a designee of the Secretary;

''(2) 2 members who are appointed by the Secretary and are not Federal employees, including—

''(A) 1 member with expertise in venture capital investment; and

''(B) 1 member with expertise in cooperative development;

''(3) 8 members who are elected by the authorized private investors with investments in the Fund; and

''(4) 1 member who is appointed by the Board and who is a community banker from an insured depository institution that has—

''(A) total assets equal to or less than $250,000,000; and

''(B) an investment in the Fund.

''(b) LIMITATION ON VOTING CONTROL.—No individual investor or group of authorized investors may control more than 25 percent of the votes on the Board.

''SEC. 383H. AUTHORIZATION OF APPROPRIATIONS.

''There are authorized to be appropriated such sums as are necessary to carry out this subtitle.''.

SEC. 602. RURAL BUSINESS INVESTMENT PROGRAM.

The Consolidated Farm and Rural Development Act (as amended by section 601) is amended by adding at the end the following:

''Subtitle H—Rural Business Investment Program

''SEC. 384A. DEFINITIONS.

''In this subtitle:

''(1) ARTICLES.—The term 'articles' means articles of incorporation for an incorporated body or the functional equivalent or other similar documents specified by the Secretary for other business entities.

''(2) DEVELOPMENTAL VENTURE CAPITAL.—The term 'developmental venture capital' means capital in the form of equity capital investments in Rural Business Investment Companies with an objective of fostering economic development in rural areas.

''(3) EMPLOYEE WELFARE BENEFIT PLAN; PENSION PLAN.—

''(A) IN GENERAL.—The terms 'employee welfare benefit plan' and 'pension plan' have the meanings given the terms in section 3 of the Employee Retirement Income Security Act of 1974 (29 U.S.C. 1002).

''(B) INCLUSIONS.—The terms 'employee welfare benefit plan' and 'pension plan' include—

''(i) public and private pension or retirement plans subject to this subtitle; and

''(ii) similar plans not covered by this subtitle that have been established and that are maintained by the Federal Government or any State (including by a political subdivision, agency, or instrumentality of the Federal Government or a State) for the benefit of employees.

''(4) EQUITY CAPITAL.—The term 'equity capital' means common or preferred stock or a similar instrument, including subordinated debt with equity features.

''(5) LEVERAGE.—The term 'leverage' includes—

''(A) debentures purchased or guaranteed by the Secretary;

''(B) participating securities purchased or guaranteed by the Secretary; and

''(C) preferred securities outstanding as of the date of enactment of this subtitle.

''(6) LICENSE.—The term 'license' means a license issued by the Secretary as provided in section 384D(c).

''(7) LIMITED LIABILITY COMPANY.—The term 'limited liability company' means a business entity that is organized and operating in accordance with a State limited liability company law approved by the Secretary.

''(8) MEMBER.—The term 'member' means, with respect to a Rural Business Investment Company that is a limited liability company, a holder of an ownership interest or a person otherwise admitted to membership in the limited liability company.

''(9) OPERATIONAL ASSISTANCE.—The term 'operational assistance' means management, marketing, and other technical assistance that assists a rural business concern with business development.

''(10) PARTICIPATION AGREEMENT.—The term 'participation agreement' means an agreement, between the Secretary and a Rural Business Investment Company granted final approval under section 384D(d), that requires the Rural Business Investment Company to make investments in smaller enterprises in rural areas.

''(11) PRIVATE CAPITAL.—

''(A) IN GENERAL.—The term 'private capital' means the total of—

''(i) the paid-in capital and paid-in surplus of a corporate Rural Business Investment Company, the contributed capital of the partners of a partnership Rural Business Investment Company, or the equity investment of the members of a limited liability company Rural Business Investment Company; and

''(ii) unfunded binding commitments, from investors that meet criteria established by the Secretary to contribute capital to the Rural Business Investment Company, except that unfunded commitments may be counted as private capital for purposes of approval by the Secretary of any request for leverage, but leverage shall not be funded based on the commitments.

''(B) EXCLUSIONS.—The term 'private capital' does not include—

''(i) any funds borrowed by a Rural Business Investment Company from any source;

''(ii) any funds obtained through the issuance of leverage; or

''(iii) any funds obtained directly or indirectly from the Federal Government or any State (including by a political subdivision, agency, or instrumentality of the Federal Government or a State), except for—

''(I) 50 percent of funds from the National Rural Cooperative and Business Equity Fund;

''(II) funds obtained from the business revenues (excluding any governmental appropriation) of any federally chartered or government-sponsored enterprise established prior to the date of enactment of this subtitle;

''(III) funds invested by an employee welfare benefit plan or pension plan; and

''(IV) any qualified nonprivate funds (if the investors of the qualified nonprivate funds do not control, directly or indirectly, the management, board of directors, general partners, or members of the Rural Business Investment Company).

''(12) QUALIFIED NONPRIVATE FUNDS.—The term 'qualified nonprivate funds' means any—

''(A) funds directly or indirectly invested in any applicant or Rural Business Investment Company on or before the date of enactment of this subtitle, by any Federal agency, other than the Department of Agriculture, under a provision of law explicitly mandating the inclusion of those funds in the definition of the term 'private capital'; and

''(B) funds invested in any applicant or Rural Business Investment Company by 1 or more entities of any State (including by a political subdivision, agency, or instrumentality of the State and including any guarantee extended by those entities) in an aggregate amount that does not exceed 33 percent of the private capital of the applicant or Rural Business Investment Company.

''(13) RURAL BUSINESS CONCERN.—The term 'rural business concern' means—

''(A) a public, private, or cooperative for-profit or nonprofit organization;

''(B) a for-profit or nonprofit business controlled by an Indian tribe on a Federal or State reservation or other federally recognized Indian tribal group; or

''(C) any other person or entity;

that primarily operates in a rural area, as determined by the Secretary.

''(14) RURAL BUSINESS INVESTMENT COMPANY.—The term 'Rural Business Investment Company' means a company that—

''(A) has been granted final approval by the Secretary under section 384D(d); and

''(B) has entered into a participation agreement with the Secretary.

''(15) SMALLER ENTERPRISE.—The term 'smaller enterprise' means any rural business concern that, together with its affiliates—

''(A) has—

''(i) a net financial worth of not more than $6,000,000, as of the date on which assistance is provided under this subtitle to the rural business concern; and

''(ii) an average net income for the 2-year period preceding the date on which assistance is provided under this subtitle to the rural business concern, of not more than $2,000,000, after Federal income taxes (excluding any carryover losses) except that, for purposes of this clause, if the rural business concern is not required by law to pay Federal income taxes at the enterprise level, but is required to pass income through to the shareholders, partners, beneficiaries, or other equitable owners of the business concern, the net income of the business concern shall be determined by allowing a deduction in an amount equal to the total of—

''(I) if the rural business concern is not required by law to pay State (and local, if any) income taxes at the enterprise level, the net income (determined without regard to this clause), multiplied by the marginal State income tax rate (or by the combined State and local income tax rates, as applicable) that would have applied if the business concern were a corporation; and

''(II) the net income (so determined) less any deduction for State (and local) income taxes calculated under subclause (I), multiplied by the marginal Federal income tax rate that would have applied if the rural business concern were a corporation; or

''(B) satisfies the standard industrial classification size standards established by the Administrator of the Small Business Administration for the industry in which the rural business concern is primarily engaged.

''SEC. 384B. PURPOSES.

''The purposes of the Rural Business Investment Program established under this subtitle are—

''(1) to promote economic development and the creation of wealth and job opportunities in rural areas and among individuals living in those areas by encouraging developmental venture capital investments in smaller enterprises primarily located in rural areas; and

''(2) to establish a developmental venture capital program, with the mission of addressing the unmet equity investment needs of small enterprises located in rural areas, by authorizing the Secretary—

''(A) to enter into participation agreements with Rural Business Investment Companies;

''(B) to guarantee debentures of Rural Business Investment Companies to enable each Rural Business Investment Company to make developmental venture capital investments in smaller enterprises in rural areas; and

''(C) to make grants to Rural Business Investment Companies, and to other entities, for the purpose of providing operational assistance to smaller enterprises financed, or expected to be financed, by Rural Business Investment Companies.

''SEC. 384C. ESTABLISHMENT.

''In accordance with this subtitle, the Secretary shall establish a Rural Business Investment Program, under which the Secretary may—

''(1) enter into participation agreements with companies granted final approval under section 384D(d) for the purposes set forth in section 384B;

''(2) guarantee the debentures issued by Rural Business Investment Companies as provided in section 384E; and

''(3) make grants to Rural Business Investment Companies, and to other entities, under section 384H.

''SEC. 384D. SELECTION OF RURAL BUSINESS INVESTMENT COMPANIES.

''(a) ELIGIBILITY.—A company shall be eligible to apply to participate, as a Rural Business Investment Company, in the program established under this subtitle if—

''(1) the company is a newly formed for-profit entity or a newly formed for-profit subsidiary of such an entity;

''(2) the company has a management team with experience in community development financing or relevant venture capital financing; and

''(3) the company will invest in enterprises that will create wealth and job opportunities in rural areas, with an emphasis on smaller businesses.

''(b) APPLICATION.—To participate, as a Rural Business Investment Company, in the program established under this subtitle, a company meeting the eligibility requirements of subsection (a) shall submit an application to the Secretary that includes—

''(1) a business plan describing how the company intends to make successful developmental venture capital investments in identified rural areas;

''(2) information regarding the community development finance or relevant venture capital qualifications and general reputation of the management of the company;

''(3) a description of how the company intends to work with community organizations and to seek to address the unmet capital needs of the communities served;

''(4) a proposal describing how the company intends to use the grant funds provided under this subtitle to provide operational assistance to smaller enterprises financed by the company, including information regarding whether the company intends to use licensed professionals, when necessary, on the staff of the company or from an outside entity;

''(5) with respect to binding commitments to be made to the company under this subtitle, an estimate of the ratio of cash to in-kind contributions;

''(6) a description of the criteria to be used to evaluate whether and to what extent the company meets the purposes of the program established under this subtitle;

''(7) information regarding the management and financial strength of any parent firm, affiliated firm, or any other firm essential to the success of the business plan of the company; and

''(8) such other information as the Secretary may require.

''(c) ISSUANCE OF LICENSE.—

''(1) SUBMISSION OF APPLICATION.—Each applicant for a license to operate as a Rural Business Investment Company under this subtitle shall submit to the Secretary an application, in a form and including such documentation as may be prescribed by the Secretary.

''(2) PROCEDURES.—

''(A) STATUS.—Not later than 90 days after the initial receipt by the Secretary of an application under this subsection, the Secretary shall provide the applicant with a written report describing the status of the application and any requirements remaining for completion of the application.

''(B) APPROVAL OR DISAPPROVAL.—Within a reasonable time after receiving a completed application submitted in accordance with this subsection and in accordance with such requirements as the Secretary may prescribe by regulation, the Secretary shall—

''(i) approve the application and issue a license for the operation to the applicant, if the requirements of this section are satisfied; or

''(ii) disapprove the application and notify the applicant in writing of the disapproval.

''(3) MATTERS CONSIDERED.—In reviewing and processing any application under this subsection, the Secretary—

''(A) shall determine whether—

''(i) the applicant meets the requirements of subsection (d); and

''(ii) the management of the applicant is qualified and has the knowledge, experience, and capability necessary to comply with this subtitle;

''(B) shall take into consideration—

''(i) the need for and availability of financing for rural business concerns in the geographic area in which the applicant is to commence business;

''(ii) the general business reputation of the owners and management of the applicant; and

''(iii) the probability of successful operations of the applicant, including adequate profitability and financial soundness; and

''(C) shall not take into consideration any projected shortage or unavailability of grant funds or leverage.

''(d) APPROVAL; DESIGNATION.—The Secretary may approve an applicant to operate as a Rural Business Investment Company under this subtitle and designate the applicant as a Rural Business Investment Company, if—

''(1) the Secretary determines that the application satisfies the requirements of subsection (b);

''(2) the area in which the Rural Business Investment Company is to conduct its operations, and establishment of branch offices or agencies (if authorized by the articles), are approved by the Secretary; and

''(3) the applicant enters into a participation agreement with the Secretary.

''SEC. 384E. DEBENTURES.

''(a) IN GENERAL.—The Secretary may guarantee the timely payment of principal and interest, as scheduled, on debentures issued by any Rural Business Investment Company.

''(b) TERMS AND CONDITIONS.—The Secretary may make guarantees under this section on such terms and conditions as the Secretary considers appropriate, except that the term of any debenture guaranteed under this section shall not exceed 15 years.

''(c) FULL FAITH AND CREDIT OF THE UNITED STATES.—Section 381H(i) shall apply to any guarantee under this section.

''(d) MAXIMUM GUARANTEE.—Under this section, the Secretary may—

''(1) guarantee the debentures issued by a Rural Business Investment Company only to the extent that the total face amount of outstanding guaranteed debentures of the Rural Business Investment Company does not exceed 300 percent of the private capital of the Rural Business Investment Company, as determined by the Secretary; and

''(2) provide for the use of discounted debentures.

''SEC. 384F. ISSUANCE AND GUARANTEE OF TRUST CERTIFICATES.

''(a) ISSUANCE.—The Secretary may issue trust certificates representing ownership of all or a fractional part of debentures issued by a Rural Business Investment Company and guaranteed by the Secretary under this subtitle, if the certificates are based on and backed by a trust or pool approved by the Secretary and composed solely of guaranteed debentures.

''(b) GUARANTEE.—

''(1) IN GENERAL.—The Secretary may, under such terms and conditions as the Secretary considers appropriate, guarantee the timely payment of the principal of and interest on trust certificates issued by the Secretary or agents of the Secretary for purposes of this section.

''(2) LIMITATION.—Each guarantee under this subsection shall be limited to the extent of principal and interest on the guaranteed debentures that compose the trust or pool.

''(3) PREPAYMENT OR DEFAULT.—

''(A) IN GENERAL.—In the event a debenture in a trust or pool is prepaid, or in the event of default of such a debenture, the guarantee of timely payment of principal and interest on the trust certificates shall be reduced in proportion to the amount of principal and interest the prepaid debenture represents in the trust or pool.

''(B) INTEREST.—Interest on prepaid or defaulted debentures shall accrue and be guaranteed by the Secretary only through the date of payment of the guarantee.

''(C) REDEMPTION.—At any time during its term, a trust certificate may be called for redemption due to prepayment or default of all debentures.

''(c) FULL FAITH AND CREDIT OF THE UNITED STATES.—Section 381H(i) shall apply to any guarantee of a trust certificate issued by the Secretary under this section.

''(d) SUBROGATION AND OWNERSHIP RIGHTS.—

''(1) SUBROGATION.—If the Secretary pays a claim under a guarantee issued under this section, the claim shall be subrogated fully to the rights satisfied by the payment.

''(2) OWNERSHIP RIGHTS.—No Federal, State, or local law shall preclude or limit the exercise by the Secretary of the ownership rights of the Secretary in a debenture residing in a trust or pool against which 1 or more trust certificates are issued under this section.

''(e) MANAGEMENT AND ADMINISTRATION.—

''(1) REGISTRATION.—The Secretary shall provide for a central registration of all trust certificates issued under this section.

''(2) CREATION OF POOLS.—The Secretary may—

''(A) maintain such commercial bank accounts or investments in obligations of the United States as may be necessary to facilitate the creation of trusts or pools backed by debentures guaranteed under this subtitle; and

''(B) issue trust certificates to facilitate the creation of those trusts or pools.

''(3) FIDELITY BOND OR INSURANCE REQUIREMENT.—Any agent performing functions on behalf of the Secretary under this paragraph shall provide a fidelity bond or insurance in such amount as the Secretary considers to be necessary to fully protect the interests of the United States.

''(4) REGULATION OF BROKERS AND DEALERS.—The Secretary may regulate brokers and dealers in trust certificates issued under this section.

''(5) ELECTRONIC REGISTRATION.—Nothing in this subsection prohibits the use of a book-entry or other electronic form of registration for trust certificates issued under this section.

''SEC. 384G. FEES.

''(a) IN GENERAL.—The Secretary may charge such fees as the Secretary considers appropriate with respect to any guarantee or grant issued under this subtitle.

''(b) TRUST CERTIFICATE.—Notwithstanding subsection (a), the Secretary shall not collect a fee for any guarantee of a trust certificate under section 384F, except that any agent of the Secretary may collect a fee approved by the Secretary for the functions described in section 384F(e)(2).

''(c) LICENSE.—

''(1) IN GENERAL.—The Secretary may prescribe fees to be paid by each applicant for a license to operate as a Rural Business Investment Company under this subtitle.

''(2) USE OF AMOUNTS.—Fees collected under this subsection—

''(A) shall be deposited in the account for salaries and expenses of the Secretary; and

''(B) are authorized to be appropriated solely to cover the costs of licensing examinations.

''SEC. 384H. OPERATIONAL ASSISTANCE GRANTS.

''(a) IN GENERAL.—

''(1) AUTHORITY.—In accordance with this section, the Secretary may make grants to Rural Business Investment Companies and to other entities, as authorized by this subtitle, to provide operational assistance to smaller enterprises financed, or expected to be financed, by the entities.

''(2) TERMS.—Grants made under this subsection shall be made over a multiyear period (not to exceed 10 years) under such other terms as the Secretary may require.

''(3) USE OF FUNDS.—The proceeds of a grant made under this paragraph may be used by the Rural Business Investment Company receiving the grant only to—

''(A) provide operational assistance in connection with an equity investment (made with capital raised after the effective date of this subtitle) in a business located in a rural area; or

''(B) pay operational expenses of the Rural Business Investment Company.

''(4) SUBMISSION OF PLANS.—A Rural Business Investment Company shall be eligible for a grant under this section only if the Rural Business Investment Company submits to the Secretary, in such form and manner as the Secretary may require, a plan for use of the grant.

''(5) GRANT AMOUNT.—

''(A) RURAL BUSINESS INVESTMENT COMPANIES.—The amount of a grant made under this subsection to a Rural Business Investment Company shall be equal to the lesser of—

''(i) 50 percent of the amount of resources (in cash or in kind) raised by the Rural Business Investment Company; or

''(ii) $1,000,000.

''(B) OTHER ENTITIES.—The amount of a grant made under this subsection to any entity other than a Rural Business Investment Company shall be equal to the resources (in cash or in kind) raised by the entity in accordance with the requirements applicable to Rural Business Investment Companies under this subtitle.

''(b) SUPPLEMENTAL GRANTS.—

''(1) IN GENERAL.—The Secretary may make supplemental grants to Rural Business Investment Companies and to other entities, as authorized by this subtitle under such terms as the Secretary may require, to provide additional operational assistance to smaller enterprises financed, or expected to be financed, by the Rural Business Investment Companies and other entities.

''(2) MATCHING REQUIREMENT.—The Secretary may require, as a condition of any supplemental grant made under this subsection, that the Rural Business Investment Company or entity receiving the grant provide from resources (in cash or in kind), other than resources provided by the Secretary, a matching contribution equal to the amount of the supplemental grant.

''SEC. 384I. RURAL BUSINESS INVESTMENT COMPANIES.

''(a) ORGANIZATION.—For the purpose of this subtitle, a Rural Business Investment Company shall—

''(1) be an incorporated body, a limited liability company, or a limited partnership organized and chartered or otherwise existing under State law solely for the purpose of performing the functions and conducting the activities authorized by this subtitle;

''(2)(A) if incorporated, have succession for a period of not less than 30 years unless earlier dissolved by the shareholders of the Rural Business Investment Company; and

''(B) if a limited partnership or a limited liability company, have succession for a period of not less than 10 years; and

''(3) possess the powers reasonably necessary to perform the functions and conduct the activities.

''(b) ARTICLES.—The articles of any Rural Business Investment Company—

''(1) shall specify in general terms—

''(A) the purposes for which the Rural Business Investment Company is formed;

''(B) the name of the Rural Business Investment Company;

''(C) the area or areas in which the operations of the Rural Business Investment Company are to be carried out;

''(D) the place where the principal office of the Rural Business Investment Company is to be located; and

''(E) the amount and classes of the shares of capital stock of the Rural Business Investment Company;

''(2) may contain any other provisions consistent with this subtitle that the Rural Business Investment Company may determine appropriate to adopt for the regulation of the business of the Rural Business Investment Company and the conduct of the affairs of the Rural Business Investment Company; and

''(3) shall be subject to the approval of the Secretary.

''(c) CAPITAL REQUIREMENTS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the private capital of each Rural Business Investment Company shall be not less than—

''(A) $5,000,000; or

''(B) $10,000,000, with respect to each Rural Business Investment Company authorized or seeking authority to issue participating securities to be purchased or guaranteed by the Secretary under this subtitle.

''(2) EXCEPTION.—The Secretary may, in the discretion of the Secretary and based on a showing of special circumstances and good cause, permit the private capital of a Rural Business Investment Company described in paragraph (1)(B) to be less than $10,000,000, but not less than $5,000,000, if the Secretary determines that the action would not create or otherwise contribute to an unreasonable risk of default or loss to the Federal Government.

''(3) ADEQUACY.—In addition to the requirements of paragraph (1), the Secretary shall—

''(A) determine whether the private capital of each Rural Business Investment Company is adequate to ensure a reasonable prospect

that the Rural Business Investment Company will be operated soundly and profitably, and managed actively and prudently in accordance with the articles of the Rural Business Investment Company;

''(B) determine that the Rural Business Investment Company will be able to comply with the requirements of this subtitle; and

''(C) require that at least 75 percent of the capital of each Rural Business Investment Company is invested in rural business concerns.

''(d) DIVERSIFICATION OF OWNERSHIP.—The Secretary shall ensure that the management of each Rural Business Investment Company licensed after the date of enactment of this subtitle is sufficiently diversified from and unaffiliated with the ownership of the Rural Business Investment Company so as to ensure independence and objectivity in the financial management and oversight of the investments and operations of the Rural Business Investment Company.

''SEC. 384J. FINANCIAL INSTITUTION INVESTMENTS.

''(a) IN GENERAL.—Except as otherwise provided in this section and notwithstanding any other provision of law, the following banks, associations, and institutions may invest in any Rural Business Investment Company or in any entity established to invest solely in Rural Business Investment Companies:

''(1) Any national bank.

''(2) Any member bank of the Federal Reserve System.

''(3) Any Federal savings association.

''(4) Any Farm Credit System institution described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)).

''(5) Any insured bank that is not a member of the Federal Reserve System, to the extent permitted under applicable State law.

''(b) LIMITATION.—No bank, association, or institution described in subsection (a) may make investments described in subsection (a) that are greater than 5 percent of the capital and surplus of the bank, association, or institution.

''(c) LIMITATION ON RURAL BUSINESS INVESTMENT COMPANIES CONTROLLED BY FARM CREDIT SYSTEM INSTITUTIONS.—If a Farm Credit System institution described in section 1.2(a) of the Farm Credit Act of 1971 (12 U.S.C. 2002(a)) holds more than 30 percent of the voting shares of a Rural Business Investment Company, either alone or in conjunction with other System institutions (or affiliates), the Rural Business Investment Company shall not provide equity investments in, or provide other financial assistance to, entities that are not otherwise eligible to receive financing from the Farm Credit System under that Act (12 U.S.C. 2001 et seq.).

''SEC. 384K. REPORTING REQUIREMENT.

''Each Rural Business Investment Company that participates in the program established under this subtitle shall provide to the Secretary such information as the Secretary may require, including—

''(1) information relating to the measurement criteria that the Rural Business Investment Company proposed in the program application of the Rural Business Investment Company; and

''(2) in each case in which the Rural Business Investment Company under this subtitle makes an investment in, or a loan or grant to, a business that is not located in a rural area, a report on the number and percentage of employees of the business who reside in those areas.

''SEC. 384L. EXAMINATIONS.

''(a) IN GENERAL.—Each Rural Business Investment Company that participates in the program established under this subtitle shall be subject to examinations made at the direction of the Secretary in accordance with this section.

''(b) ASSISTANCE OF PRIVATE SECTOR ENTITIES.—An examination under this section may be conducted with the assistance of a private sector entity that has the qualifications and the expertise necessary to conduct such an examination.

''(c) COSTS.—

''(1) IN GENERAL.—The Secretary may assess the cost of an examination under this section, including compensation of the examiners, against the Rural Business Investment Company examined.

''(2) PAYMENT.—Any Rural Business Investment Company against which the Secretary assesses costs under this paragraph shall pay the costs.

''(d) DEPOSIT OF FUNDS.—Funds collected under this section shall—

''(1) be deposited in the account that incurred the costs for carrying out this section;

''(2) be made available to the Secretary to carry out this section, without further appropriation; and

''(3) remain available until expended.

''SEC. 384M. INJUNCTIONS AND OTHER ORDERS.

''(a) IN GENERAL.—

''(1) APPLICATION BY SECRETARY.—Whenever, in the judgment of the Secretary, a Rural Business Investment Company or any other person has engaged or is about to engage in any act or practice that constitutes or will constitute a violation of a provision of this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), the Secretary may apply to the appropriate district court of the United States for an order enjoining the act or practice, or for an order enforcing compliance with the provision, rule, regulation, order, or participation agreement.

''(2) JURISDICTION; RELIEF.—The court shall have jurisdiction over the action and, on a showing by the Secretary that the Rural Business Investment Company or other person has engaged or is about to engage in an act or practice described in paragraph (1), a permanent or temporary injunction, restraining order, or other order, shall be granted without bond.

''(b) JURISDICTION.—

''(1) IN GENERAL.—In any proceeding under subsection (a), the court as a court of equity may, to such extent as the court considers necessary, take exclusive jurisdiction over the Rural Business Investment Company and the assets of the Rural Business Investment Company, wherever located.

''(2) TRUSTEE OR RECEIVER.—The court shall have jurisdiction in any proceeding described in paragraph (1) to appoint a trustee or receiver to hold or administer the assets.

''(c) SECRETARY AS TRUSTEE OR RECEIVER.—

''(1) AUTHORITY.—The Secretary may act as trustee or receiver of a Rural Business Investment Company.

''(2) APPOINTMENT.—On the request of the Secretary, the court shall appoint the Secretary to act as a trustee or receiver of a Rural Business Investment Company unless the court considers the appointment inequitable or otherwise inappropriate by reason of any special circumstances involved.

''SEC. 384N. ADDITIONAL PENALTIES FOR NONCOMPLIANCE.

''(a) IN GENERAL.—With respect to any Rural Business Investment Company that violates or fails to comply with this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), the Secretary may, in accordance with this section—

''(1) void the participation agreement between the Secretary and the Rural Business Investment Company; and

''(2) cause the Rural Business Investment Company to forfeit all of the rights and privileges derived by the Rural Business Investment Company under this subtitle.

''(b) ADJUDICATION OF NONCOMPLIANCE.—

''(1) IN GENERAL.—Before the Secretary may cause a Rural Business Investment Company to forfeit rights or privileges under subsection (a), a court of the United States of competent jurisdiction must find that the Rural Business Investment Company committed a violation, or failed to comply, in a cause of action brought for that purpose in the district, territory, or other place subject to the jurisdiction of the United States, in which the principal office of the Rural Business Investment Company is located.

''(2) PARTIES AUTHORIZED TO FILE CAUSES OF ACTION.—Each cause of action brought by the United States under this subsection shall be brought by the Secretary or by the Attorney General.

''SEC. 384O. UNLAWFUL ACTS AND OMISSIONS; BREACH OF FIDUCIARY DUTY.

''(a) PARTIES DEEMED TO COMMIT A VIOLATION.—Whenever any Rural Business Investment Company violates this subtitle (including any rule, regulation, order, or participation agreement under this subtitle), by reason of the failure of the Rural Business Investment Company to comply with this subtitle or by reason of its engaging in any act or practice that constitutes or will constitute a violation of this subtitle, the violation shall also be deemed to be a violation and an unlawful act committed by any person that, directly or indirectly, authorizes, orders, participates in, causes, brings about, counsels, aids, or abets in the commission of any acts, practices, or transactions that constitute or will constitute, in whole or in part, the violation.

''(b) FIDUCIARY DUTIES.—It shall be unlawful for any officer, director, employee, agent, or other participant in the management or conduct of the affairs of a Rural Business Investment Company to engage in any act or practice, or to omit any act or practice, in breach of the fiduciary duty of the officer, director, employee, agent, or participant if, as a result of the act or practice, the Rural Business Investment Company suffers or is in imminent danger of suffering financial loss or other damage.

''(c) UNLAWFUL ACTS.—Except with the written consent of the Secretary, it shall be unlawful—

''(1) for any person to take office as an officer, director, or employee of any Rural Business Investment Company, or to become an agent or participant in the conduct of the affairs or management of a Rural Business Investment Company, if the person—

''(A) has been convicted of a felony, or any other criminal offense involving dishonesty or breach of trust; or

''(B) has been found civilly liable in damages, or has been permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud, or breach of trust; and

''(2) for any person to continue to serve in any of the capacities described in paragraph (1), if—

''(A) the person is convicted of a felony, or any other criminal offense involving dishonesty or breach of trust; or

''(B) the person is found civilly liable in damages, or is permanently or temporarily enjoined by an order, judgment, or decree of a court of competent jurisdiction, by reason of any act or practice involving fraud or breach of trust.

"SEC. 384P. REMOVAL OR SUSPENSION OF DIRECTORS OR OFFICERS.

''Using the procedures established by the Secretary for removing or suspending a director or an officer of a Rural Business Investment Company, the Secretary may remove or suspend any director or officer of any Rural Business Investment Company.

"SEC. 384Q. CONTRACTING OF FUNCTIONS.

''Notwithstanding any other provision of law, the Secretary shall enter into an interagency agreement with the Administrator of the Small Business Administration to carry out, on behalf of the Secretary, the day-to-day management and operation of the program authorized by this subtitle.

"SEC. 384R. REGULATIONS.

''The Secretary may promulgate such regulations as the Secretary considers necessary to carry out this subtitle.

"SEC. 384S. FUNDING.

''(a) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture—

''(1) such sums as may be necessary for the cost of guaranteeing $350,000,000 of debentures under this subtitle; and

''(2) $50,000,000 to make grants under this subtitle.

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

''(c) AVAILABILITY OF FUNDS.—Funds transferred under subsection (a) shall remain available until expended.''.

SEC. 603. FULL FUNDING OF PENDING RURAL DEVELOPMENT LOAN AND GRANT APPLICATIONS.

(a) DEFINITION OF APPLICATION.—In this section, the term ''application'' does not include an application for a loan, loan guarantee, or grant that, as of the date of enactment of this Act, is in the preapplication phase of consideration under regulations of the Secretary of Agriculture in effect on the date of enactment of this Act.

(b) ACCOUNT.—There is established in the Treasury of the United States an account to be known as the ''Rural America Infrastructure Development Account'' (referred to in this section as the ''Account'') to fund rural development loans, loan guarantees, and grants described in subsection (d) that are pending on the date of enactment of this Act.

(c) FUNDING.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture such sums as are necessary to carry out this section, to remain available until expended.

(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

(d) USE OF FUNDS.—

(1) ELIGIBLE PROGRAMS.—Subject to paragraph (2), the Secretary shall use the funds in the Account to provide funds for applications that are pending on the date of enactment of this Act for—

(A) community facility direct loans under section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1));

(B) community facility grants under paragraph (19), (20), or (21) of section 306(a) of that Act (7 U.S.C. 1926(a));

(C) water or waste disposal grants or direct loans under paragraph (1) or (2) of section 306(a) of that Act (7 U.S.C. 1926(a));

(D) rural water or wastewater technical assistance and training grants under section 306(a)(14) of that Act (7 U.S.C. 1926(a)(14));

(E) emergency community water assistance grants under section 306A of that Act (7 U.S.C. 1926a);

(F) business and industry guaranteed loans authorized under section 310B(a)(1)(A) of that Act (7 U.S.C. 1932(a)(1)(A)); and

(G) solid waste management grants under section 310B(b) of that Act (7 U.S.C. 1932(b)).

(2) LIMITATIONS.—

(A) APPROPRIATED AMOUNTS.—Funds in the Account shall be available to the Secretary to provide funds for pending applications for loans, loan guarantees, and grants described in paragraph (1) only to the extent that funds for the loans, loan guarantees, and grants appropriated in the annual appropriations Act for fiscal year 2002 have been exhausted.

(B) PROGRAM REQUIREMENTS.—The Secretary may use the Account to provide funds for a pending application for a loan, loan guarantee, or grant described in paragraph (1) only if the Secretary processes, reviews, and approves the application in accordance with regulations in effect on the date of enactment of this Act.

SEC. 604. RURAL ENDOWMENT PROGRAM.

(a) IN GENERAL.—The Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) (as amended by section 602) is amended by adding at the end the following:

"Subtitle I—Rural Endowment Program

"SEC. 385A. PURPOSE.

''The purpose of this subtitle is to provide rural communities with technical and financial assistance to implement comprehensive community development strategies to reduce the economic and social distress resulting from poverty, high unemployment, outmigration, plant closings, agricultural downturn, declines in the natural resource-based economy, or environmental degradation.

"SEC. 385B. DEFINITIONS.

''In this subtitle:

''(1) COMPREHENSIVE COMMUNITY DEVELOPMENT STRATEGY.—The term 'comprehensive community development strategy' means a community development strategy described in section 385C(e).

''(2) ELIGIBLE RURAL AREA.—

''(A) IN GENERAL.—The term 'eligible rural area' means an area with a population of 25,000 inhabitants or less, as determined by the Secretary using the most recent decennial census.

''(B) EXCLUSIONS.—The term 'eligible rural area' does not include—

''(i) any area designated by the Secretary as a rural empowerment zone or rural enterprise community; or

''(ii) an urbanized area immediately adjacent to an incorporated city or town with a population of more than 25,000 inhabitants.

''(3) ENDOWMENT FUND.—The term 'endowment fund' means a long-term fund that an approved program entity is required to establish under section 385C(f)(3).

''(4) PERFORMANCE-BASED BENCHMARKS.—The term 'performance-based benchmarks' means a set of annualized goals and tasks established by a recipient of a grant under the Program, in collaboration with the Secretary, for the purpose of measuring performance in meeting the comprehensive community development strategy of the recipient.

''(5) PROGRAM.—The term 'Program' means the Rural Endowment Program established under section 385C(a).

''(6) PROGRAM ENTITY.—The term 'program entity' means—

''(A) a private nonprofit community-based development organization;

''(B) a unit of local government (including a multijurisdictional unit of local government);

''(C) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

''(D) a consortium comprised of an organization described in subparagraph (A) and a unit of local government; or

''(E) a consortium of entities specified in subparagraphs (A) through (D);

that serves an eligible rural area.

''(7) PROGRAM-RELATED INVESTMENT.—The term 'program-related investment' means—

''(A) a loan, loan guarantee, grant, payment of a technical fee, or other expenditure provided for an affordable housing, community facility, small business, environmental improvement, or other community development project that is part of a comprehensive community development strategy; and

''(B) support services relating to a project described in subparagraph (A).

"SEC. 385C. RURAL ENDOWMENT PROGRAM.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Secretary may establish a program, to be known as the 'Rural Endowment Program', to provide approved program entities with assistance in developing and implementing comprehensive community development strategies for eligible rural areas.

''(2) PURPOSES.—The purposes of the Program are—

''(A) to enhance the ability of an eligible rural area to engage in comprehensive community development;

''(B) to leverage private and public resources for the benefit of community development efforts in eligible rural areas;

''(C) to make available staff of Federal agencies to directly assist the community development efforts of an approved program entity or eligible rural area; and

''(D) to strengthen the asset base of an eligible rural area to further long-term, ongoing community development.

''(b) APPLICATIONS.—

''(1) IN GENERAL.—To receive an endowment grant under the Program, the eligible entity shall submit an application at such time, in such form, and containing such information as the Secretary may require.

''(2) REGIONAL APPLICATIONS.—

''(A) IN GENERAL.—Where appropriate, the Secretary shall encourage regional applications from program entities serving more than 1 eligible rural area.

''(B) CRITERIA FOR APPLICATIONS.—To be eligible for an endowment grant for a regional application, the program entities that submit the application shall demonstrate that—

''(i) a comprehensive community development strategy for the eligible rural areas is best accomplished through a regional approach; and

''(ii) the combined population of the eligible rural areas covered by the comprehensive community development strategy is 75,000 inhabitants or less.

''(C) AMOUNT OF ENDOWMENT GRANTS.—For the purpose of subsection (f)(2), 2 or more program entities that submit a regional application shall be considered to be a single program entity.

''(3) PREFERENCE.—The Secretary shall give preference to a joint application submitted by a private, nonprofit community development corporation and a unit of local government.

''(c) ENTITY APPROVAL.—The Secretary shall approve a program entity to receive grants under the Program, if the program entity meets criteria established by the Secretary, including the following:

''(1) DISTRESSED RURAL AREA.—The program entity shall serve a rural area that suffers from economic or social distress resulting from poverty, high unemployment, outmigration, plant closings, agricultural downturn, declines in the natural resource-based economy, or environmental degradation.

''(2) CAPACITY TO IMPLEMENT STRATEGY.—The program entity shall demonstrate the capacity to implement a comprehensive community development strategy.

''(3) GOALS.—The goals described in the application submitted under subsection (b) shall be consistent with this section.

''(4) PARTICIPATION PROCESS.—The program entity shall demonstrate the ability to convene and maintain a multi-stakeholder, community-based participation process.

''(d) PLANNING GRANTS TO CONDITIONALLY APPROVED PROGRAM ENTITIES.—

''(1) IN GENERAL.—The Secretary may award supplemental grants to approved program entities to assist the approved program entities in the development of a comprehensive community development strategy under subsection (e).

''(2) ELIGIBILITY FOR SUPPLEMENTAL GRANTS.—In determining whether to award a supplemental grant to an approved program entity, the Secretary shall consider the economic need of the approved program entity.

''(3) LIMITATIONS ON AMOUNT OF GRANTS.—Under this subsection, an approved program entity may receive a supplemental grant in an amount of not more than $100,000.

''(e) ENDOWMENT GRANT AWARD.—

''(1) IN GENERAL.—To be eligible for an endowment grant under the Program, an approved program entity shall develop, and obtain the approval of the Secretary for, a comprehensive community development strategy that—

''(A) is designed to reduce economic or social distress resulting from poverty, high unemployment, outmigration, plant closings, agricultural downturn, declines in the natural resource-based economy, or environmental degradation;

''(B) addresses a broad range of the development needs of a community, including economic, social, and environmental needs, for a period of not less than 10 years;

''(C) is developed with input from a broad array of local governments and business, civic, and community organizations;

''(D) specifies measurable performance-based outcomes for all activities; and

''(E) includes a financial plan for achieving the outcomes and activities of the comprehensive community development strategy that identifies sources for, or a plan to meet, the requirement for a non-Federal share under subsection (f)(4)(B).

''(2) FINAL APPROVAL.—

''(A) IN GENERAL.—An approved program entity shall receive final approval if the Secretary determines that—

''(i) the comprehensive community development strategy of the approved program entity meets the requirements of this section;

''(ii) the management and organizational structure of the approved program entity is sufficient to oversee fund and development activities;

''(iii) the approved program entity has established an endowment fund; and

''(iv) the approved program entity will be able to provide the non-Federal share required under subsection (f)(4)(B).

''(B) CONDITIONS.—As part of the final approval, the approved program entity shall agree to—

''(i) achieve, to the maximum extent practicable, performance-based benchmarks; and

''(ii) comply with the terms of the comprehensive community development strategy for a period of not less than 10 years.

''(f) ENDOWMENT GRANTS.—

''(1) IN GENERAL.—Under the Program, the Secretary may make endowment grants to approved program entities with final approval to implement an approved comprehensive community development strategy.

''(2) AMOUNT OF GRANTS.—An endowment grant to an approved program entity shall be in an amount of not more than $6,000,000, as determined by the Secretary based on—

''(A) the size of the population of the eligible rural area for which the endowment grant is to be used;

''(B) the size of the eligible rural area for which the endowment grant is to be used;

''(C) the extent of the comprehensive community development strategy to be implemented using the endowment grant award; and

''(D) the extent to which the community suffers from economic or social distress resulting from—

''(i) poverty;

''(ii) high unemployment;

''(iii) outmigration;

''(iv) plant closings;

''(v) agricultural downturn;

''(vi) declines in the natural resource-based economy; or

''(vii) environmental degradation.

''(3) ENDOWMENT FUNDS.—

''(A) ESTABLISHMENT.—On notification from the Secretary that the program entity has been approved under subsection (c), the approved program entity shall establish an endowment fund.

''(B) FUNDING OF ENDOWMENT.—Federal funds provided in the form of an endowment grant under the Program shall—

''(i) be deposited in the endowment fund;

''(ii) be the sole property of the approved program entity;

''(iii) be used in a manner consistent with this subtitle; and

''(iv) be subject to oversight by the Secretary for a period of not more than 10 years.

''(C) INTEREST.—Interest earned on Federal funds in the endowment fund shall be—

''(i) retained by the grantee; and

''(ii) treated as Federal funds are treated under subparagraph (B).

''(D) LIMITATION.—The Secretary shall promulgate regulations on matching funds and returns on program-related investments only to the extent that such funds or proceeds are used in a manner consistent with this subtitle.

''(4) CONDITIONS.—

''(A) DISBURSEMENT.—

''(i) IN GENERAL.—Each endowment grant award shall be disbursed during a period not to exceed 5 years beginning during the fiscal year containing the date of final approval of the approved program entity under subsection (e)(3).

''(ii) MANNER OF DISBURSEMENT.—Subject to subparagraph (B), the Secretary may disburse a grant award in 1 lump sum or in incremental disbursements made each fiscal year.

''(iii) INCREMENTAL DISBURSEMENTS.—If the Secretary elects to make incremental disbursements, for each fiscal year after the initial disbursement, the Secretary shall make a disbursement under clause (i) only if the approved program entity—

''(I) has met the performance-based benchmarks of the approved program entity for the preceding fiscal year; and

''(II) has provided the non-Federal share required for the preceding fiscal year under subparagraph (B).

''(iv) ADVANCE DISBURSEMENTS.—The Secretary may make disbursements under this paragraph notwithstanding any provision of law limiting grant disbursements to amounts necessary to cover expected expenses on a term basis.

''(B) NON-FEDERAL SHARE.—

''(i) IN GENERAL.—Except as provided in clause (ii), for each disbursement under subparagraph (A), the Secretary shall require the approved program entity to provide a non-Federal share in an amount equal to 50 percent of the amount of funds received by the approved program entity under the disbursement.

''(ii) LOWER NON-FEDERAL SHARE.—In the case of an approved program entity that serves a small, poor rural area (as determined by the Secretary), the Secretary may—

''(I) reduce the non-Federal share to not less than 20 percent; and

''(II) allow the non-Federal share to be provided in the form of in-kind contributions.

''(iii) BINDING COMMITMENTS; PLAN.—For the purpose of meeting the non-Federal share requirement with respect to the first disbursement of an endowment grant award to the approved program entity under the Program, an approved program entity shall—

''(I) have, at a minimum, binding commitments to provide the non-Federal share required with respect to the first disbursement of the endowment grant award; and

''(II) if the Secretary is making incremental disbursements of a grant, develop a viable plan for providing the remaining amount of the required non-Federal share.

''(C) LIMITATIONS.—

''(i) IN GENERAL.—Subject to clause (ii), of each disbursement, an approved program entity shall use—

''(I) not more than 10 percent for administrative costs of carrying out program-related investments;

''(II) not more than 20 percent for the purpose of maintaining a loss reserve account; and

''(III) the remainder for program-related investments contained in the comprehensive community development strategy.

''(ii) LOSS RESERVE ACCOUNT.—If all disbursed funds available under a grant are expended in accordance with clause (i) and the grant recipient has no expected losses to cover for a fiscal year, the recipient may use funds in the loss reserve account described in clause (i)(II) for program-related investments described in clause (i)(III) for which no reserve for losses is required.

''(g) FEDERAL AGENCY ASSISTANCE.—Under the Program, the Secretary shall provide and coordinate technical assistance for grant recipients by designated field staff of Federal agencies.

''(h) PRIVATE TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—Under the Program, the Secretary may make grants to qualified intermediaries to provide technical assistance and capacity building to approved program entities under the Program.

''(2) DUTIES.—A qualified intermediary that receives a grant under this subsection shall—

''(A) provide assistance to approved program entities in developing, coordinating, and overseeing investment strategy;

''(B) provide technical assistance in all aspects of planning, developing, and managing the Program; and

''(C) facilitate Federal and private sector involvement in rural community development.

''(3) ELIGIBILITY.—To be considered a qualified intermediary under this subsection, an intermediary shall—

''(A) be a private, nonprofit community development organization;

''(B) have expertise in Federal or private rural community development policy or programs; and

''(C) have experience in providing technical assistance, planning, and capacity building

assistance to rural communities and nonprofit entities in eligible rural areas.

''(4) MAXIMUM AMOUNT OF GRANTS.—A qualified intermediary may receive a grant under this subsection of not more than $100,000.

''(5) FUNDING.—Of the amounts made available under section 385D, the Secretary may use to carry out this subsection not more than $2,000,000 for each of not more than 2 fiscal years.

''SEC. 385D. FUNDING.

''(a) FISCAL YEARS 2002 AND 2003.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this subtitle, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this subtitle $82,000,000 for the period of fiscal years 2002 and 2003, to remain available until expended.

''(2) SCHEDULE FOR OBLIGATIONS.—Of the amounts made available under paragraph (1)—

''(A) not more than $5,000,000 shall be obligated to carry out section 385C(d);

''(B) not less than $75,000,000 shall be obligated to carry out section 385C(f); and

''(C) not less than $2,000,000 shall be obligated to carry out section 385C(h).

''(3) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this subtitle the funds transferred under paragraph (1), without further appropriation.

''(b) FISCAL YEARS 2004 THROUGH 2006.—There are authorized to be appropriated such sums as are necessary to carry out this subtitle for each of fiscal years 2004 through 2006.''.

SEC. 605. ENHANCEMENT OF ACCESS TO BROADBAND SERVICE IN RURAL AREAS.

The Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by adding at the end the following:

''TITLE VI—RURAL BROADBAND ACCESS

''SEC. 601. ACCESS TO BROADBAND TELECOMMUNICATIONS SERVICES IN RURAL AREAS.

''(a) PURPOSE.—The purpose of this section is to provide grants, loans, and loan guarantees to provide funds for the costs of the construction, improvement, and acquisition of facilities and equipment for broadband service in eligible rural communities.

''(b) DEFINITIONS.—In this section:

''(1) BROADBAND SERVICE.—The term 'broadband service' means any technology identified by the Secretary as having the capacity to transmit data to enable a subscriber to the service to originate and receive high-quality voice, data, graphics, or video.

''(2) ELIGIBLE RURAL COMMUNITY.—The term 'eligible rural community' means any incorporated or unincorporated place that—

''(A) has not more than 20,000 inhabitants, based on the most recent available population statistics of the Bureau of the Census; and

''(B) is not located in an area designated as a standard metropolitan statistical area.

''(c) GRANTS.—The Secretary shall make grants to eligible entities described in subsection (e) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

''(d) LOANS AND LOAN GUARANTEES.—The Secretary shall make or guarantee loans to eligible entities described in subsection (e) to provide funds for the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

''(e) ELIGIBLE ENTITIES.—To be eligible to obtain a grant under this section, an entity must—

''(1) be eligible to obtain a loan or loan guarantee to furnish, improve, or extend a rural telecommunications service under this Act; and

''(2) submit to the Secretary a proposal for a project that meets the requirements of this section.

''(f) BROADBAND SERVICE.—The Secretary shall, from time to time as advances in technology warrant, review and recommend modifications of rate-of-data transmission criteria for purposes of the identification of broadband service technologies under subsection (b)(1).

''(g) TECHNOLOGICAL NEUTRALITY.—For purposes of determining whether or not to make a grant, loan, or loan guarantee for a project under this section, the Secretary shall not take into consideration the type of technology proposed to be used under the project.

''(h) TERMS AND CONDITIONS FOR LOANS AND LOAN GUARANTEES.—A loan or loan guarantee under subsection (d) shall—

''(1) be made available in accordance with the requirements of the Federal Credit Reform Act of 1990 (2 U.S.C. 661 et seq.);

''(2) bear interest at an annual rate of, as determined by the Secretary—

''(A) 4 percent per annum; or

''(B) the current applicable market rate; and

''(3) have a term not to exceed the useful life of the assets constructed, improved, or acquired with the proceeds of the loan or extension of credit.

''(i) USE OF LOAN PROCEEDS TO REFINANCE LOANS FOR DEPLOYMENT OF BROADBAND SERVICE.—Notwithstanding any other provision of this Act, the proceeds of any loan made by the Secretary under this Act may be used by the recipient of the loan for the purpose of refinancing an outstanding obligation of the recipient on another telecommunications loan made under this Act if the use of the proceeds for that purpose will further the construction, improvement, or acquisition of facilities and equipment for the provision of broadband service in eligible rural communities.

''(j) FUNDING.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $100,000,000, to remain available until expended.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

''(3) ALLOCATION OF FUNDS.—

''(A) IN GENERAL.—From amounts made available for each fiscal year under paragraph (1), the Secretary shall—

''(i) establish a national reserve for grants, loans, and loan guarantees to eligible entities in States under this section; and

''(ii) allocate amounts in the reserve to each State for each fiscal year for grants, loans, and loan guarantees to eligible entities in the State.

''(B) AMOUNT.—The amount of an allocation made to a State for a fiscal year under subparagraph (A) shall bear the same ratio to the amount of allocations made for all States for the fiscal year as the number of communities with a population of 2,500 inhabitants or less in the State bears to the number of communities with a population of 2,500 inhabitants or less in all States, as determined on the basis of the last available census.

''(C) UNOBLIGATED AMOUNTS.—Any amounts in the reserve established for a State for a fiscal year under subparagraph (B) that are not obligated by April 1 of the fiscal year shall be available to the Secretary to make grants, loans, and loan guarantees under this section to eligible entities in any State, as determined by the Secretary.

''(k) TERMINATION OF AUTHORITY.—

''(1) IN GENERAL.—No grant, loan, or loan guarantee may be made under this section after September 30, 2006.

''(2) EFFECT ON VALIDITY OF GRANT, LOAN, OR LOAN GUARANTEE.—Notwithstanding paragraph (1), any grant, loan, or loan guarantee made under this section before the date specified in paragraph (1) shall be valid.''.

SEC. 606. VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.

Section 231 of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note; Public Law 106–224) is amended—

(1) by redesignating subsections (b) through (d) as subsections (c) through (e), respectively;

(2) by striking subsection (a) and inserting the following:

''(a) DEFINITION OF VALUE-ADDED AGRICULTURAL PRODUCT.—The term 'value-added agricultural product' means any agricultural commodity or product that—

''(1)(A) has undergone a change in physical state; or

''(B) was produced in a manner that enhances the value of the agricultural commodity or product, as demonstrated through a business plan that shows the enhanced value, as determined by the Secretary; and

''(2) as a result of the change in physical state or the manner in which the agricultural commodity or product was produced—

''(A) the customer base for the agricultural commodity or product has been expanded; and

''(B) a greater portion of the revenue derived from the processing of the agricultural commodity or product is available to the producer of the commodity or product.

''(b) GRANT PROGRAM.—

''(1) PURPOSES.—The purposes of this subsection are—

''(A) to increase the share of the food and agricultural system profit received by agricultural producers;

''(B) to increase the number and quality of rural self-employment opportunities in agriculture and agriculturally-related businesses and the number and quality of jobs in agriculturally-related businesses;

''(C) to help maintain a diversity of size in farms and ranches by stabilizing the number of small and mid-sized farms;

''(D) to increase the diversity of food and other agricultural products available to consumers, including nontraditional crops and products and products grown or raised in a manner that enhances the value of the products to the public; and

''(E) to conserve and enhance the quality of land, water, and energy resources, wildlife habitat, and other landscape values and amenities in rural areas.

''(2) GRANTS.—From amounts made available under paragraph (6), the Secretary shall make award competitive grants—

''(A) to an eligible independent producer (as determined by the Secretary) of a value-added agricultural product to assist the producer—

''(i) to develop a business plan for viable marketing opportunities for the value-added agricultural product; or

''(ii) to develop strategies that are intended to create marketing opportunities for the producer; and

''(B) to an eligible nonprofit entity (as determined by the Secretary) to assist the entity—

''(i) to develop a business plan for viable marketing opportunities in emerging markets for a value-added agricultural product; or

''(ii) to develop strategies that are intended to create marketing opportunities in emerging markets for the value-added agricultural product.

''(3) AMOUNT OF GRANT.—

''(A) IN GENERAL.—The total amount provided under this subsection to a grant recipient may not exceed $500,000.

''(B) PRIORITY.—The Secretary shall give priority to grant proposals for less than $200,000 submitted under this subsection.

''(4) GRANTEE STRATEGIES.—A grantee under paragraph (2) shall use the grant—

''(A) to develop a business plan or perform a feasibility study to establish a viable marketing opportunity for a value-added agricultural product; or

''(B) to provide capital to establish alliances or business ventures that allow the producer of the value-added agricultural product to better compete in domestic or international markets.

''(5) GRANTS FOR MARKETING OR PROCESSING CERTIFIED ORGANIC AGRICULTURAL PRODUCTS.—

''(A) IN GENERAL.—Out of any amount that is made available to the Secretary for a fiscal year under paragraph (2), the Secretary shall use not less than 5 percent of the amount for grants to assist producers of certified organic agricultural products in post-farm marketing or processing of the products through a business or cooperative ventures that—

''(i) expand the customer base of the certified organic agricultural products; and

''(ii) increase the portion of product revenue available to the producers.

''(B) CERTIFIED ORGANIC AGRICULTURAL PRODUCT.—For the purposes of this paragraph, a certified organic agricultural product does not have to meet the requirements of the definition of 'value-added agricultural product' under subsection (a).

''(C) INSUFFICIENT APPLICATIONS.—If, for any fiscal year, the Secretary receives an insufficient quantity of applications for grants described in subparagraph (A) to use the funds reserved under subparagraph (A), the Secretary may use the excess reserved funds to make grants for any other purpose authorized under this subsection.

''(6) FUNDING.—

''(A) IN GENERAL.—Not later than 30 days after the date of enactment of this paragraph, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this subsection $75,000,000, to remain available until expended.

''(B) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this subsection the funds transferred under subparagraph (A), without further appropriation.'';

(3) in subsection (c)(1) (as redesignated)—

(A) by striking ''subsection (a)(2)'' and inserting ''subsection (b)(2)'';

(B) by striking ''$5,000,000'' and inserting ''7.5 percent''; and

(C) by striking ''subsection (a)'' and inserting ''subsection (b)''; and

(4) in subsection (d) (as redesignated), by striking ''subsections (a) and (b)'' and inserting ''subsections (b) and (c)''.

SEC. 607. NATIONAL RURAL DEVELOPMENT INFORMATION CLEARINGHOUSE.

Section 2381 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b) is amended to read as follows:

''SEC. 2381. NATIONAL RURAL DEVELOPMENT INFORMATION CLEARINGHOUSE.

''(a) ESTABLISHMENT.—The Secretary shall establish and maintain, within the rural development mission area of the Department of Agriculture, a National Rural Development Information Clearinghouse (referred to in this section as the 'Clearinghouse') to perform the functions specified in subsection (b).

''(b) FUNCTIONS.—The Clearinghouse shall collect information and data from, and disseminate information and data to, any person or public or private entity about programs and services provided by Federal, State, local, and tribal agencies, institutions of higher education, and private, for-profit, and nonprofit organizations and institutions under which a person or public or private entity residing or operating in a rural area may be eligible for any kind of financial, technical, or other assistance, including business, venture capital, economic, credit and community development assistance, health care, job training, education, and emotional and financial counseling.

''(c) MODES OF COLLECTION AND DISSEMINATION OF INFORMATION.—In addition to other modes for the collection and dissemination of the types of information and data specified under subsection (b), the Secretary shall ensure that the Clearinghouse maintains an Internet website that provides for dissemination and collection, through voluntary submission or posting, of the information and data.

''(d) FEDERAL AGENCIES.—On request of the Secretary and to the extent permitted by law, the head of a Federal agency shall provide to the Clearinghouse such information as the Secretary may request to enable the Clearinghouse to carry out this section.

''(e) STATE, LOCAL, AND TRIBAL AGENCIES, INSTITUTIONS OF HIGHER EDUCATION, AND NONPROFIT AND FOR-PROFIT ORGANIZATIONS.—The Secretary shall request State, local, and tribal agencies, institutions of higher education, and private, for-profit, and nonprofit organizations and institutions to provide to the Clearinghouse information concerning applicable programs or services described in subsection (b).

''(f) PROMOTION OF CLEARINGHOUSE.—The Secretary prominently shall promote the existence and availability of the Clearinghouse in all activities of the Department of Agriculture relating to rural areas of the United States.

''(g) FUNDING.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall use to operate and maintain the Clearinghouse not more than $600,000 of the funds available to the Rural Housing Service, the Rural Utilities Service, and the Rural Business-Cooperative Service for each fiscal year.

''(2) LIMITATION.—Funds available to the Rural Housing Service, the Rural Utilities Service, and the Rural Business-Cooperative Service for the payment of loan costs (as defined in section 502 of Federal Credit Reform Act of 1990 (2 U.S.C. 661a)) shall not be used to operate and maintain the Clearinghouse.''.

Subtitle B—National Rural Development Partnership

SEC. 611. SHORT TITLE.

This subtitle may be cited as the ''National Rural Development Partnership Act of 2001''.

SEC. 612. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) is amended by adding at the end the following:

''SEC. 377. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.

''(a) DEFINITIONS.—In this section:

''(1) AGENCY WITH RURAL RESPONSIBILITIES.—The term 'agency with rural responsibilities' means any executive agency (as defined in section 105 of title 5, United States Code) that—

''(A) implements Federal law targeted at rural areas, including—

''(i) the Act of April 24, 1950 (commonly known as the 'Granger-Thye Act') (64 Stat. 82, chapter 9);

''(ii) the Intergovernmental Cooperation Act of 1968 (82 Stat. 1098);

''(iii) section 41742 of title 49, United States Code;

''(iv) the Rural Development Act of 1972 (86 Stat. 657);

''(v) the Rural Development Policy Act of 1980 (94 Stat. 1171);

''(vi) the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.);

''(vii) amendments made to section 334 of the Public Health Service Act (42 U.S.C. 254g) by the Rural Health Clinics Act of 1983 (97 Stat. 1345); and

''(viii) the Rural Housing Amendments of 1983 (97 Stat. 1240) and the amendments made by the Rural Housing Amendments of 1983 to title V of the Housing Act of 1949 (42 U.S.C. 1471 et seq.); or

''(B) administers a program that has a significant impact on rural areas, including—

''(i) the Appalachian Regional Commission;

''(ii) the Department of Agriculture;

''(iii) the Department of Commerce;

''(iv) the Department of Defense;

''(v) the Department of Education;

''(vi) the Department of Energy;

''(vii) the Department of Health and Human Services;

''(viii) the Department of Housing and Urban Development;

''(ix) the Department of the Interior;

''(x) the Department of Justice;

''(xi) the Department of Labor;

''(xii) the Department of Transportation;

''(xiii) the Department of the Treasury;

''(xiv) the Department of Veterans Affairs;

''(xv) the Environmental Protection Agency;

''(xvi) the Federal Emergency Management Administration;

''(xvii) the Small Business Administration;

''(xviii) the Social Security Administration;

''(xix) the Federal Reserve System;

''(xx) the United States Postal Service;

''(xxi) the Corporation for National Service;

''(xxii) the National Endowment for the Arts and the National Endowment for the Humanities; and

''(xxiii) other agencies, commissions, and corporations.

''(2) COORDINATING COMMITTEE.—The term 'Coordinating Committee' means the National Rural Development Coordinating Committee established by subsection (c).

''(3) PARTNERSHIP.—The term 'Partnership' means the National Rural Development Partnership continued by subsection (b).

''(4) STATE RURAL DEVELOPMENT COUNCIL.—The term 'State rural development council' means a State rural development council that meets the requirements of subsection (d).

''(b) PARTNERSHIP.—

''(1) IN GENERAL.—The Secretary shall continue the National Rural Development Partnership composed of—

''(A) the Coordinating Committee; and

''(B) State rural development councils.

''(2) PURPOSES.—The purposes of the Partnership are—

''(A) to empower and build the capacity of States and rural communities within States

to design unique responses to their own special rural development needs, with local determinations of progress and selection of projects and activities;

''(B) to encourage participants to be flexible and innovative in establishing new partnerships and trying fresh, new approaches to rural development issues, with responses to rural development that use different approaches to fit different situations; and

''(C) to encourage all partners in the Partnership (Federal, State, local, and tribal governments, the private sector, and nonprofit organizations) to be fully engaged and share equally in decisions.

''(3) GOVERNING PANEL.—

''(A) IN GENERAL.—A panel consisting of representatives of the Coordinating Committee and State rural development councils shall be established to lead and coordinate the strategic operation, policies, and practices of the Partnership.

''(B) ANNUAL REPORTS.—In conjunction with the Coordinating Committee and State rural development councils, the panel shall prepare and submit to Congress an annual report on the activities of the Partnership.

''(4) ROLE OF FEDERAL GOVERNMENT.—The role of the Federal Government in the Partnership shall be that of a partner and facilitator, with Federal agencies authorized—

''(A) to cooperate with States to implement the Partnership;

''(B) to provide States with the technical and administrative support necessary to plan and implement tailored rural development strategies to meet local needs;

''(C) to ensure that the head of each agency referred to in subsection (a)(1)(B) designates a senior-level agency official to represent the agency on the Coordinating Committee and directs appropriate field staff to participate fully with the State rural development council within the jurisdiction of the field staff; and

''(D) to enter into cooperative agreements with, and to provide grants and other assistance to, State rural development councils.

''(5) ROLE OF PRIVATE AND NONPROFIT SECTOR ORGANIZATIONS.—Private and nonprofit sector organizations are encouraged—

''(A) to act as full partners in the Partnership and State rural development councils; and

''(B) to cooperate with participating government organizations in developing innovative approaches to the solution of rural development problems.

''(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—

''(1) ESTABLISHMENT.—The Secretary shall establish a National Rural Development Coordinating Committee.

''(2) COMPOSITION.—The Coordinating Committee shall be composed of—

''(A) 1 representative of each agency with rural responsibilities that elects to participate in the Coordinating Committee; and

''(B) representatives, approved by the Secretary, of—

''(i) national associations of State, regional, local, and tribal governments and intergovernmental and multijurisdictional agencies and organizations;

''(ii) national public interest groups;

''(iii) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee; and

''(iv) the private sector.

''(3) DUTIES.—The Coordinating Committee shall—

''(A) provide support for the work of the State rural development councils;

''(B) facilitate coordination among Federal programs and activities, and with State, local, tribal, and private programs and activities, affecting rural development;

''(C) enhance the effectiveness, responsiveness, and delivery of Federal programs in rural areas;

''(D) gather and provide to Federal authorities information and input for the development and implementation of Federal programs impacting rural economic and community development;

''(E) notwithstanding any other provision of law, review and comment on policies, regulations, and proposed legislation that affect or would affect rural areas;

''(F) provide technical assistance to State rural development councils for the implementation of Federal programs;

''(G) notwithstanding any other provision of law, develop and facilitate strategies to reduce or eliminate administrative and regulatory impediments; and

''(H) require each State receiving funds under this section to submit an annual report on the use of the funds by the State, including a description of strategic plans, goals, performance measures, and outcomes for the State rural development council of the State.

''(4) ELECTION NOT TO PARTICIPATE.—An agency with rural responsibilities that elects not to participate in the Partnership and the Coordinating Committee shall submit to Congress a report that describes—

''(A) how the programmatic responsibilities of the Federal agency that target or have an impact on rural areas are better achieved without participation by the agency in the Partnership; and

''(B) a more effective means of partnership-building and collaboration to achieve the programmatic responsibilities of the agency.

''(d) STATE RURAL DEVELOPMENT COUNCILS.—

''(1) ESTABLISHMENT.—Notwithstanding chapter 63 of title 31, United States Code, each State may elect to participate in the Partnership by entering into an agreement with the Secretary to establish a State rural development council.

''(2) STATE DIVERSITY.—Each State rural development council shall—

''(A) have a nonpartisan membership that is broad and representative of the economic, social, and political diversity of the State; and

''(B) carry out programs and activities in a manner that reflects the diversity of the State.

''(3) DUTIES.—A State rural development council shall—

''(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and nonprofit sectors in the planning and implementation of programs and policies that target or have an impact on rural areas of the State;

''(B) enhance the effectiveness, responsiveness, and delivery of Federal and State programs in rural areas of the State;

''(C) gather and provide to the Coordinating Committee and other appropriate organizations information on the condition of rural areas in the State;

''(D) monitor and report on policies and programs that address, or fail to address, the needs of the rural areas of the State;

''(E) provide comments to the Coordinating Committee and other appropriate organizations on policies, regulations, and proposed legislation that affect or would affect the rural areas of the State;

''(F) notwithstanding any other provision of law, in conjunction with the Coordinating Committee, facilitate the development of strategies to reduce or eliminate conflicting or duplicative administrative or regulatory requirements of Federal, State, local, and tribal governments;

''(G) use grant or cooperative agreement funds provided by the Partnership under an agreement entered into under paragraph (1) to—

''(i) retain an Executive Director and such support staff as are necessary to facilitate and implement the directives of the State rural development council; and

''(ii) pay expenses associated with carrying out subparagraphs (A) through (F); and

''(H)(i) provide to the Coordinating Committee an annual plan with goals and performance measures; and

''(ii) submit to the Coordinating Committee an annual report on the progress of the State rural development council in meeting the goals and measures.

''(4) AUTHORITIES.—A State rural development council may—

''(A) solicit funds to supplement and match funds provided under paragraph (3)(G); and

''(B) engage in activities, in addition to those specified in paragraph (3), appropriate to accomplish the purposes for which the State rural development council is established.

''(5) COMMENTS OR RECOMMENDATIONS.—A State rural development council may provide comments and recommendations to an agency with rural responsibilities related to the activities of the State rural development council within the State.

''(6) ACTIONS OF STATE RURAL DEVELOPMENT COUNCIL MEMBERS.—When carrying out a program or activity authorized by a State rural development council or this subtitle, a member of the council shall be regarded as a full-time employee of the Federal Government for purposes of chapter 171 of title 28, United States Code, and the Federal Advisory Committee Act (5 U.S.C. App.).

''(7) FEDERAL PARTICIPATION IN STATE RURAL DEVELOPMENT COUNCILS.—

''(A) IN GENERAL.—The State Director for Rural Development of a State, other employees of the Department of Agriculture, and employees of other Federal agencies that elect to participate in the Partnership shall fully participate in the governance and operations of State rural development councils on an equal basis with other members of the State rural development councils.

''(B) CONFLICTS.—A Federal employee who participates in a State rural development council shall not participate in the making of any council decision if the agency represented by the Federal employee has any financial or other interest in the outcome of the decision.

''(C) FEDERAL GUIDANCE.—The Office of Government Ethics, in consultation with the Attorney General, shall issue guidance to all Federal employees that participate in State rural development councils that describes specific decisions that—

''(i) would constitute a conflict of interest for the Federal employee; and

''(ii) from which the Federal employee must recuse himself or herself.

''(e) ADMINISTRATIVE SUPPORT OF THE PARTNERSHIP.—

''(1) DETAIL OF EMPLOYEES.—

''(A) IN GENERAL.—In order to provide experience in intergovernmental collaboration, the head of an agency with rural responsibilities that elects to participate in the Partnership may, and is encouraged to, detail an employee of the agency with rural responsibilities to the Partnership without reimbursement for a period of up to 12 months.

''(B) CIVIL SERVICE STATUS.—The detail shall be without interruption or loss of civil service status or privilege.

''(2) ADDITIONAL SUPPORT.—The Secretary shall provide for any additional support staff to the Partnership as the Secretary determines to be necessary to carry out the duties of the Partnership.

''(f) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—

''(A) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this section.

''(B) AMOUNT OF FINANCIAL ASSISTANCE.—In providing financial assistance to State rural development councils, the Secretary and heads of other Federal agencies shall provide assistance that, to the maximum extent practicable, is—

''(i) uniform in amount; and

''(ii) targeted to newly created State rural development councils.

''(C) FEDERAL SHARE.—The Secretary shall develop a plan to decrease, over time, the Federal share of the cost of the core operations of State rural development councils.

''(2) FEDERAL AGENCIES.—

''(A) IN GENERAL.—Notwithstanding any other provision of law limiting the ability of an agency to provide funds to the Partnership with other agencies, in order to carry out the purposes described in subsection (b)(2), the Partnership shall be eligible to receive grants, gifts, contributions, or technical assistance from, or enter into contracts with, any Federal agency.

''(B) ASSISTANCE.—Federal agencies are encouraged to use funds made available for programs that target or have an impact on rural areas to provide assistance to, and enter into contracts with, the Partnership, as described in subparagraph (A).

''(3) CONTRIBUTIONS.—The Partnership may accept private contributions.

''(4) FEDERAL FINANCIAL SUPPORT FOR STATE RURAL DEVELOPMENT COUNCILS.—Notwithstanding any other provision of law, a Federal agency may use funds made available under paragraph (1) or (2) to enter into a cooperative agreement, contract, or other agreement with a State rural development council to support the core operations of the State rural development council, regardless of the legal form of organization of the State rural development council.

''(g) MATCHING REQUIREMENTS FOR STATE RURAL DEVELOPMENT COUNCILS.—

''(1) IN GENERAL.—Except as provided in paragraph (2), a State rural development council shall provide matching funds, or in-kind goods or services, to support the activities of the State rural development council in an amount that is not less than 33 percent of the amount of Federal funds received under an agreement under subsection (d)(1).

''(2) EXCEPTIONS TO MATCHING REQUIREMENT FOR CERTAIN FEDERAL FUNDS.—Paragraph (1) shall not apply to funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance received by a State rural development council from a Federal agency that are used—

''(A) to support 1 or more specific program or project activities; or

''(B) to reimburse the State rural development council for services provided to the Federal agency providing the funds, grants, funds provided under contracts or cooperative agreements, gifts, contributions, or technical assistance.

''(h) TERMINATION.—The authority provided under this section shall terminate on the date that is 5 years after the date of enactment of this section.''.

Subtitle C—Consolidated Farm and Rural Development Act

SEC. 621. WATER OR WASTE DISPOSAL GRANTS.

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended—

(1) by striking ''(2) The'' and inserting the following:

''(2) WATER, WASTE DISPOSAL, AND WASTEWATER FACILITY GRANTS.—

''(A) AUTHORITY.—

''(i) IN GENERAL.—The'';

(2) by striking ''$590,000,000'' and inserting ''$1,500,000,000'';

(3) by striking ''The amount'' and inserting the following:

''(ii) AMOUNT.—The amount'';

(4) by striking ''paragraph'' and inserting ''subparagraph'';

(5) by striking ''The Secretary shall'' and inserting the following:

''(iii) GRANT RATE.—The Secretary shall''; and

(6) by adding at the end the following:

''(B) REVOLVING FUNDS FOR FINANCING WATER AND WASTEWATER PROJECTS.—

''(i) IN GENERAL.—The Secretary may make grants to qualified private, nonprofit entities to capitalize revolving funds for the purpose of providing loans to eligible borrowers for—

''(I) predevelopment costs associated with proposed water and wastewater projects or with existing water and wastewater systems; and

''(II) short-term costs incurred for replacement equipment, small-scale extension services, or other small capital projects that are not part of the regular operations and maintenance activities of existing water and wastewater systems.

''(ii) ELIGIBLE BORROWERS.—To be eligible to obtain a loan from a revolving fund under clause (i), a borrower shall be eligible to obtain a loan, loan guarantee, or grant under paragraph (1) or this paragraph.

''(iii) MAXIMUM AMOUNT OF LOANS.—The amount of a loan made to an eligible borrower under this subparagraph shall not exceed—

''(I) $100,000 for costs described in clause (i)(I); and

''(II) $100,000 for costs described in clause (i)(II).

''(iv) TERM.—The term of a loan made to an eligible borrower under this subparagraph shall not exceed 10 years.

''(v) ADMINISTRATION.—The Secretary shall limit the amount of grant funds that may be used by a grant recipient for administrative costs incurred under this subparagraph.

''(vi) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subparagraph $30,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 622. RURAL BUSINESS OPPORTUNITY GRANTS.

Section 306(a)(11)(D) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(11)(D)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 623. RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by added at the end the following:

''(22) RURAL WATER AND WASTEWATER CIRCUIT RIDER PROGRAM.—

''(A) IN GENERAL.—The Secretary shall establish a national rural water and wastewater circuit rider program that is based on the rural water circuit rider program of the National Rural Water Association that (as of the date of enactment of this paragraph) receives funding from the Secretary, acting through the Rural Utilities Service.

''(B) RELATIONSHIP TO EXISTING PROGRAM.—The program established under subparagraph (A) shall not affect the authority of the Secretary to carry out the circuit rider program for which funds are made available under the heading ''RURAL COMMUNITY ADVANCEMENT PROGRAM'' of title III of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 2002.

''(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $15,000,000 for each of fiscal years 2003 through 2006.''.

SEC. 624. MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 623) is amended by added at the end the following:

''(23) MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS.—

''(A) GRANTS.—The Secretary shall provide grants to multijurisdictional regional planning and development organizations to pay the Federal share of the cost of providing assistance to local governments to improve the infrastructure, services, and business development capabilities of local governments and local economic development organizations.

''(B) PRIORITY.—In determining which organizations will receive a grant under this paragraph, the Secretary shall provide a priority to an organization that—

''(i) serves a rural area that, during the most recent 5-year period—

''(I) had a net out-migration of inhabitants, or other population loss, from the rural area that equals or exceeds 5 percent of the population of the rural area; or

''(II) had a median household income that is less than the nonmetropolitan median household income of the applicable State; and

''(ii) has a history of providing substantive assistance to local governments and economic development organizations.

''(C) FEDERAL SHARE.—A grant provided under this paragraph shall be for not more than 75 percent of the cost of providing assistance described in subparagraph (A).

''(D) MAXIMUM AMOUNT OF GRANTS.—The amount of a grant provided to an organization under this paragraph shall not exceed $100,000.

''(E) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $30,000,000 for each of fiscal years 2003 through 2006.''.

SEC. 625. CERTIFIED NONPROFIT ORGANIZATIONS SHARING EXPERTISE.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 624) is amended by added at the end the following:

''(24) CERTIFIED NONPROFIT ORGANIZATIONS SHARING EXPERTISE.—

''(A) CERTIFIED ORGANIZATIONS.—

''(i) IN GENERAL.—To be certified by the Secretary to provide technical assistance in 1 or more rural development fields, an organization shall—

''(I) be a nonprofit organization (which may include an institution of higher education) with experience in providing technical assistance in the applicable rural development field;

''(II) develop a plan, approved by the Secretary, describing the manner in which grant funds will be used and the source of non-Federal funds; and

''(III) meet such other criteria as the Secretary may establish, based on the needs of eligible entities for the technical assistance.

''(iii) LIST.—The Secretary shall make available to the public a list of certified organizations in each area that the Secretary determines have substantial experience in providing the assistance described in subparagraph (B).

''(B) GRANTS.—The Secretary may provide grants to certified organizations to pay for costs of providing technical assistance to local governments and nonprofit entities to improve the infrastructure, services, and business development capabilities of local governments and local economic development organizations.

''(C) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to

carry out this paragraph $20,000,000 for each of fiscal years 2003 through 2006.''.

SEC. 626. LOAN GUARANTEES FOR CERTAIN RURAL DEVELOPMENT LOANS.

(a) LOAN GUARANTEES FOR WATER, WASTEWATER, AND ESSENTIAL COMMUNITY FACILITIES LOANS.—Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1925(a)) (as amended by section 625) is amended by adding at the end the following:

''(25) LOAN GUARANTEES FOR WATER, WASTEWATER, AND ESSENTIAL COMMUNITY FACILITIES LOANS.—

''(A) IN GENERAL.—The Secretary may guarantee under this title a loan made to finance a community facility or water or waste facility project, including a loan financed by the net proceeds of a bond described in section 144(a)(12)(B)(ii) of the Internal Revenue Code of 1986.

''(B) REQUIREMENTS.—To be eligible for a loan guarantee under subparagraph (A), an individual or entity offering to purchase the loan must demonstrate to the Secretary that the person has—

''(i) the capabilities and resources necessary to service the loan in a manner that ensures the continued performance of the loan, as determined by the Secretary; and

''(ii) the ability to generate capital to provide borrowers of the loan with the additional credit necessary to properly service the loan.''.

(b) LOAN GUARANTEES FOR CERTAIN LOANS.—Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by adding at the end the following:

''(h) LOAN GUARANTEE FOR CERTAIN LOANS.—The Secretary may guarantee loans made in subsection (a) to finance the issuance of bonds for the projects described in section 306(a)(25).''.

SEC. 627. RURAL FIREFIGHTERS AND EMERGENCY PERSONNEL GRANT PROGRAM.

Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) (as amended by section 626(a)) is amended by adding at the end the following:

''(26) RURAL FIREFIGHTERS AND EMERGENCY MEDICAL PERSONNEL GRANT PROGRAM.—

''(A) IN GENERAL.—The Secretary may make grants to units of general local government and Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) to pay the cost of training firefighters and emergency medical personnel in firefighting, emergency medical practices, and responding to hazardous materials and bioagents in rural areas.

''(B) USE OF FUNDS.—

''(i) SCHOLARSHIPS.—

''(I) IN GENERAL.—Not less than 60 percent of the amounts made available for competitively awarded grants under this paragraph shall be used to provide grants to fund partial scholarships for training of individuals at training centers approved by the Secretary.

''(II) PRIORITY.—In awarding grants under this clause, the Secretary shall give priority to grant applicants with relatively low transportation costs considering the location of the grant applicant and the proposed location of the training.

''(ii) GRANTS FOR TRAINING CENTERS.—

''(I) EXISTING CENTERS.—

''(aa) IN GENERAL.—A grant under subparagraph (A) may be used to provide financial assistance to State and regional centers that provide training for firefighters and emergency medical personnel for improvements to the training facility, equipment, curricula, and personnel.

''(bb) LIMITATION.—Not more than $2,000,000 shall be provided to any single training center for any fiscal year under this subclause.

''(II) ESTABLISHMENT OF NEW CENTERS.—

''(aa) IN GENERAL.—A grant under subparagraph (A) may be used to provide the Federal share of the costs of establishing a regional training center for firefighters and emergency medical personnel.

''(bb) FEDERAL SHARE.—The amount of a grant under this subclause for a training center shall not exceed 50 percent of the cost of establishing the training center.

''(C) FUNDING.—

''(i) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this paragraph—

''(I) not later than 30 days after the date of enactment of this Act, $10,000,000; and

''(II) on October 1, 2002, and each October 1 thereafter through October 1, 2005, $30,000,000.

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

''(iii) AVAILABILITY OF FUNDS.—Funds transferred under clause (i) shall remain available until expended.''.

SEC. 628. EMERGENCY COMMUNITY WATER ASSISTANCE GRANT PROGRAM.

Section 306A(i) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a(i)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 629. WATER AND WASTE FACILITY GRANTS FOR NATIVE AMERICAN TRIBES.

Section 306C of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926c(e)) is amended by striking subsection (e) and inserting the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—Subject to paragraph (2), there is authorized to be appropriated—

''(A) for grants under this section, $30,000,000 for each fiscal year;

''(B) for loans under this section, $30,000,000 for each fiscal year; and

''(C) for grants under this section to benefit Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), $20,000,000 for each fiscal year.

''(2) EXCEPTION.—An entity eligible to receive funding through a grant made under section 306D shall not be eligible for a grant from funds made available under subparagraph (1)(C).''.

SEC. 630. WATER SYSTEMS FOR RURAL AND NATIVE VILLAGES IN ALASKA.

Section 306D(d)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926d(d)(1)) is amended by striking ''and 2002'' and inserting ''through 2006''.

SEC. 631. RURAL COOPERATIVE DEVELOPMENT GRANTS.

Section 310B(e)(9) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(e)(9)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 632. GRANTS TO BROADCASTING SYSTEMS.

Section 310B(f) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(f)) is amended by adding at the end the following:

''(3) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $5,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 633. BUSINESS AND INDUSTRY LOAN MODIFICATIONS.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is amended by striking subsection (g) and inserting the following:

''(g) BUSINESS AND INDUSTRY DIRECT AND GUARANTEED LOANS.—

''(1) LOAN GUARANTEES FOR THE PURCHASE OF COOPERATIVE STOCK.—

''(A) NEW AND EXPANDING COOPERATIVES.—

''(i) IN GENERAL.—The Secretary may guarantee a loan under subsection (a) to farmers, ranchers, or cooperatives for the purpose of purchasing start-up capital stock for the expansion or creation of a cooperative venture that will process agricultural commodities or otherwise process value-added agricultural products.

''(ii) FINANCIAL CONDITION.—In determining the appropriateness of a loan guarantee under this subparagraph, the Secretary—

''(I) shall fully review the feasibility and other relevant aspects of the cooperative venture to be established;

''(II) may not require a review of the financial condition or statements of any individual farmer or rancher involved in the cooperative, other than the applicant for a guarantee under this subparagraph; and

''(III) shall base any guarantee, to the maximum extent practicable, on the merits of the cooperative venture to be established.

''(iii) COLLATERAL.—As a condition of making a loan guarantee under this subparagraph, the Secretary may not require additional collateral by a farmer or rancher, other than stock purchased or issued pursuant to the loan and guarantee of the loan.

''(iv) ELIGIBILITY.—To be eligible for a loan guarantee under this subparagraph, a farmer or rancher must produce the agricultural commodity that will be processed by the cooperative.

''(v) PROCESSING CONTRACTS DURING INITIAL PERIOD.—The cooperative, for which a farmer or rancher receives a guarantee to purchase stock under this subparagraph, may contract for services to process agricultural commodities, or otherwise process value-added agricultural products, during the 5-year period beginning on the date of the startup of the cooperative in order to provide adequate time for the planning and construction of the processing facility of the cooperative.

''(B) EXISTING COOPERATIVES.—The Secretary may guarantee a loan under subsection (a) to a farmer or rancher to join a cooperative in order to sell the agricultural commodities or products produced by the farmer or rancher.

''(C) FINANCIAL INFORMATION.—Financial information required by the Secretary from a farmer or rancher as a condition of making a loan guarantee under this paragraph shall be provided in the manner generally required by commercial agricultural lenders in the area.

''(2) LOANS TO COOPERATIVES.—

''(A) IN GENERAL.—The Secretary may make or guarantee a loan under subsection (a) to a cooperative that is headquartered in a metropolitan area if the loan is used for a project or venture described in subsection (a) that is located in a rural area.

''(B) REFINANCING.—A cooperative organization owned by farmers or ranchers that is eligible for a business and industry loan under made or guaranteed under subsection (a) shall be eligible to refinance an existing loan with a lender if—

''(i) the cooperative organization—

''(I) is current and performing with respect to the existing loan; and

''(II) is not, and has not been, in default with respect to the existing loan; and

''(ii) there is adequate security or full collateral for the refinanced loan.

''(3) BUSINESS AND INDUSTRY LOAN APPRAISALS.—The Secretary may require that any appraisal made in connection with a business and industry loan made or guaranteed under subsection (a) be conducted by a specialized

appraiser that uses standards that are similar to standards used for similar purposes in the private sector, as determined by the Secretary.

''(4) FEES.—The Secretary may assess a 1-time fee for any loan guaranteed under subsection (a) in an amount that does not exceed 2 percent of the guaranteed principal portion of the loan.''.

SEC. 634. VALUE-ADDED INTERMEDIARY RELENDING PROGRAM.

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) (as amended by section 626(b)) is amended by adding at the end the following:

''(i) VALUE-ADDED INTERMEDIARY RELENDING PROGRAM.—

''(1) IN GENERAL.—In accordance with this subsection, the Secretary shall make loans under the terms and conditions of the intermediary relending program established under section 1323(b)(2)(C) of the Food Security Act of 1985 (7 U.S.C. 1932 note; Public Law 99–198).

''(2) LOANS.—Using funds made available to carry out this subsection, the Secretary shall make loans to eligible intermediaries to make loans to ultimate recipients, under the terms and conditions of the intermediary relending program, for projects to establish, enlarge, and operate enterprises that add value to agricultural commodities and products of agricultural commodities.

''(3) ELIGIBLE INTERMEDIARIES.—Intermediaries that are eligible to receive loans under paragraph (2) shall include State agencies.

''(4) PREFERENCE FOR BIOENERGY PROJECTS.—In making loans using loan funds made available under paragraph (2), an eligible intermediary shall give preference to bioenergy projects in accordance with regulations promulgated by the Secretary.

''(5) COMPOSITION OF CAPITAL.—The capital for a project carried out by an ultimate recipient and assisted with loan funds made available under paragraph (2) shall be comprised of—

''(A) not more than 15 percent of the total cost of a project; and

''(B) not less than 50 percent of the equity funds provided by agricultural producers.

''(6) LOAN CONDITIONS.—

''(A) TERMS OF LOANS.—A loan made to an intermediary using loan funds made available under paragraph (2) shall have a term of not to exceed 30 years.

''(B) INTEREST.—The interest rate on such a loan shall be—

''(i) in the case of each of the first 2 years of the loan period, 0 percent; and

''(ii) in the case of each of the remaining years of the loan period, 2 percent.

''(7) LIMITATIONS ON AMOUNT OF LOAN FUNDS PROVIDED.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an intermediary or ultimate recipient shall be eligible to receive not more than $2,000,000 of the loan funds made available under paragraph (2).

''(B) STATE AGENCIES.—Subparagraph (A) shall not apply in the case of a State agency with respect to loan funds provided to the State agency as an intermediary.

''(8) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $15,000,000 for each of fiscal years 2003 through 2006.''.

SEC. 635. USE OF RURAL DEVELOPMENT LOANS AND GRANTS FOR OTHER PURPOSES.

Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1921 et seq.) (as amended by section 508) is amended by adding at the end the following:

''SEC. 310G. USE OF RURAL DEVELOPMENT LOANS AND GRANTS FOR OTHER PURPOSES.

''If, after making a loan or a grant described in section 381E(d), the Secretary determines that the circumstances under which the loan or grant was made have sufficiently changed to make the project or activity for which the loan or grant was made available no longer appropriate, the Secretary may allow the loan borrower or grant recipient to use property (real and personal) purchased or improved with the loan or grant funds, or proceeds from the sale of property (real and personal) purchased with such funds, for another project or activity that (as determined by the Secretary)—

''(1) will be carried out in the same area as the original project or activity;

''(2) meets the criteria for a loan or a grant described in section 381E(d); and

''(3) satisfies such additional requirements as are established by the Secretary.''.

SEC. 636. SIMPLIFIED APPLICATION FORMS FOR LOAN GUARANTEES.

Section 333A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1983a) (as amended by section 526) is amended by striking subsection (g) and inserting the following:

''(g) SIMPLIFIED APPLICATION FORMS FOR LOAN GUARANTEES.—

''(1) IN GENERAL.—The Secretary shall provide to lenders a short, simplified application form for guarantees under this title of—

''(A) farmer program loans the principal amount of which is $100,000 or less; and

''(B) business and industry guaranteed loans under section 310B(a)(1) the principal amount of which is—

''(i) in the case of a loan guarantee made during fiscal year 2002 or 2003, $400,000 or less; and

''(ii) in the case of a loan guarantee made during any subsequent fiscal year—

''(I) $400,000 or less; or

''(II) if the Secretary determines that there is not a significant increased risk of a default on the loan, $600,000 or less.

''(2) WATER AND WASTE DISPOSAL GRANTS AND LOANS.—The Secretary shall develop an application process that accelerates, to the maximum extent practicable, the processing of applications for water and waste disposal grants or direct or guaranteed loans under paragraph (1) or (2) of section 306(a) the grant award amount or principal loan amount, respectively, of which is $300,000 or less.

''(3) ADMINISTRATION.—In developing an application under this subsection, the Secretary shall—

''(A) consult with commercial and cooperative lenders; and

''(B) ensure that—

''(i) the form can be completed manually or electronically, at the option of the lender;

''(ii) the form minimizes the documentation required to accompany the form;

''(iii) the cost of completing and processing the form is minimal; and

''(iv) the form can be completed and processed in an expeditious manner.''.

SEC. 637. DEFINITION OF RURAL AND RURAL AREA.

(a) IN GENERAL.—Section 343(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1991(a)) is amended by adding at the end the following:

''(13) RURAL AND RURAL AREA.—

''(A) IN GENERAL.—Except as otherwise provided in this paragraph, the terms 'rural' and 'rural area' mean a city, town, or unincorporated area that has a population of 50,000 inhabitants or less, other than an urbanized area immediately adjacent to a city, town, or unincorporated area that has a population in excess of 50,000 inhabitants.

''(B) WATER AND WASTE DISPOSAL GRANTS AND DIRECT AND GUARANTEED LOANS.—For the purpose of water and waste disposal grants and direct and guaranteed loans provided under paragraphs (1) and (2) of section 306(a), the terms 'rural' and 'rural area' mean a city, town, or unincorporated area that has a population of no more than 10,000 inhabitants.

''(C) COMMUNITY FACILITY LOANS AND GRANTS.—For the purpose of community facility direct and guaranteed loans and grants under paragraphs (1), (19), (20), and (21) of section 306(a), the terms 'rural' and 'rural area' mean a city, town, or unincorporated area that has a population of no more than 50,000 inhabitants.

''(D) BUSINESS AND INDUSTRY DIRECT AND GUARANTEED LOANS.—For the purpose of business and industry direct and guaranteed loans under section 310B(a)(1), the terms 'rural' and 'rural area' mean any area other than a city or town that has a population of greater than 50,000 inhabitants and the immediately adjacent urbanized area of such city or town.

''(E) MULTIJURISDICTIONAL REGIONAL PLANNING ORGANIZATIONS; NATIONAL RURAL DEVELOPMENT PARTNERSHIP.—In sections 306(a)(23) and 377, the term 'rural area' means—

''(i) all the territory of a State that is not within the boundary of any standard metropolitan statistical area; and

''(ii) all territory within any standard metropolitan statistical area within a census tract having a population density of less than 20 persons per square mile, as determined by the Secretary according to the most recent census of the United States as of any date.

''(F) RURAL ENTREPRENEURS AND MICROENTERPRISE ASSISTANCE PROGRAM; NATIONAL RURAL COOPERATIVE AND BUSINESS EQUITY FUND.—In section 378 and subtitle G, the term 'rural area' means an area that is located—

''(i) outside a standard metropolitan statistical area; or

''(ii) within a community that has a population of 50,000 inhabitants or less.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 306(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)) is amended by striking paragraph (7).

(2) Section 381A of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009) is amended—

(A) by striking paragraph (1); and

(B) by redesignating paragraphs (2) and (3) as paragraphs (1) and (2), respectively.

SEC. 638. RURAL ENTREPRENEURS AND MICROENTERPRISE ASSISTANCE PROGRAM.

Subtitle D of the Consolidated Farm and Rural Development Act (as amended by section 612) is amended by adding at the end the following:

''SEC. 378. RURAL ENTREPRENEURS AND MICROENTERPRISE ASSISTANCE PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ECONOMICALLY DISADVANTAGED MICROENTREPRENEUR.—The term 'economically disadvantaged microentrepreneur' means an owner, majority owner, or developer of a microenterprise that has the ability to compete in the private sector but has been impaired due to diminished capital and credit opportunities, as compared to other microentrepreneurs in the industry.

''(2) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(3) INTERMEDIARY.—The term 'intermediary' means a private, nonprofit entity that provides assistance—

''(A) to a microenterprise development organization; or

''(B) for a microenterprise development program.

''(4) LOW-INCOME INDIVIDUAL.—The term 'low-income individual' means an individual with an income (adjusted for family size) of not more than the greater of—

''(A) 80 percent of median income of an area; or

''(B) 80 percent of the statewide nonmetropolitan area median income.

''(5) MICROCREDIT.—The term 'microcredit' means a business loan or loan guarantee of not more than $35,000 provided to a rural entrepreneur.

''(6) MICROENTERPISE.—The term 'microenterprise' means a sole proprietorship, joint enterprise, limited liability company, partnership, corporation, or cooperative that—

''(A) has 5 or fewer employees; and

''(B) is unable to obtain sufficient credit, equity, or banking services elsewhere, as determined by the Secretary.

''(7) MICROENTERPRISE DEVELOPMENT ORGANIZATION.—

''(A) IN GENERAL.—The term 'microenterprise development organization' means a nonprofit entity that provides training and technical assistance to rural entrepreneurs and access to capital or another service described in subsection (c) to rural entrepreneurs.

''(B) INCLUSIONS.—The term 'microenterprise development organization' includes an organization described in subparagraph (A) with a demonstrated record of delivering services to economically disadvantaged microentrepreneurs.

''(8) MICROENTERPRISE DEVELOPMENT PROGRAM.—The term 'microenterprise development organization' means a program administered by a organization serving a rural area.

''(9) MICROENTREPRENEUR.—The term 'microentrepreneur' means the owner, operator, or developer of a microenterprise.

''(10) PROGRAM.—The term 'program' means the rural entrepreneur and microenterprise program established under subsection (b)(1).

''(11) QUALIFIED ORGANIZATION.—The term 'qualified organization' means—

''(A) a microenterprise development organization or microenterprise development program that has a demonstrated record of delivering microenterprise services to rural entrepreneurs, as demonstrated by the development of an effective plan of action and the possession of necessary resources to deliver microenterprise services to rural entrepreneurs effectively, as determined by the Secretary;

''(B) an intermediary that has a demonstrated record of delivery assistance to microenterprise development organizations or microenterprise development programs;

''(C) a microenterprise development organization or microenterprise development program that—

''(i) serves rural entrepreneurs; and

''(ii) enters into an agreement with a local community, in conjunction with a State or local government or Indian tribe, to provide assistance described in subsection (c);

''(D) an Indian tribe, the tribal government of which certifies to the Secretary that no microenterprise development organization or microenterprise development program exists under the jurisdiction of the Indian tribe; or

''(E) a group of 2 or more organizations or Indian tribes described in subparagraph (A), (B), (C), or (D) that agree to act jointly as a qualified organization under this section.

''(12) RURAL CAPACITY BUILDING SERVICE.—The term 'rural capacity building service' means a service provided to an organization that—

''(A) is, or is in the process of becoming, a microenterprise development organization or microenterprise development program; and

''(B) serves rural areas for the purpose of enhancing the ability of the organization to provide training, technical assistance, and other related services to rural entrepreneurs.

''(13) RURAL ENTREPRENEUR.—The term 'rural entrepreneur' means a microentrepreneur, or prospective microentrepreneur—

''(A) the principal place of business of which is in a rural area; and

''(B) that is unable to obtain sufficient training, technical assistance, or microcredit elsewhere, as determined by the Secretary.

''(14) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Rural Business-Cooperative Service.

''(15) TRAINING AND TECHNICAL ASSISTANCE.—

''(A) IN GENERAL.—The term 'training and technical assistance' means assistance provided to rural entrepreneurs to develop the skills the rural entrepreneurs need to plan, market, and manage their own business.

''(B) INCLUSIONS.—The term 'training and technical assistance' includes assistance provided for the purpose of—

''(i) enhancing business planning, marketing, management, or financial management skills; and

''(ii) obtaining microcredit.

''(16) TRIBAL GOVERNMENT.—The term 'tribal government' means the governing body of an Indian tribe.

''(b) ESTABLISHMENT.—

''(1) IN GENERAL.—From amounts made available under subsection (h), the Secretary shall establish a rural entrepreneur and microenterprise program.

''(2) PURPOSE.—The purpose of the program shall be to provide low- and moderate-income individuals with—

''(A) the skills necessary to establish new small businesses in rural areas; and

''(B) continuing technical assistance as the individuals begin operating the small businesses.

''(c) ASSISTANCE.—

''(1) IN GENERAL.—The Secretary may make a grant under this section to a qualified organization to—

''(A) provide training, technical assistance, or microcredit to a rural entrepreneur;

''(B) provide training, operational support, or a rural capacity building service to a qualified organization to assist the qualified organization in developing microenterprise training, technical assistance, and other related services;

''(C) assist in researching and developing the best practices in delivering training, technical assistance, and microcredit to rural entrepreneurs; and

''(D) to carry out such other projects and activities as the Secretary determines are consistent with the purposes of this section.

''(2) ALLOCATION.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), of the amount of funds made available for a fiscal year to make grants under this section, the Secretary shall ensure that—

''(i) not less than 75 percent of funds are used to carry out activities described in paragraph (1)(A); and

''(ii) not more than 25 percent of the funds are used to carry out activities described in subparagraphs (B) through (D) of paragraph (1).

''(B) LIMITATION ON GRANT AMOUNT.—No single qualified organization may receive more than 10 percent of the total funds that are made available for a fiscal year to carry out this section.

''(C) ADMINISTRATIVE EXPENSES.—Not more than 15 percent of assistance received by a qualified organization for a fiscal year under this section may be used for administrative expenses.

''(d) SUBGRANTS.—Subject to such regulations as the Secretary may promulgate, a qualified organization that receives a grant under this section may use the grant to provide assistance to other qualified organizations, such as small or emerging qualified organizations.

''(e) LOW-INCOME INDIVIDUALS.—The Secretary shall ensure that not less than 50 percent of the grants made under this section is used to benefit low-income individuals identified by the Secretary, including individuals residing on Indian reservations.

''(f) DIVERSITY.—In making grants under this section, the Secretary shall ensure, to the maximum extent practicable, that grant recipients include qualified organizations—

''(1) of varying sizes; and

''(2) that serve racially and ethnically diverse populations.

''(g) COST SHARING.—

''(1) FEDERAL SHARE.—The Federal share of the cost of a project carried out using funds from a grant under this section shall be 75 percent.

''(2) FORM OF NON-FEDERAL SHARE.—The non-Federal share of the cost of a project described in paragraph (1) may be provided—

''(A) in cash (including through fees, grants (including community development block grants), and gifts); or

''(B) in kind.

''(h) FUNDING.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $10,000,000, to remain available until expended.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.''.

SEC. 639. RURAL SENIORS.

(a) INTERAGENCY COORDINATING COMMITTEE FOR RURAL SENIORS.—Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 638) is amended by adding at the end the following:

''SEC. 379. INTERAGENCY COORDINATING COMMITTEE FOR RURAL SENIORS.

''(a) IN GENERAL.—The Secretary shall establish an interagency coordinating committee (referred to in this section as the 'Committee') to examine the special problems of rural seniors.

''(b) MEMBERSHIP.—The Committee shall be comprised of—

''(1) the Undersecretary of Agriculture for Rural Development, who shall serve as chairperson of the Committee;

''(2) 2 representatives of the Secretary of Health and Human Services, of whom—

''(A) 1 shall have expertise in the field of health care; and

''(B) 1 shall have expertise in the field of programs under the Older Americans Act of 1965 (42 U.S.C. 3001 et seq.);

''(3) 1 representative of the Secretary of Housing and Urban Development;

''(4) 1 representative of the Secretary of Transportation; and

''(5) representatives of such other Federal agencies as the Secretary may designate.

''(c) DUTIES.—The Committee shall—

''(1) study health care, transportation, technology, housing, accessibility, and other areas of need of rural seniors;

''(2) identify successful examples of senior care programs in rural communities that could serve as models for other rural communities; and

''(3) not later than 1 year after the date of enactment of this section, submit to the Secretary, the Committee on Agriculture of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry of the Senate recommendations for legislative and administrative action.

''(d) FUNDING.—Funds available to any Federal agency may be used to carry out interagency activities under this section.''.

(b) GRANTS FOR PROGRAMS FOR RURAL SENIORS.—Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by subsection (a)) is amended by adding at the end the following:

''SEC. 379A. GRANTS FOR PROGRAMS FOR RURAL SENIORS.

''(a) IN GENERAL.—The Secretary shall make grants to nonprofit organizations (including cooperatives) to pay the Federal share of the cost of programs that—

''(1) provide facilities, equipment, and technology for seniors in a rural area; and

''(2) may be replicated in other rural areas.

''(b) FEDERAL SHARE.—The Federal share of a grant under this section shall be not more than 20 percent of the cost of a program described in subsection (a).

''(c) LEVERAGING.—In selecting programs to receive grants under section, the Secretary shall give priority to proposals that leverage resources to meet multiple rural community goals.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2003 through 2006.''.

(c) RESERVATION OF COMMUNITY FACILITIES PROGRAM FUNDS FOR SENIOR FACILITIES.—Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) is amended by adding at the end the following:

''(C) RESERVATION OF FUNDS FOR SENIOR FACILITIES.—

''(i) IN GENERAL.—For each fiscal year, not less than 12.5 percent of the funds made available to carry out this paragraph shall be reserved for grants to pay the Federal share of the cost of developing and constructing senior facilities, or carrying out other projects that mainly benefit seniors, in rural areas.

''(ii) RELEASE.—Funds reserved under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.''.

SEC. 640. CHILDREN'S DAY CARE FACILITIES.

Section 306(a)(19) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(19)) (as amended by section 639(c)) is amended by adding at the end the following:

''(D) RESERVATION OF FUNDS FOR CHILDREN'S DAY CARE FACILITIES.—

''(i) IN GENERAL.—For each fiscal year, not less than 10 percent of the funds made available to carry out this paragraph shall be reserved for grants to pay the Federal share of the cost of developing and constructing day care facilities for children in rural areas.

''(ii) RELEASE.—Funds reserved under clause (i) for a fiscal year shall be reserved only until April 1 of the fiscal year.''.

SEC. 641. RURAL TELEWORK.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 639(b)) is amended by adding at the end the following:

''SEC. 379B. RURAL TELEWORK.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE ORGANIZATION.—The term 'eligible organization' means a nonprofit entity, an educational institution, an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or any other organization that meets the requirements of this section and such other requirements as are established by the Secretary.

''(2) INSTITUTE.—The term 'institute' means a regional rural telework institute established using a grant under subsection (b).

''(3) TELEWORK.—The term 'telework' means the use of telecommunications to perform work functions at a rural work center located outside the place of business of an employer.

''(b) RURAL TELEWORK INSTITUTE.—

''(1) IN GENERAL.—The Secretary shall make a grant to an eligible organization to pay the Federal share of the cost of establishing and operating a national rural telework institute to carry out projects described in paragraph (4).

''(2) ELIGIBLE ORGANIZATIONS.—The Secretary shall establish criteria that an organization shall meet to be eligible to receive a grant under this subsection.

''(3) DEADLINE FOR INITIAL GRANT.—Not later than 1 year after the date on which funds are first made available to carry out this subsection, the Secretary shall make the initial grant under this subsection.

''(4) PROJECTS.—The institute shall use grant funds obtained under this subsection to carry out a 5-year project—

''(A) to serve as a clearinghouse for telework research and development;

''(B) to conduct outreach to rural communities and rural workers;

''(C) to develop and share best practices in rural telework throughout the United States;

''(D) to develop innovative, market-driven telework projects and joint ventures with the private sector that employ workers in rural areas in jobs that promote economic self-sufficiency;

''(E) to share information about the design and implementation of telework arrangements;

''(F) to support private sector businesses that are transitioning to telework;

''(G) to support and assist telework projects and individuals at the State and local level; and

''(H) to perform such other functions as the Secretary considers appropriate.

''(5) NON-FEDERAL SHARE.—

''(A) IN GENERAL.—As a condition of receiving a grant under this subsection, an eligible organization shall agree to obtain, after the application of the eligible organization has been approved and notice of award has been issued, contributions from non-Federal sources that are equal to—

''(i) during each of the first, second, and third years of a project, 50 percent of the amount of the grant; and

''(ii) during each of the fourth and fifth years of the project, 100 percent of the amount of the grant.

''(B) INDIAN TRIBES.—Notwithstanding subparagraph (A), an Indian tribe may use Federal funds made available to the tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

''(C) FORM.—The non-Federal contributions required under subparagraph (A) may be in the form of in-kind contributions, including office equipment, office space, and services.

''(c) TELEWORK GRANTS.—

''(1) IN GENERAL.—Subject to paragraphs (2) through (5), the Secretary shall make grants to eligible entities to pay the Federal share of the cost of—

''(A) obtaining equipment and facilities to establish or expand telework locations in rural areas; and

''(B) operating telework locations in rural areas.

''(2) ELIGIBLE ORGANIZATIONS.—To be eligible to receive a grant under this subsection, an eligible entity shall—

''(A) be a nonprofit organization or educational institution in a rural area; and

''(B) submit to, and receive the approval of, the Secretary of an application for the grant that demonstrates that the eligible entity has adequate resources and capabilities to establish or expand a telework location in a rural area.

''(3) NON-FEDERAL SHARE.—

''(A) IN GENERAL.—As a condition of receiving a grant under this subsection, an eligible organization shall agree to obtain, after the application of the eligible organization has been approved and notice of award has been issued, contributions from non-Federal sources that are equal to 50 percent of the amount of the grant.

''(B) INDIAN TRIBES.—Notwithstanding subparagraph (A), an Indian tribe may use Federal funds made available to the tribe for self-governance to pay the non-Federal contributions required under subparagraph (A).

''(C) SOURCES.—The non-Federal contributions required under subparagraph (A)—

''(i) may be in the form of in-kind contributions, including office equipment, office space, and services; and

''(ii) may not be made from funds made available for community development block grants under title I of the Housing and Community Development Act of 1974 (42 U.S.C. 5301 et seq.).

''(4) DURATION.—The Secretary may not provide a grant under this subsection to establish, expand, or operate a telework location in a rural area after the date that is 2 years after the establishment of the telework location.

''(5) MAXIMUM AMOUNT OF GRANT.—The amount of a grant provided to an eligible entity under this subsection shall not exceed $500,000.

''(d) APPLICABILITY OF CERTAIN FEDERAL LAW.—An entity that receives funds under this section shall be subject to the provisions of Federal law (including regulations), administered by the Secretary of Labor or the Equal Employment Opportunity Commission, that govern the responsibilities of employers to employees.

''(e) REGULATIONS.—Not later than 180 days after the date of enactment of this section, the Secretary shall promulgate regulations to carry out this section.

''(f) AUTHORIZATION OF APPROPRIATION.—There is authorized to be appropriated to carry out this section $30,000,000 for each of fiscal years 2002 through 2006, of which $5,000,000 shall be provided to establish an institute under subsection (b).''.

SEC. 642. HISTORIC BARN PRESERVATION.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 641) is amended by adding at the end the following:

''SEC. 379C. HISTORIC BARN PRESERVATION.

''(a) DEFINITIONS.—In this section:

''(1) BARN.—The term 'barn' means a building (other than a dwelling) on a farm, ranch, or other agricultural operation for—

''(A) housing animals;

''(B) storing or processing crops;

''(C) storing and maintaining agricultural equipment; or

''(D) serving an essential or useful purpose related to agriculture on the adjacent land.

''(2) ELIGIBLE APPLICANT.—The term 'eligible applicant' means—

''(A) a State department of agriculture (or a designee);

''(B) a national or State nonprofit organization that—

''(i) is exempt from tax under section 501(c)(3) of the Internal Revenue Code of 1986; and

''(ii) has experience or expertise, as determined by the Secretary, in the identification, evaluation, rehabilitation, preservation, or protection of historic barns; and

''(C) a State historic preservation office.

''(3) HISTORIC BARN.—The term 'historic barn' means a barn that—

''(A) is at least 50 years old;

''(B) retains sufficient integrity of design, materials, and construction to clearly identify the barn as an agricultural building; and

''(C) meets the criteria for listing on National, State, or local registers or inventories of historic structures.

''(4) SECRETARY.—The term 'Secretary' means the Secretary, acting through the Undersecretary of Rural Development.

''(b) PROGRAM.—The Secretary shall establish a historic barn preservation program—

''(1) to assist States in developing a listing of historic barns;

''(2) to collect and disseminate information on historic barns;

''(3) to foster educational programs relating to the history, construction techniques, rehabilitation, and contribution to society of historic barns; and

''(4) to sponsor and conduct research on—

''(A) the history of barns; and

''(B) best practices to protect and rehabilitate historic barns from the effects of decay, fire, arson, and natural disasters.

''(c) GRANTS.—

''(1) IN GENERAL.—The Secretary may make grants to, or enter into contracts or cooperative agreements with, eligible applicants to carry out an eligible project under paragraph (2).

''(2) ELIGIBLE PROJECTS.—A grant under this subsection may be made to an eligible entity for a project—

''(A) to rehabilitate or repair a historic barn;

''(B) to preserve a historic barn through—

''(i) the installation of a fire protection system, including fireproofing or fire detection system and sprinklers; and

''(ii) the installation of a system to prevent vandalism; and

''(C) to identify, document, and conduct research on a historic barn to develop and evaluate appropriate techniques or best practices for protecting historic barns.

''(3) REQUIREMENTS.—An eligible applicant that receives a grant for a project under this subsection shall comply with any standards established by the Secretary of the Interior for historic preservation projects.

''(d) FUNDING.—There is authorized to be appropriated to carry out this section, $25,000,000 for the period of fiscal years 2002 through 2006, to remain available until expended.''.

SEC. 643. GRANTS FOR EMERGENCY WEATHER RADIO TRANSMITTERS.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 642)) is amended by adding at the end the following:

''SEC. 379D. GRANTS FOR EMERGENCY WEATHER RADIO TRANSMITTERS.

''(a) IN GENERAL.—The Secretary, acting through the Administrator of the Rural Utilities Service, may make grants to public and nonprofit entities for the Federal share of the cost of acquiring radio transmitters to increase coverage of rural areas by the emergency weather radio broadcast system of the National Oceanic and Atmospheric Administration.

''(b) ELIGIBILITY.—To be eligible for a grant under this section, an applicant shall provide to the Secretary—

''(1) a binding commitment from a tower owner to place the transmitter on a tower; and

''(2) a description of how the tower placement will increase coverage of a rural area by the emergency weather radio broadcast system of the National Oceanic and Atmospheric Administration.

''(c) FEDERAL SHARE.—A grant provided under this section shall be not more than 75 percent of the cost of acquiring a radio transmitter described in subsection (a).

''(d) AUTHORIZATION.—There is authorized to be appropriated to carry out this section $2,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 644. BIOENERGY AND BIOCHEMICAL PROJECTS.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) (as amended by section 643) is amended by adding at the end the following:

''SEC. 379E. BIOENERGY AND BIOCHEMICAL PROJECTS.

''In carrying out rural development loan, loan guarantee, and grant programs under this title, the Secretary shall provide a priority for bioenergy and biochemical projects.''.

SEC. 645. DELTA REGIONAL AUTHORITY.

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 382M(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–12(a)) is amended by striking ''2002'' and inserting ''2006''.

(b) TERMINATION OF AUTHORITY.—Section 382N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–13) is amended by striking ''2002'' and inserting ''2006''.

SEC. 646. SEARCH GRANTS FOR SMALL COMMUNITIES.

The Consolidated Farm and Rural Development Act (as amended by section 604) is amended by adding at the end the following:

''Subtitle J—SEARCH Grants for Small Communities

''SEC. 386A. DEFINITIONS.

''In this subtitle:

''(1) COUNCIL.—The term 'council' means an independent citizens' council established by section 386B(d).

''(2) ENVIRONMENTAL PROJECT.—

''(A) IN GENERAL.—The term 'environmental project' means a project that—

''(i) improves environmental quality; and

''(ii) is necessary to comply with an environmental law (including a regulation).

''(B) INCLUSION.—The term 'environmental project' includes an initial feasibility study of a project.

''(3) REGION.—The term 'region' means a geographic area of a State, as determined by the Governor of the State.

''(4) SEARCH GRANT.—The term 'SEARCH grant' means a grant for special environmental assistance for the regulation of communities and habitat awarded under section 386B(e)(3).

''(5) SMALL COMMUNITY.—The term 'small community' means an incorporated or unincorporated rural community with a population of 2,500 inhabitants or less.

''(6) STATE.—The term 'State' has the meaning given the term in section 381A(1).

''SEC. 386B. SEARCH GRANT PROGRAM.

''(a) IN GENERAL.—There is established the SEARCH Grant Program.

''(b) APPLICATION.—

''(1) IN GENERAL.—Not later than October 1 of each fiscal year, a State may submit to the Secretary an application to receive a grant under subsection (c) for the fiscal year.

''(2) REQUIREMENTS.—An application under paragraph (1) shall contain—

''(A) a certification by the State that the State has appointed members to the council of the State under subsection (c)(2)(C); and

''(B) such information as the Secretary may reasonably require.

''(c) GRANTS TO STATES.—

''(1) IN GENERAL.—Not later than 60 days after the date on which the Office of Management and Budget apportions any amounts made available under this subtitle, for each fiscal year after the date of enactment of this subtitle, the Secretary shall, on request by a State—

''(A) determine whether any application submitted by the State under subsection (b) meets the requirements of subsection (b)(2); and

''(B) subject to paragraph (2), subsection (e)(4)(B)(ii), and section 386D(b), if the Secretary determines that the application meets the requirements of subsection (b)(2), award a grant of not to exceed $1,000,000 to the State, to be used by the council of the State to award SEARCH grants under subsection (e).

''(2) GRANTS TO CERTAIN STATES.—The aggregate amount of grants awarded to States other than Alaska, Hawaii, or 1 of the 48 contiguous States, under this subsection shall not exceed $1,000,000 for any fiscal year.

''(d) INDEPENDENT CITIZENS' COUNCIL.—

''(1) ESTABLISHMENT.—There is established in each State an independent citizens' council to carry out the duties described in this section.

''(2) COMPOSITION.—

''(A) IN GENERAL.—Each council shall be composed of 9 members, appointed by the Governor of the State.

''(B) REPRESENTATION; RESIDENCE.—Each member of a council shall—

''(i) represent an individual region of the State, as determined by the Governor of the State in which the council is established;

''(ii) reside in a small community of the State; and

''(iii) be representative of the populations of the State.

''(C) APPOINTMENT.—Before a State receives funds under this subtitle, the State shall appoint members to the council for the fiscal year, except that not more than 1 member shall be an agent, employee, or official of the State government.

''(D) CHAIRPERSON.—Each council shall select a chairperson from among the members of the council, except that a member who is an agent, employee, or official of the State government shall not serve as chairperson.

''(E) FEDERAL REPRESENTATION.—

''(i) IN GENERAL.—An officer, employee, or agent of the Federal Government may participate in the activities of the council—

''(I) in an advisory capacity; and

''(II) at the invitation of the council.

''(ii) RURAL DEVELOPMENT STATE DIRECTORS.—On the request of the council of a State, the State Director for Rural Development of the State shall provide advice and consultation to the council.

''(3) SEARCH GRANTS.—

''(A) IN GENERAL.—Each council shall review applications for, and recommend awards of, SEARCH grants to small communities that meet the eligibility criteria under subsection (c).

''(B) RECOMMENDATIONS.—In awarding a SEARCH grant, a State—

''(i) shall follow the recommendations of the council of the State;

''(ii) shall award the funds for any recommended environmental project in a timely and expeditious manner; and

''(iii) shall not award a SEARCH grant to a grantee or project in violation of any law of the State (including a regulation).

''(C) NO MATCHING REQUIREMENT.—A small community that receives a SEARCH grant under this section shall not be required to provide matching funds.

''(e) SEARCH GRANTS FOR SMALL COMMUNITIES.—

''(1) ELIGIBILITY.—A SEARCH grant shall be awarded under this section only to a

small community for 1 or more environmental projects for which the small community—

''(A) needs funds to carry out initial feasibility or environmental studies before applying to traditional funding sources; or

''(B) demonstrates, to the satisfaction of the council, that the small community has been unable to obtain sufficient funding from traditional funding sources.

''(2) APPLICATION.—

''(A) DATE.—The council shall establish such deadline by which small communities shall submit applications for grants under this section as will permit the council adequate time to review and make recommendations relating to the applications.

''(B) LOCATION OF APPLICATION.—A small community shall submit an application described in subparagraph (A) to the council in the State in which the small community is located.

''(C) CONTENT OF APPLICATION.—An application described in subparagraph (A) shall include—

''(i) a description of the proposed environmental project (including an explanation of how the project would assist the small community in complying with an environmental law (including a regulation));

''(ii) an explanation of why the project is important to the small community;

''(iii) a description of all actions taken with respect to the project, including a description of any attempt to secure funding and a description of demonstrated need for funding for the project, as of the date of the application; and

''(iv) a SEARCH grant application form provided by the council, completed and with all required supporting documentation.

''(3) REVIEW AND RECOMMENDATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), not later than March 5 of each fiscal year, each council shall—

''(i) review all applications received under paragraph (2); and

''(ii) recommend for award SEARCH grants to small communities based on—

''(I) an evaluation of the eligibility criteria under paragraph (1); and

''(II) the content of the application.

''(B) EXTENSION OF DEADLINE.—The State may extend the deadline described in subparagraph (A) by not more than 10 days in a case in which the receipt of recommendations from a council under subparagraph (A)(ii) is delayed because of circumstances beyond the control of the council, as determined by the State.

''(4) UNEXPENDED FUNDS.—

''(A) IN GENERAL.—If, for any fiscal year, any unexpended funds remain after SEARCH grants are awarded under subsection (d)(3)(B), the council may repeat the application and review process so that any remaining funds may be recommended for award, and awarded, not later than July 30 of the fiscal year.

''(B) RETENTION OF FUNDS.—

''(i) IN GENERAL.—Any unexpended funds that are not awarded under subsection (d)(3)(B) or subparagraph (A) shall be retained by the State for award during the following fiscal year.

''(ii) LIMITATION.—A State that accumulates a balance of unexpended funds described in clause (i) of more than $3,000,000 shall be ineligible to apply for additional funds for SEARCH grants until such time as the State expends the portion of the balance that exceeds $3,000,000.

''SEC. 386C. REPORT.

''Not later than September 1 of the first fiscal year for which a SEARCH grant is awarded by a council, and annually thereafter, the council shall submit to the Secretary a report that—

''(1) describes the number of SEARCH grants awarded during the fiscal year;

''(2) identifies each small community that received a SEARCH grant during the fiscal year;

''(3) describes the project or purpose for which each SEARCH grant was awarded, including a statement of the benefit to public health or the environment of the environmental project receiving the grant funds; and

''(4) describes the status of each project or portion of a project for which a SEARCH grant was awarded, including a project or portion of a project for which a SEARCH grant was awarded for any fiscal year before the fiscal year in which the report is submitted.

''SEC. 386D. FUNDING.

''(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out section 386B(c) $51,000,000, of which not to exceed $1,000,000 shall be used to make grants under section 386B(c)(2).

''(b) ACTUAL APPROPRIATION.—If funds to carry out section 386B(c) are made available for a fiscal year in an amount that is less than the amount authorized under subsection (a) for the fiscal year, the appropriated funds shall be divided equally among the 50 States.

''(c) UNUSED FUNDS.—If, for any fiscal year, a State does not apply, or does not qualify, to receive funds under section 386B(b), the funds that would have been made available to the State under section 386B(c) on submission by the State of a successful application under section 386B(b) shall be redistributed for award under this subtitle among States, the councils of which awarded 1 or more SEARCH grants during the preceding fiscal year.

''(d) OTHER EXPENSES.—There are authorized to be appropriated such sums as are necessary to carry out the provisions of this subtitle (other than section 386B(c)).''.

SEC. 647. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.

The Consolidated Farm and Rural Development Act (as amended by section 646) is amended by adding at the end the following:

''Subtitle K—Northern Great Plains Regional Authority

''SEC. 387A. DEFINITIONS.

''In this subtitle:

''(1) AUTHORITY.—The term 'Authority' means the Northern Great Plains Regional Authority established by section 387B.

''(2) FEDERAL GRANT PROGRAM.—The term 'Federal grant program' means a Federal grant program to provide assistance in—

''(A) acquiring or developing land;

''(B) constructing or equipping a highway, road, bridge, or facility; or

''(C) carrying out other economic development activities.

''(3) REGION.—The term 'region' means the States of Iowa, Minnesota, Nebraska, North Dakota, and South Dakota.

''SEC. 387B. NORTHERN GREAT PLAINS REGIONAL AUTHORITY.

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—There is established the Northern Great Plains Regional Authority.

''(2) COMPOSITION.—The Authority shall be composed of—

''(A) a Federal member, to be appointed by the President, with the advice and consent of the Senate; and

''(B) the Governor (or a designee of the Governor) of each State in the region that elects to participate in the Authority.

''(3) COCHAIRPERSONS.—The Authority shall be headed by—

''(A) the Federal member, who shall serve—

''(i) as the Federal cochairperson; and

''(ii) as a liaison between the Federal Government and the Authority; and

''(B) a State cochairperson, who—

''(i) shall be a Governor of a participating State in the region; and

''(ii) shall be elected by the State members for a term of not less than 1 year.

''(b) ALTERNATE MEMBERS.—

''(1) STATE ALTERNATES.—The State member of a participating State may have a single alternate, who shall be—

''(A) a resident of that State; and

''(B) appointed by the Governor of the State.

''(2) ALTERNATE FEDERAL COCHAIRPERSON.—The President shall appoint an alternate Federal cochairperson.

''(3) QUORUM.—A State alternate shall not be counted toward the establishment of a quorum of the Authority in any instance in which a quorum of the State members is required to be present.

''(4) DELEGATION OF POWER.—No power or responsibility of the Authority specified in paragraphs (2) and (3) of subsection (c), and no voting right of any Authority member, shall be delegated to any person—

''(A) who is not an Authority member; or

''(B) who is not entitled to vote in Authority meetings.

''(c) VOTING.—

''(1) IN GENERAL.—A decision by the Authority shall require a majority vote of the Authority (not including any member representing a State that is delinquent under subsection (g)(2)(C)) to be effective.

''(2) QUORUM.—A quorum of State members shall be required to be present for the Authority to make any policy decision, including—

''(A) a modification or revision of an Authority policy decision;

''(B) approval of a State or regional development plan; and

''(C) any allocation of funds among the States.

''(3) PROJECT AND GRANT PROPOSALS.—The approval of project and grant proposals shall be—

''(A) a responsibility of the Authority; and

''(B) conducted in accordance with section 387I.

''(4) VOTING BY ALTERNATE MEMBERS.—An alternate member shall vote in the case of the absence, death, disability, removal, or resignation of the Federal or State representative for which the alternate member is an alternate.

''(d) DUTIES.—The Authority shall—

''(1) develop, on a continuing basis, comprehensive and coordinated plans and programs to establish priorities and approve grants for the economic development of the region, giving due consideration to other Federal, State, and local planning and development activities in the region;

''(2) not later than 220 days after the date of enactment of this subtitle, establish priorities in a development plan for the region (including 5-year regional outcome targets);

''(3) assess the needs and assets of the region based on available research, demonstrations, investigations, assessments, and evaluations of the region prepared by Federal, State, and local agencies, universities, local development districts, and other nonprofit groups;

''(4) formulate and recommend to the Governors and legislatures of States that participate in the Authority forms of interstate cooperation;

''(5) work with State and local agencies in developing appropriate model legislation;

''(6)(A) enhance the capacity of, and provide support for, local development districts in the region; or

''(B) if no local development district exists in an area in a participating State in the region, foster the creation of a local development district;

''(7) encourage private investment in industrial, commercial, and other economic development projects in the region; and

''(8) cooperate with and assist State governments with economic development programs of participating States.

''(e) ADMINISTRATION.—In carrying out subsection (d), the Authority may—

''(1) hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, and print or otherwise reproduce and distribute a description of the proceedings and reports on actions by the Authority as the Authority considers appropriate;

''(2) authorize, through the Federal or State cochairperson or any other member of the Authority designated by the Authority, the administration of oaths if the Authority determines that testimony should be taken or evidence received under oath;

''(3) request from any Federal, State, or local department or agency such information as may be available to or procurable by the department or agency that may be of use to the Authority in carrying out duties of the Authority;

''(4) adopt, amend, and repeal bylaws and rules governing the conduct of Authority business and the performance of Authority duties;

''(5) request the head of any Federal department or agency to detail to the Authority such personnel as the Authority requires to carry out duties of the Authority, each such detail to be without loss of seniority, pay, or other employee status;

''(6) request the head of any State department or agency or local government to detail to the Authority such personnel as the Authority requires to carry out duties of the Authority, each such detail to be without loss of seniority, pay, or other employee status;

''(7) provide for coverage of Authority employees in a suitable retirement and employee benefit system by—

''(A) making arrangements or entering into contracts with any participating State government; or

''(B) otherwise providing retirement and other employee benefit coverage;

''(8) accept, use, and dispose of gifts or donations of services or real, personal, tangible, or intangible property;

''(9) enter into and perform such contracts, leases, cooperative agreements, or other transactions as are necessary to carry out Authority duties, including any contracts, leases, or cooperative agreements with—

''(A) any department, agency, or instrumentality of the United States;

''(B) any State (including a political subdivision, agency, or instrumentality of the State); or

''(C) any person, firm, association, or corporation; and

''(10) establish and maintain a central office and field offices at such locations as the Authority may select.

''(f) FEDERAL AGENCY COOPERATION.—A Federal agency shall—

''(1) cooperate with the Authority; and

''(2) provide, on request of the Federal cochairperson, appropriate assistance in carrying out this subtitle, in accordance with applicable Federal laws (including regulations).

''(g) ADMINISTRATIVE EXPENSES.—

''(1) IN GENERAL.—Administrative expenses of the Authority (except for the expenses of the Federal cochairperson, including expenses of the alternate and staff of the Federal cochairperson, which shall be paid solely by the Federal Government) shall be paid—

''(A) by the Federal Government, in an amount equal to 50 percent of the administrative expenses; and

''(B) by the States in the region participating in the Authority, in an amount equal to 50 percent of the administrative expenses.

''(2) STATE SHARE.—

''(A) IN GENERAL.—The share of administrative expenses of the Authority to be paid by each State shall be determined by the Authority.

''(B) NO FEDERAL PARTICIPATION.—The Federal cochairperson shall not participate or vote in any decision under subparagraph (A).

''(C) DELINQUENT STATES.—If a State is delinquent in payment of the State's share of administrative expenses of the Authority under this subsection—

''(i) no assistance under this subtitle shall be furnished to the State (including assistance to a political subdivision or a resident of the State); and

''(ii) no member of the Authority from the State shall participate or vote in any action by the Authority.

''(h) COMPENSATION.—

''(1) FEDERAL COCHAIRPERSON.—The Federal cochairperson shall be compensated by the Federal Government at level III of the Executive Schedule in subchapter II of chapter 53 of title 5, United States Code.

''(2) ALTERNATE FEDERAL COCHAIRPERSON.—The alternate Federal cochairperson—

''(A) shall be compensated by the Federal Government at level V of the Executive Schedule described in paragraph (1); and

''(B) when not actively serving as an alternate for the Federal cochairperson, shall perform such functions and duties as are delegated by the Federal cochairperson.

''(3) STATE MEMBERS AND ALTERNATES.—

''(A) IN GENERAL.—A State shall compensate each member and alternate representing the State on the Authority at the rate established by law of the State.

''(B) NO ADDITIONAL COMPENSATION.—No State member or alternate member shall receive any salary, or any contribution to or supplementation of salary from any source other than the State for services provided by the member or alternate to the Authority.

''(4) DETAILED EMPLOYEES.—

''(A) IN GENERAL.—No person detailed to serve the Authority under subsection (e)(6) shall receive any salary or any contribution to or supplementation of salary for services provided to the Authority from—

''(i) any source other than the State, local, or intergovernmental department or agency from which the person was detailed; or

''(ii) the Authority.

''(B) VIOLATION.—Any person that violates this paragraph shall be fined not more than $5,000, imprisoned not more than 1 year, or both.

''(C) APPLICABLE LAW.—The Federal cochairperson, the alternate Federal cochairperson, and any Federal officer or employee detailed to duty on the Authority under subsection (e)(5) shall not be subject to subparagraph (A), but shall remain subject to sections 202 through 209 of title 18, United States Code.

''(5) ADDITIONAL PERSONNEL.—

''(A) COMPENSATION.—

''(i) IN GENERAL.—The Authority may appoint and fix the compensation of an executive director and such other personnel as are necessary to enable the Authority to carry out the duties of the Authority.

''(ii) EXCEPTION.—Compensation under clause (i) shall not exceed the maximum rate for the Senior Executive Service under section 5382 of title 5, United States Code, including any applicable locality-based comparability payment that may be authorized under section 5304(h)(2)(C) of that title.

''(B) EXECUTIVE DIRECTOR.—The executive director shall be responsible for—

''(i) the carrying out of the administrative duties of the Authority;

''(ii) direction of the Authority staff; and

''(iii) such other duties as the Authority may assign.

''(C) NO FEDERAL EMPLOYEE STATUS.—No member, alternate, officer, or employee of the Authority (except the Federal cochairperson of the Authority, the alternate and staff for the Federal cochairperson, and any Federal employee detailed to the Authority under subsection (e)(5)) shall be considered to be a Federal employee for any purpose.

''(i) CONFLICTS OF INTEREST.—

''(1) IN GENERAL.—Except as provided under paragraph (2), no State member, alternate, officer, or employee of the Authority shall participate personally and substantially as a member, alternate, officer, or employee of the Authority, through decision, approval, disapproval, recommendation, the rendering of advice, investigation, or otherwise, in any proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other matter in which, to knowledge of the member, alternate, officer, or employee—

''(A) the member, alternate, officer, or employee;

''(B) the spouse, minor child, partner, or organization (other than a State or political subdivision of the State) of the member, alternate, officer, or employee, in which the member, alternate, officer, or employee is serving as officer, director, trustee, partner, or employee; or

''(C) any person or organization with whom the member, alternate, officer, or employee is negotiating or has any arrangement concerning prospective employment;

has a financial interest.

''(2) DISCLOSURE.—Paragraph (1) shall not apply if the State member, alternate, officer, or employee—

''(A) immediately advises the Authority of the nature and circumstances of the proceeding, application, request for a ruling or other determination, contract, claim, controversy, or other particular matter presenting a potential conflict of interest;

''(B) makes full disclosure of the financial interest; and

''(C) before the proceeding concerning the matter presenting the conflict of interest, receives a written determination by the Authority that the interest is not so substantial as to be likely to affect the integrity of the services that the Authority may expect from the State member, alternate, officer, or employee.

''(3) VIOLATION.—Any person that violates this subsection shall be fined not more than $10,000, imprisoned not more than 2 years, or both.

''(j) VALIDITY OF CONTRACTS, LOANS, AND GRANTS.—The Authority may declare void any contract, loan, or grant of or by the Authority in relation to which the Authority determines that there has been a violation of any provision under subsection (h)(4), subsection (i), or sections 202 through 209 of title 18, United States Code.

''SEC. 387C. ECONOMIC AND COMMUNITY DEVELOPMENT GRANTS.

''(a) IN GENERAL.—The Authority may approve grants to States, local governments, and public and nonprofit organizations for projects, approved in accordance with section 387I—

''(1) to develop the transportation and telecommunication infrastructure of the region for the purpose of facilitating economic development in the region (except that grants for this purpose may only be made to States,

local governments, and nonprofit organizations);

''(2) to assist the region in obtaining the job training, employment-related education, and business development (with an emphasis on entrepreneurship) that are needed to build and maintain strong local economies;

''(3) to provide assistance to severely distressed and underdeveloped areas that lack financial resources for improving basic public services;

''(4) to provide assistance to severely distressed and underdeveloped areas that lack financial resources for equipping industrial parks and related facilities; and

''(5) to otherwise achieve the purposes of this subtitle.

''(b) FUNDING.—

''(1) IN GENERAL.—Funds for grants under subsection (a) may be provided—

''(A) entirely from appropriations to carry out this section;

''(B) in combination with funds available under another Federal or Federal grant program; or

''(C) from any other source.

''(2) PRIORITY OF FUNDING.—To best build the foundations for long-term economic development and to complement other Federal and State resources in the region, Federal funds available under this subtitle shall be focused on the activities in the following order or priority:

''(A) Basic public infrastructure in distressed counties and isolated areas of distress.

''(B) Transportation and telecommunication infrastructure for the purpose of facilitating economic development in the region.

''(C) Business development, with emphasis on entrepreneurship.

''(D) Job training or employment-related education, with emphasis on use of existing public educational institutions located in the region.

''(3) FEDERAL SHARE IN GRANT PROGRAMS.—Notwithstanding any provision of law limiting the Federal share in any grant program, funds appropriated to carry out this section may be used to increase a Federal share in a grant program, as the Authority determines appropriate.

''SEC. 387D. SUPPLEMENTS TO FEDERAL GRANT PROGRAMS.

''(a) FINDING.—Congress finds that certain States and local communities of the region, including local development districts, may be unable to take maximum advantage of Federal grant programs for which the States and communities are eligible because—

''(1) they lack the economic resources to meet the required matching share; or

''(2) there are insufficient funds available under the applicable Federal grant law authorizing the program to meet pressing needs of the region.

''(b) FEDERAL GRANT PROGRAM FUNDING.—In accordance with subsection (c), the Federal cochairperson may use amounts made available to carry out this subtitle, without regard to any limitations on areas eligible for assistance or authorizations for appropriation under any other Act, to fund all or any portion of the basic Federal contribution to a project or activity under a Federal grant program in the region in an amount that is above the fixed maximum portion of the cost of the project otherwise authorized by applicable law, but not to exceed 90 percent of the costs of the project (except as provided in section 387F(b)).

''(c) CERTIFICATION.—

''(1) IN GENERAL.—In the case of any program or project for which all or any portion of the basic Federal contribution to the project under a Federal grant program is proposed to be made under this section, no Federal contribution shall be made until the Federal official administering the Federal law authorizing the contribution certifies that the program or project—

''(A) meets the applicable requirements of the applicable Federal grant law; and

''(B) could be approved for Federal contribution under the law if funds were available under the law for the program or project.

''(2) CERTIFICATION BY AUTHORITY.—

''(A) IN GENERAL.—The certifications and determinations required to be made by the Authority for approval of projects under this subtitle in accordance with section 387I—

''(i) shall be controlling; and

''(ii) shall be accepted by the Federal agencies.

''(B) ACCEPTANCE BY FEDERAL COCHAIRPERSON.—Any finding, report, certification, or documentation required to be submitted to the head of the department, agency, or instrumentality of the Federal Government responsible for the administration of any Federal grant program shall be accepted by the Federal cochairperson with respect to a supplemental grant for any project under the program.

''SEC. 387E. LOCAL DEVELOPMENT DISTRICTS; CERTIFICATION AND ADMINISTRATIVE EXPENSES.

''(a) DEFINITION OF LOCAL DEVELOPMENT DISTRICT.—In this section, the term 'local development district' means an entity that—

''(1) is—

''(A) a planning district in existence on the date of enactment of this subtitle that is recognized by the Economic Development Administration of the Department of Commerce; or

''(B) where an entity described in subparagraph (A) does not exist—

''(i) organized and operated in a manner that ensures broad-based community participation and an effective opportunity for other nonprofit groups to contribute to the development and implementation of programs in the region;

''(ii) governed by a policy board with at least a simple majority of members consisting of elected officials or employees of a general purpose unit of local government who have been appointed to represent the government;

''(iii) certified to the Authority as having a charter or authority that includes the economic development of counties or parts of counties or other political subdivisions within the region—

''(I) by the Governor of each State in which the entity is located; or

''(II) by the State officer designated by the appropriate State law to make the certification; and

''(iv)(I) a nonprofit incorporated body organized or chartered under the law of the State in which the entity is located;

''(II) a nonprofit agency or instrumentality of a State or local government;

''(III) a public organization established before the date of enactment of this subtitle under State law for creation of multi-jurisdictional, area-wide planning organizations; or

''(IV) a nonprofit association or combination of bodies, agencies, and instrumentalities described in subclauses (I) through (III); and

''(2) has not, as certified by the Federal cochairperson—

''(A) inappropriately used Federal grant funds from any Federal source; or

''(B) appointed an officer who, during the period in which another entity inappropriately used Federal grant funds from any Federal source, was an officer of the other entity.

''(b) GRANTS TO LOCAL DEVELOPMENT DISTRICTS.—

''(1) IN GENERAL.—The Authority may make grants for administrative expenses under this section.

''(2) CONDITIONS FOR GRANTS.—

''(A) MAXIMUM AMOUNT.—The amount of any grant awarded under paragraph (1) shall not exceed 80 percent of the administrative expenses of the local development district receiving the grant.

''(B) MAXIMUM PERIOD.—No grant described in paragraph (1) shall be awarded to a State agency certified as a local development district for a period greater than 3 years.

''(C) LOCAL SHARE.—The contributions of a local development district for administrative expenses may be in cash or in kind, fairly evaluated, including space, equipment, and services.

''(c) DUTIES OF LOCAL DEVELOPMENT DISTRICTS.—A local development district shall—

''(1) operate as a lead organization serving multicounty areas in the region at the local level; and

''(2) serve as a liaison between State and local governments, nonprofit organizations (including community-based groups and educational institutions), the business community, and citizens that—

''(A) are involved in multijurisdictional planning;

''(B) provide technical assistance to local jurisdictions and potential grantees; and

''(C) provide leadership and civic development assistance.

''SEC. 387F. DISTRESSED COUNTIES AND AREAS AND NONDISTRESSED COUNTIES.

''(a) DESIGNATIONS.—Not later than 90 days after the date of enactment of this subtitle, and annually thereafter, the Authority, in accordance with such criteria as the Authority may establish, shall designate—

''(1) as distressed counties, counties in the region that are the most severely and persistently distressed and underdeveloped and have high rates of poverty, unemployment, or outmigration;

''(2) as nondistressed counties, counties in the region that are not designated as distressed counties under paragraph (1); and

''(3) as isolated areas of distress, areas located in nondistressed counties (as designated under paragraph (2)) that have high rates of poverty, unemployment, or outmigration.

''(b) DISTRESSED COUNTIES.—

''(1) IN GENERAL.—The Authority shall allocate at least 75 percent of the appropriations made available under section 387M for programs and projects designed to serve the needs of distressed counties and isolated areas of distress in the region.

''(2) FUNDING LIMITATIONS.—The funding limitations under section 387D(b) shall not apply to a project providing transportation or telecommunication or basic public services to residents of 1 or more distressed counties or isolated areas of distress in the region.

''(c) NONDISTRESSED COUNTIES.—

''(1) IN GENERAL.—Except as provided in this subsection, no funds shall be provided under this subtitle for a project located in a county designated as a nondistressed county under subsection (a)(2).

''(2) EXCEPTIONS.—

''(A) IN GENERAL.—The funding prohibition under paragraph (1) shall not apply to grants to fund the administrative expenses of local development districts under section 387E(b).

''(B) MULTICOUNTY PROJECTS.—The Authority may waive the application of the funding prohibition under paragraph (1) to—

''(i) a multicounty project that includes participation by a nondistressed county; or

''(ii) any other type of project;

if the Authority determines that the project could bring significant benefits to areas of the region outside a nondistressed county.

''(C) ISOLATED AREAS OF DISTRESS.—For a designation of an isolated area of distress for assistance to be effective, the designation shall be supported—

''(i) by the most recent Federal data available; or

''(ii) if no recent Federal data are available, by the most recent data available through the government of the State in which the isolated area of distress is located.

''(d) TRANSPORTATION, TELECOMMUNICATION, AND BASIC PUBLIC INFRASTRUCTURE.—The Authority shall allocate at least 50 percent of any funds made available under section 387M for transportation, telecommunication, and basic public infrastructure projects authorized under paragraphs (1) and (3) of section 387C(a).

''SEC. 387G. DEVELOPMENT PLANNING PROCESS.

''(a) STATE DEVELOPMENT PLAN.—In accordance with policies established by the Authority, each State member shall submit a development plan for the area of the region represented by the State member.

''(b) CONTENT OF PLAN.—A State development plan submitted under subsection (a) shall reflect the goals, objectives, and priorities identified in the regional development plan developed under section 387B(d)(2).

''(c) CONSULTATION WITH INTERESTED LOCAL PARTIES.—In carrying out the development planning process (including the selection of programs and projects for assistance), a State may—

''(1) consult with—

''(A) local development districts; and

''(B) local units of government; and

''(2) take into consideration the goals, objectives, priorities, and recommendations of the entities described in paragraph (1).

''(d) PUBLIC PARTICIPATION.—

''(1) IN GENERAL.—The Authority and applicable State and local development districts shall encourage and assist, to the maximum extent practicable, public participation in the development, revision, and implementation of all plans and programs under this subtitle.

''(2) REGULATIONS.—The Authority shall develop guidelines for providing public participation described in paragraph (1), including public hearings.

''SEC. 387H. PROGRAM DEVELOPMENT CRITERIA.

''(a) IN GENERAL.—In considering programs and projects to be provided assistance under this subtitle, and in establishing a priority ranking of the requests for assistance provided by the Authority, the Authority shall follow procedures that ensure, to the maximum extent practicable, consideration of—

''(1) the relationship of the project or class of projects to overall regional development;

''(2) the per capita income and poverty and unemployment and outmigration rates in an area;

''(3) the financial resources available to the applicants for assistance seeking to carry out the project, with emphasis on ensuring that projects are adequately financed to maximize the probability of successful economic development;

''(4) the importance of the project or class of projects in relation to other projects or classes of projects that may be in competition for the same funds;

''(5) the prospects that the project for which assistance is sought will improve, on a continuing rather than a temporary basis, the opportunities for employment, the average level of income, or the economic development of the area served by the project; and

''(6) the extent to which the project design provides for detailed outcome measurements by which grant expenditures and the results of the expenditures may be evaluated.

''(b) NO RELOCATION ASSISTANCE.—No financial assistance authorized by this subtitle shall be used to assist a person or entity in relocating from one area to another, except that financial assistance may be used as otherwise authorized by this title to attract businesses from outside the region to the region.

''(c) REDUCTION OF FUNDS.—Funds may be provided for a program or project in a State under this subtitle only if the Authority determines that the level of Federal or State financial assistance provided under a law other than this subtitle, for the same type of program or project in the same area of the State within the region, will not be reduced as a result of funds made available by this subtitle.

''SEC. 387I. APPROVAL OF DEVELOPMENT PLANS AND PROJECTS.

''(a) IN GENERAL.—A State or regional development plan or any multistate subregional plan that is proposed for development under this subtitle shall be reviewed by the Authority.

''(b) EVALUATION BY STATE MEMBER.—An application for a grant or any other assistance for a project under this subtitle shall be made through and evaluated for approval by the State member of the Authority representing the applicant.

''(c) CERTIFICATION.—An application for a grant or other assistance for a project shall be approved only on certification by the State member that the application for the project—

''(1) describes ways in which the project complies with any applicable State development plan;

''(2) meets applicable criteria under section 387H;

''(3) provides adequate assurance that the proposed project will be properly administered, operated, and maintained; and

''(4) otherwise meets the requirements of this subtitle.

''(d) VOTES FOR DECISIONS.—On certification by a State member of the Authority of an application for a grant or other assistance for a specific project under this section, an affirmative vote of the Authority under section 387B(c) shall be required for approval of the application.

''SEC. 387J. CONSENT OF STATES.

''Nothing in this subtitle requires any State to engage in or accept any program under this subtitle without the consent of the State.

''SEC. 387K. RECORDS.

''(a) RECORDS OF THE AUTHORITY.—

''(1) IN GENERAL.—The Authority shall maintain accurate and complete records of all transactions and activities of the Authority.

''(2) AVAILABILITY.—All records of the Authority shall be available for audit and examination by the Comptroller General of the United States and the Inspector General of the Department of Agriculture (including authorized representatives of the Comptroller General and the Inspector General of the Department of Agriculture).

''(b) RECORDS OF RECIPIENTS OF FEDERAL ASSISTANCE.—

''(1) IN GENERAL.—A recipient of Federal funds under this subtitle shall, as required by the Authority, maintain accurate and complete records of transactions and activities financed with Federal funds and report on the transactions and activities to the Authority.

''(2) AVAILABILITY.—All records required under paragraph (1) shall be available for audit by the Comptroller General of the United States, the Inspector General of the Department of Agriculture, and the Authority (including authorized representatives of the Comptroller General, the Inspector General of the Department of Agriculture, and the Authority).

''(c) ANNUAL AUDIT.—The Inspector General of the Department of Agriculture shall audit the activities, transactions, and records of the Authority on an annual basis.

''SEC. 387L. ANNUAL REPORT.

''Not later than 180 days after the end of each fiscal year, the Authority shall submit to the President and to Congress a report describing the activities carried out under this subtitle.

''SEC. 387M. AUTHORIZATION OF APPROPRIATIONS.

''(a) IN GENERAL.—There is authorized to be appropriated to the Authority to carry out this subtitle $30,000,000 for each of fiscal years 2002 through 2006, to remain available until expended.

''(b) ADMINISTRATIVE EXPENSES.—Not more than 5 percent of the amount appropriated under subsection (a) for a fiscal year shall be used for administrative expenses of the Authority.

''(c) MINIMUM STATE SHARE OF GRANTS.—Notwithstanding any other provision of this subtitle, for any fiscal year, the aggregate amount of grants received by a State and all persons or entities in the State under this subtitle shall be not less than ⅓ of the product obtained by multiplying—

''(1) the aggregate amount of grants under this subtitle for the fiscal year; and

''(2) the ratio that—

''(A) the population of the State (as determined by the Secretary of Commerce based on the most recent decennial census for which data are available); bears to

''(B) the population of the region (as so determined).

''SEC. 387N. TERMINATION OF AUTHORITY.

''This subtitle and the authority provided under this subtitle expire on October 1, 2006.''.

Subtitle D—Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 651. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION CORPORATION.

(a) REPEAL OF CORPORATION AUTHORIZATION.—Subtitle G of title XVI of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5901 et seq.) is repealed.

(b) DISPOSITION OF ASSETS.—On the date of enactment of this Act—

(1) the assets, both tangible and intangible, of the Alternative Agricultural Research and Commercialization Corporation (referred to in this section as the ''Corporation''), including the funds in the Alternative Agricultural Research and Commercialization Revolving Fund as of the date of enactment of this Act, are transferred to the Secretary of Agriculture; and

(2) notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Secretary shall have authority to manage and dispose of the assets transferred under paragraph (1) in a manner that, to the maximum extent practicable, provides the greatest return on investment.

(c) USE OF ASSETS.—

(1) IN GENERAL.—Funds transferred under subsection (b), and any income from assets or proceeds from the sale of assets transferred under subsection (b), shall be deposited into an account in the Treasury, and shall remain available to the Secretary until expended, without further appropriation, to pay—

(A) any outstanding claims or obligations of the Corporation; and

(B) the costs incurred by the Secretary in carrying out this section.

(2) FINAL DISPOSITION.—On final disposition of all assets transferred under subsection (b),

any funds remaining in the account described in paragraph (1) shall be transferred into miscellaneous receipts in the Treasury.

(d) CONFORMING AMENDMENTS.—

(1) The following provisions are repealed:

(A) Section 730 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 5902 note; Public Law 104–127).

(B) Section 9101(3)(Q) of title 31, United States Code.

(2) Section 401(c) of the Agricultural Research, Education, and Extension Reform Act of 1998 (7 U.S.C. 7621(c)) is amended by striking paragraph (1) and inserting the following:

''(1) CRITICAL EMERGING ISSUES.—Subject to paragraph (2), the Secretary shall use the funds in the Account for research, extension, and education grants (referred to in this section as 'grants') to address critical emerging agricultural issues related to—

''(A) future food production;

''(B) environmental quality and natural resource management; or

''(C) farm income.''.

(3) Section 793(c)(1)(A)(ii)(II) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 2204f(c)(1)(A)(ii)(II)) is amended by striking ''subtitle G of title XVI and''.

SEC. 652. TELEMEDICINE AND DISTANCE LEARNING SERVICES IN RURAL AREAS.

(a) IN GENERAL.—Section 2335A of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 950aaa–5) is amended by striking ''2002'' and inserting ''2006''.

(b) CONFORMING AMENDMENT.—Section 1(b) of Public Law 102–551 (7 U.S.C. 950aaa note) is amended by striking ''1997'' and inserting ''2006''.

Subtitle E—Rural Electrification Act of 1936

SEC. 661. BIOENERGY AND BIOCHEMICAL PROJECTS.

Title I of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) is amended by adding at the end the following:

''SEC. 20. BIOENERGY AND BIOCHEMICAL PROJECTS.

''In carrying out rural electric loan, loan guarantee, and grant programs under this Act, the Secretary shall provide a priority for bioenergy and biochemical projects.''.

SEC. 662. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

(a) IN GENERAL.—The Rural Electrification Act of 1936 is amended by inserting after section 313 (7 U.S.C. 940c) the following:

''SEC. 313A. GUARANTEES FOR BONDS AND NOTES ISSUED FOR ELECTRIFICATION OR TELEPHONE PURPOSES.

''(a) IN GENERAL.—Subject to subsection (b), the Secretary shall guarantee payments on bonds or notes issued by cooperative or other lenders organized on a not-for-profit basis if the proceeds of the bonds or notes are used for electrification or telephone projects eligible for assistance under this Act, including the refinancing of bonds or notes issued for such projects.

''(b) LIMITATIONS.—

''(1) OUTSTANDING LOANS.—A lender shall not receive a guarantee under this section for a bond or note if, at the time of the guarantee, the total principal amount of such guaranteed bonds or notes outstanding of the lender would exceed the principal amount of outstanding loans of the lender for electrification or telephone purposes that have been made concurrently with loans approved for such purposes under this Act.

''(2) GENERATION OF ELECTRICITY.—The Secretary shall not guarantee payment on a bond or note issued by a lender, the proceeds of which are used for the generation of electricity.

''(3) QUALIFICATIONS.—The Secretary may deny the request of a lender for the guarantee of a bond or note under this section if the Secretary determines that—

''(A) the lender does not have appropriate expertise or experience or is otherwise not qualified to make loans for electrification or telephone purposes;

''(B) the bond or note issued by the lender is not of reasonable and sufficient quality; or

''(C) the lender has not provided sufficient evidence that the proceeds of the bond or note are used for eligible projects described in subsection (a).

''(4) INTEREST RATE REDUCTION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), a lender may not use any amount obtained from the reduction in funding costs as a result of the guarantee of a bond or note under this section to reduce the interest rate on a new or outstanding loan.

''(B) CONCURRENT LOANS.—A lender may use any amount described in subparagraph (A) to reduce the interest rate on a loan if the loan is—

''(i) made by the lender for electrification or telephone projects that are eligible for assistance under this Act; and

''(ii) made concurrently with a loan approved by the Secretary under this Act for such a project, as provided in section 307.

''(c) FEES.—

''(1) IN GENERAL.—A lender that receives a guarantee issued under this section on a bond or note shall pay a fee to the Secretary.

''(2) AMOUNT.—The amount of an annual fee paid for the guarantee of a bond or note under this section shall be equal to 30 basis points of the amount of the unpaid principal of the bond or note guaranteed under this section.

''(3) PAYMENT.—A lender shall pay the fees required under this subsection on a semiannual basis.

''(4) RURAL ECONOMIC DEVELOPMENT SUBACCOUNT.—Subject to subsection (e)(2), fees collected under this subsection shall be—

''(A) deposited into the rural economic development subaccount maintained under section 313(b)(2)(A), to remain available until expended; and

''(B) used for the purposes described in section 313(b)(2)(B).

''(d) GUARANTEES.—

''(1) IN GENERAL.—A guarantee issued under this section shall—

''(A) be for the full amount of a bond or note, including the amount of principal, interest, and call premiums;

''(B) be fully assignable and transferable; and

''(C) represent the full faith and credit of the United States.

''(2) LIMITATION.—To ensure that the Secretary has the resources necessary to properly examine the proposed guarantees, the Secretary may limit the number of guarantees issued under this section if the number of such guarantees exceeds 5 per year.

''(3) DEPARTMENT OPINION.—On the timely request of an eligible lender, the General Counsel of the Department of Agriculture shall provide the Secretary with an opinion regarding the validity and authority of a guarantee issued to the lender under this section.

''(e) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated such sums as are necessary to carry out this section.

''(2) FEES.—To the extent that the amount of funds appropriated for a fiscal year under paragraph (1) are not sufficient to carry out this section, the Secretary may use up to ⅓ of the fees collected under subsection (c) for the cost of providing guarantees of bonds and notes under this section before depositing the remainder of the fees into the rural economic development subaccount maintained under section 313(b)(2)(A).

''(f) TERMINATION.—The authority provided under this section shall terminate on September 30, 2006.''.

(b) ADMINISTRATION OF CUSHION OF CREDIT PAYMENTS PROGRAM.—Section 313(b)(2)(B) of the Rural Electrification Act of 1936 (7 U.S.C. 940c)(b)(2)(B)) is amended by inserting '', acting through the Rural Utilities Service,'' after ''Secretary''.

(c) ADMINISTRATION.—

(1) REGULATIONS.—Not later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations to carry out the amendments made by this section.

(2) IMPLEMENTATION.—Not later than 240 days after the date of enactment of this Act, the Secretary shall implement the amendment made by this section.

SEC. 663. EXPANSION OF 911 ACCESS.

Title III of the Rural Electrification Act of 1936 (7 U.S.C. 931 et seq.) is amended by adding the following:

''SEC. 315. EXPANSION OF 911 ACCESS.

''(a) IN GENERAL.—Subject to such terms and conditions as the Secretary may prescribe, the Secretary may make telephone loans under this title to State or local governments, Indian tribes (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), or other public entities for facilities and equipment to expand 911 access in underserved rural areas.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.''.

TITLE VII—AGRICULTURAL RESEARCH, EDUCATION, AND EXTENSION AND RELATED MATTERS

Subtitle A—National Agricultural Research, Extension, and Teaching Policy Act of 1977

SEC. 701. DEFINITIONS.

(a) IN GENERAL.—Section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103) is amended—

(1) by redesignating paragraphs (10) through (17) as paragraphs (11) through (18), respectively;

(2) by inserting after paragraph (9) the following:

''(10) INSULAR AREA.—The term 'insular area' means—

''(A) the Commonwealth of Puerto Rico;

''(B) Guam;

''(C) American Samoa;

''(D) the Commonwealth of the Northern Mariana Islands;

''(E) the Federated States of Micronesia;

''(F) the Republic of the Marshall Islands;

''(G) the Republic of Palau; and

''(H) the Virgin Islands of the United States.''; and

(3) by striking paragraph (13) (as so redesignated) and inserting the following:

''(13) STATE.—The term 'State' means—

''(A) a State;

''(B) the District of Columbia; and

''(C) any insular area.''.

(b) EFFECT OF AMENDMENTS.—The amendments made by subsection (a) shall not affect any basis for distribution of funds by formula (in effect on the date of enactment of this Act) to—

(1) the Federated States of Micronesia;

(2) the Republic of the Marshall Islands; or

(3) the Republic of Palau.

SEC. 702. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMICS ADVISORY BOARD.

Section 1408(h) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123(h)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 703. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.

Section 1417 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152) is amended—

(1) in subsection (a)—

(A) by striking ''and'' after ''economics,''; and

(B) by inserting '', and rural economic, community, and business development'' before the period;

(2) in subsection (b)—

(A) in paragraph (1), by inserting '', or in rural economic, community, and business development'' before the semicolon;

(B) in paragraph (2), by inserting '', or in rural economic, community, and business development'' before the semicolon;

(C) in paragraph (3), by inserting '', or teaching programs emphasizing rural economic, community, and business development'' before the semicolon;

(D) in paragraph (4), by inserting '', or programs emphasizing rural economic, community, and business development,'' after ''programs''; and

(E) in paragraph (5), by inserting '', or professionals in rural economic, community, and business development'' before the semicolon;

(3) in subsection (d)—

(A) in paragraph (1), by inserting '', or in rural economic, community, and business development,'' after ''sciences''; and

(B) in paragraph (2), by inserting '', or in the rural economic, community, and business development workforce,'' after ''workforce''; and

(4) in subsection (l), by striking ''2002'' and inserting ''2006''.

SEC. 704. COMPETITIVE RESEARCH FACILITIES GRANT PROGRAM.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1417 (7 U.S.C. 3152) the following:

''SEC. 1417A. COMPETITIVE RESEARCH FACILITIES GRANT PROGRAM.

''(a) AUTHORITY.—The Secretary may award grants to eligible institutions on a competitive basis for the construction, acquisition, modernization, renovation, alteration, and remodeling of food and agricultural research facilities such as buildings, laboratories, and other capital facilities (including acquisition of fixtures and equipment) in accordance with this section.

''(b) ELIGIBLE INSTITUTIONS.—The following institutions are eligible to compete for grants under subsection (a):

''(1) A State cooperative institution.

''(2) A Hispanic-serving institution.

''(c) CRITERIA FOR AWARD.—The Secretary shall award grants to support the national research purposes specified in section 1402 in a manner determined by the Secretary.

''(d) MATCHING.—

''(1) IN GENERAL.—The Secretary may establish such matching requirements for grants under subsection (a) as the Secretary considers appropriate.

''(2) FORM OF MATCH.—Matching requirements established by the Secretary may be met with unreimbursed indirect costs and in-kind contributions.

''(3) EVALUATION PREFERENCE.—The Secretary may include an evaluation preference for projects for which the applicant proposes funds for the direct costs of a project to meet the required match.

''(e) TARGETED INSTITUTIONS.—The Secretary may determine that a portion of funds made available to carry out this section shall be targeted to particular eligible institutions to enhance the capacity of the eligible institutions to carry out research.

''(f) ADMINISTRATION.—

''(1) REGULATIONS.—The Secretary shall promulgate such regulations as are necessary to carry out this section.

''(2) STATES WITH MORE THAN 1 ELIGIBLE INSTITUTION.—In a State having more than 1 eligible institution, the Secretary shall establish procedures in accordance with the purposes specified in section 1402 to ensure that the facility proposals of the eligible institutions in the State provide for a coordinated food and agricultural research program among eligible institutions in the State.

''(g) APPLICABILITY OF THE FEDERAL ADVISORY COMMITTEE ACT.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to a panel or board created solely for the purpose of reviewing applications or proposals submitted under this section.

''(h) ADVISORY BOARD.—In carrying out this section, the Secretary shall consult with the Advisory Board.

''(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2006.''.

SEC. 705. GRANTS FOR RESEARCH ON THE PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.

Section 1419(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154(d)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 706. POLICY RESEARCH CENTERS.

Section 1419A of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155) is amended—

(1) in subsection (c)(3), by striking ''collect and analyze'' and inserting ''collect, analyze, and disseminate''; and

(2) in subsection (d), by striking ''2002'' and inserting ''2006''.

SEC. 707. HUMAN NUTRITION INTERVENTION AND HEALTH PROMOTION RESEARCH PROGRAM.

Section 1424(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174(d)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 708. PILOT RESEARCH PROGRAM TO COMBINE MEDICAL AND AGRICULTURAL RESEARCH.

Section 1424A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3174a(d)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 709. NUTRITION EDUCATION PROGRAM.

Section 1425(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3175(c)(3)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 710. ANIMAL HEALTH AND DISEASE RESEARCH PROGRAMS.

Section 1433(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3195(a)) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

SEC. 711. RESEARCH ON NATIONAL OR REGIONAL PROBLEMS.

Section 1434(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3196(a)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 712. EDUCATION GRANTS PROGRAMS FOR HISPANIC-SERVING INSTITUTIONS.

Section 1455(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3241(c)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 713. COMPETITIVE GRANTS FOR INTERNATIONAL AGRICULTURAL SCIENCE AND EDUCATION PROGRAMS.

Section 1459A(c) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3292b(c)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 714. INDIRECT COSTS.

Section 1462 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3310) is amended—

(1) by inserting ''(a) IN GENERAL.—'' before ''Except'';

(2) by striking ''19 percent'' and all that follows and inserting ''the negotiated indirect cost rate established for an institution by the cognizant Federal audit agency for the institution.''; and

(3) by adding at the end the following:

''(b) EXCEPTION.—Subsection (a) shall not apply to a grant awarded competitively under section 9 of the Small Business Act (15 U.S.C. 638).''.

SEC. 715. RESEARCH EQUIPMENT GRANTS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1462 (7 U.S.C. 3310) the following:

''SEC. 1462A. RESEARCH EQUIPMENT GRANTS.

''(a) IN GENERAL.—The Secretary may make competitive grants for the acquisition of special purpose scientific research equipment for use in the food and agricultural sciences programs of eligible institutions described in subsection (b).

''(b) ELIGIBLE INSTITUTIONS.—The Secretary may make a grant under this section to—

''(1) a college or university; or

''(2) a State cooperative institution.

''(c) MAXIMUM AMOUNT.—The amount of a grant made to an eligible institution under this section may not exceed $500,000.

''(d) PROHIBITION ON CHARGE OF EQUIPMENT AS INDIRECT COSTS.—The cost of acquisition or depreciation of equipment purchased with a grant under this section shall not be—

''(1) charged as an indirect cost against another Federal grant; or

''(2) included as part of the indirect cost pool for purposes of calculating the indirect cost rate of an eligible institution.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $50,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 716. AGRICULTURAL RESEARCH PROGRAMS.

Section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311) is amended—

(1) in subsection (a), by striking ''$850,000,000 for each of the fiscal years 1991 through 2002'' and inserting ''$1,500,000,000 for each of fiscal years 2002 through 2006''; and

(2) in subsection (b), by striking ''2002'' and inserting ''2006''.

SEC. 717. EXTENSION EDUCATION.

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking ''$420,000,000'' and all that follows and inserting the following: ''$500,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 718. AVAILABILITY OF COMPETITIVE GRANT FUNDS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1469 (7 U.S.C. 3315) the following:

''SEC. 1469A. AVAILABILITY OF COMPETITIVE GRANT FUNDS.

''Except as otherwise provided by law, funds made available to the Secretary to carry out a competitive agricultural research, education, or extension grant program under this or any other Act shall be

available for obligation for a 2-year period beginning on October 1 of the fiscal year for which the funds are made available.''.

SEC. 719. JOINT REQUESTS FOR PROPOSALS.

(a) PURPOSES.—The purposes of this section are—

(1) to reduce the duplication of administrative functions relating to grant awards and administration among Federal agencies conducting similar types of research, education, and extension programs;

(2) to maximize the use of peer review resources in research, education, and extension programs; and

(3) to reduce the burden on potential recipients that may offer similar proposals to receive competitive grants under different Federal programs in overlapping subject areas.

(b) AUTHORITY.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 is amended by inserting after section 1473A (7 U.S.C. 3319a) the following:

''SEC. 1473B. JOINT REQUESTS FOR PROPOSALS.

''(a) IN GENERAL.—In carrying out any competitive agricultural research, education, or extension grant program authorized under this or any other Act, the Secretary may cooperate with 1 or more other Federal agencies (including the National Science Foundation) in issuing joint requests for proposals, awarding grants, and administering grants, for similar or related research, education, or extension projects or activities.

''(b) TRANSFER OF FUNDS.—

''(1) SECRETARY.—The Secretary may transfer funds to, or receive funds from, a cooperating Federal agency for the purpose of carrying out the joint request for proposals, making awards, or administering grants.

''(2) COOPERATING AGENCY.—The cooperating Federal agency may transfer funds to, or receive funds from, the Secretary for the purpose of carrying out the joint request for proposals, making awards, or administering grants.

''(3) LIMITATIONS.—Funds transferred or received under this subsection shall be—

''(A) used only in accordance with the laws authorizing the appropriation of the funds; and

''(B) made available by grant only to recipients that are eligible to receive the grant under the laws.

''(c) ADMINISTRATION.—

''(1) SECRETARY.—The Secretary may delegate authority to issue requests for proposals, make grant awards, or administer grants, in whole or in part, to a cooperating Federal agency.

''(2) COOPERATING FEDERAL AGENCY.—The cooperating Federal agency may delegate to the Secretary authority to issue requests for proposals, make grant awards, or administer grants, in whole or in part.

''(d) REGULATIONS; RATES.—The Secretary and a cooperating Federal agency may agree to make applicable to recipients of grants—

''(1) the post-award grant administration regulations and indirect cost rates applicable to recipients of grants from the Secretary; or

''(2) the post-award grant administration regulations and indirect cost rates applicable to recipients of grants from the cooperating Federal agency.

''(e) JOINT PEER REVIEW PANELS.—Subject to section 1413B, the Secretary and a cooperating Federal agency may establish joint peer review panels for the purpose of evaluating grant proposals.''.

SEC. 720. SUPPLEMENTAL AND ALTERNATIVE CROPS.

Section 1473D(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3319d(a)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 721. AQUACULTURE.

Section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

SEC. 722. RANGELAND RESEARCH.

Section 1483(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3336(a)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 723. BIOSECURITY PLANNING AND RESPONSE PROGRAMS.

(a) IN GENERAL.—The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) is amended by adding at the end the following:

''Subtitle N—Biosecurity

''CHAPTER 1—AGRICULTURE INFRASTRUCTURE SECURITY

''SEC. 1484. DEFINITIONS.

''In this chapter:

''(1) AGRICULTURAL RESEARCH FACILITY.—The term 'agricultural research facility' means a facility—

''(A) at which agricultural research is regularly carried out or proposed to be carried out; and

''(B) that is—

''(i)(I) an Agricultural Research Service facility;

''(II) a Forest Service facility; or

''(III) an Animal and Plant Health Inspection Service facility;

''(ii) a Federal agricultural facility in the process of being planned or being constructed; or

''(iii) any other facility under the full control of the Secretary.

''(2) COMMISSION.—The term 'Commission' means the Agriculture Infrastructure Security Commission established under section 1486.

''(2) FUND.—The term 'Fund' means the Agriculture Infrastructure Security Fund Account established by section 1485.

''SEC. 1485. AGRICULTURE INFRASTRUCTURE SECURITY FUND.

''(a) ESTABLISHMENT.—There is established in the Treasury of the United States an account, to be known as the 'Agriculture Infrastructure Security Fund Account', consisting of funds appropriated to, or deposited into, the Fund under subsection (c).

''(b) PURPOSES.—The purposes of the Fund are to provide funding to protect and strengthen the Federal food safety and agricultural infrastructure that—

''(1) safeguards against animal and plant diseases and pests;

''(2) ensures the safety of the food supply; and

''(3) ensures sound science in support of food and agricultural policy.

''(c) DEPOSITS INTO FUND.—

''(1) IN GENERAL.—There are authorized to be appropriated to the Fund such sums as are necessary for each of fiscal years 2002 through 2006.

''(2) CONTRIBUTIONS AND OTHER PROCEEDS.—The Secretary shall deposit into the Fund any funds received—

''(A) as proceeds from the sale of assets under subsection (e); or

''(B) as gifts under subsection (f).

''(3) AVAILABILITY OF FUNDS.—Amounts in the Fund shall remain available until expended without further Act of appropriation.

''(4) ADDITIONAL FUNDS.—Funds made available under paragraph (1) shall be in addition to funds otherwise available to the Secretary to receive gifts and bequests or dispose of property (real, personal, or intangible).

''(d) EXPENDITURES FROM FUND.—

''(1) IN GENERAL.—Subject to paragraph (2), on request by the Secretary, the Secretary of the Treasury shall transfer from the Fund to the Secretary, and the Secretary shall accept and use without further appropriation, such amounts as the Secretary determines to be necessary to pay—

''(A) the costs of planning, design, development, construction, acquisition, modernization, leasing, and disposal of facilities, equipment, and technology used by the Department in carrying out programs relating to the purposes specified in subsection (b), notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.) or any other law that prescribes procedures for the procurement, use, or disposal of property or services by a Federal agency;

''(B) the costs of specialized services relating to the purposes specified in subsection (b);

''(C) the costs of cooperative arrangements authorized to be entered into (notwithstanding chapter 63 of title 31, United States Code) with State, local and tribal governments, and other public and private entities, to carry out programs relating to the purposes specified in subsection (b); and

''(D) administrative costs incurred in carrying out subparagraphs (A) through (C).

''(2) LIMITATIONS.—

''(A) FEDERAL EMPLOYEES.—Amounts in the Fund shall not be used to create any new full or part-time permanent Federal employee position.

''(B) ADMINISTRATIVE EXPENSES.—Beginning in fiscal year 2003, not more than 1 percent of the amounts in the Fund on October 1 of a fiscal year may be used in the fiscal year for administrative expenses of the Secretary in carrying out the activities described in paragraph (1).

''(e) SALE OF ASSETS.—

''(1) DISPOSAL AUTHORITY.—Notwithstanding the Federal Property and Administrative Services Act of 1949 (40 U.S.C. 471 et seq.), the Secretary by sale may dispose of all or any part of any right or title in land (excluding National Forest System land), facilities, or equipment in the full control of the Department (including land and facilities at the Beltsville Agricultural Research Center) used for the purposes specified in subsection (b).

''(2) DISPOSITION OF PROCEEDS.—Proceeds from any sale conducted by the Secretary under paragraph (1) shall be deposited into the Fund in accordance with subsection (c)(2)(A).

''(f) GIFTS.—

''(1) IN GENERAL.—To carry out the purposes specified in subsection (b), the Secretary may accept gifts and bequests of funds, property (real, personal, and intangible), equipment, services, and other in-kind contributions from State, local, and tribal governments, colleges and universities, individuals, and other public and private entities.

''(2) PROHIBITED SOURCE.—

''(A) IN GENERAL.—For the purposes of this subsection, the Secretary shall not consider a State or local government, Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)), other public entity, or college or university, to be a prohibited source under any Department rule or policy that prohibits the acceptance of gifts from individuals and entities that do business with the Department.

''(B) EXCEPTION.—Notwithstanding any Department rule or policy that prohibits the acceptance of gifts by the Department from individuals or private entities that do business with the Department or that, for any other reason, are considered to be prohibited

sources, the Secretary may accept gifts under this subsection if the Secretary determines that it is in the public interest to accept the gift.

''(3) DISPOSITION OF GIFTS.—The Secretary shall deposit any gift of funds under this subsection into the Fund in accordance with subsection (c)(2)(B).

''SEC. 1486. AGRICULTURE INFRASTRUCTURE SECURITY COMMISSION.

''(a) ESTABLISHMENT.—The Secretary shall establish a commission to be known as the 'Agriculture Infrastructure Security Commission' to carry out the duties described in subsection (f).

''(b) MEMBERSHIP.—

''(1) APPOINTMENT.—

''(A) VOTING MEMBERS.—

''(i) IN GENERAL.—The Commission shall be composed of 15 voting members, appointed by the Secretary in accordance with clause (ii), based on nominations solicited from the public.

''(ii) QUALIFICATIONS.—The Secretary shall appoint members that—

''(I) represent a balance of the public and private sectors; and

''(II) have combined expertise in—

''(aa) facilities development, modernization, construction, security, consolidation, and closure;

''(bb) plant diseases and pests;

''(cc) animal diseases and pests;

''(dd) food safety;

''(ee) biosecurity;

''(ff) the needs of farmers and ranchers;

''(gg) public health;

''(hh) State, local, and tribal government; and

''(ii) any other area related to agriculture infrastructure security, as determined by the Secretary.

''(B) NONVOTING MEMBERS.—The Commission shall be composed of the following nonvoting members:

''(i) The Secretary.

''(ii) 4 representatives appointed by the Secretary of Health and Human Services, 1 each from—

''(I) the Public Health Service;

''(II) the National Institutes of Health;

''(III) the Centers for Disease Control and Prevention; and

''(IV) the Food and Drug Administration.

''(iii) 1 representative appointed by the Attorney General.

''(iv) 1 representative appointed by the Director of Homeland Security.

''(v) Not more than 4 representatives of the Department appointed by the Secretary.

''(2) DATE OF APPOINTMENT.—The appointment of each member of the Commission shall be made not later than 90 days after the date of enactment of this subtitle.

''(c) TERM; VACANCIES.—

''(1) TERM.—The term of office of a member of the Commission shall be 4 years, except that the members initially appointed shall be appointed to serve staggered terms (as determined by the Secretary).

''(2) VACANCIES.—A vacancy on the Commission shall be filled in the same manner as the original appointment was made.

''(d) MEETINGS.—

''(1) IN GENERAL.—The Commission shall meet at the call of—

''(A) the Chairperson;

''(B) a majority of the voting members of the Commission; or

''(C) the Secretary.

''(2) FEDERAL ADVISORY COMMITTEE ACT.—

''(A) IN GENERAL.—The Federal Advisory Committee Act (5 U.S.C. App.) and title XVIII of the Food and Agriculture Act of 1977 (7 U.S.C. 2281 et seq.) shall not apply to the Commission.

''(B) OPEN MEETINGS; RECORDS.—Subject to subparagraph (C)—

''(i) a meeting of the Commission shall be—

''(I) publicly announced in advance; and

''(II) open to the public; and

''(ii) the Commission shall—

''(I) keep detailed minutes of each meeting and other appropriate records of the activities of the Commission; and

''(II) make the minutes and records available to the public on request.

''(C) EXCEPTION.—When required in the interest of national security—

''(i) the Chairperson may choose not to give public notice of a meeting;

''(ii) the Chairperson may close all or a portion of any meeting to the public, and the minutes of the meeting, or portion of a meeting, shall not be made available to the public; and

''(iii) by majority vote, the Commission may redact the minutes of a meeting that was open to the public.

''(e) CHAIRPERSON.—The Secretary shall select a Chairperson from among the voting members of the Commission.

''(f) DUTIES.—

''(1) IN GENERAL.—The Commission shall—

''(A) advise the Secretary on the uses of the Fund;

''(B) review all agricultural research facilities for—

''(i) research importance; and

''(ii) importance to agriculture infrastructure security;

''(C) identify any agricultural research facility that should be closed, realigned, consolidated, or modernized to carry out the research agenda of the Secretary and protect agriculture infrastructure security;

''(D) develop recommendations concerning agricultural research facilities; and

''(E)(i) evaluate the agricultural research facilities acquisition and modernization system (including acquisitions by gift, grant, or any other form of agreement) used by the Department; and

''(ii) based on the evaluation, recommend improvements to the system.

''(2) STRATEGIC PLAN.—To assist the Commission in carrying out the duties described in paragraph (1), the Commission shall use the 10-year strategic plan prepared by the Strategic Planning Task Force established under section 4 of the Research Facilities Act (7 U.S.C. 390b).

''(3) REPORT.—

''(A) IN GENERAL.—Not later than 240 days after the date of enactment of this subtitle, and each June 1 thereafter, the Commission shall prepare and submit to the Secretary, the Committee on Agriculture and the Committee on Appropriations of the House of Representatives, and the Committee on Agriculture, Nutrition, and Forestry and the Committee on Appropriations of the Senate, a report on the findings and recommendations under paragraph (1).

''(B) WRITTEN RESPONSE.—Not later than 90 days after the date of receipt of a report from the Commission under subparagraph (A), the Secretary shall provide to the Commission a written response concerning the manner and extent to which the Secretary will implement the recommendations in the report.

''(C) PUBLIC AVAILABILITY.—

''(i) IN GENERAL.—Subject to clause (ii), the report submitted by the Commission, and any response made by the Secretary, under this subsection shall be available to the public.

''(ii) EXCEPTION.—

''(I) NATIONAL SECURITY.—The Commission or the Secretary may determine that any report or response, or any portion of a report or response, shall not be publicly released in the interest of national security.

''(II) FREEDOM OF INFORMATION ACT.—On such a determination, the report or response, a portion of the report or response, or any records relating to the report or response, shall not be released under section 552 of title 5, United States Code.

''(g) COMMISSION PERSONNEL MATTERS.—

''(1) COMPENSATION OF MEMBERS.—

''(A) NON-FEDERAL EMPLOYEES.—A voting member of the Commission who is not a regular full-time employee of the Federal Government shall, while attending meetings of the Commission or otherwise engaged in the business of the Commission (including travel time), be entitled to receive compensation at a rate fixed by the Secretary, but not exceeding the daily equivalent of the annual rate specified at the time of such service under GS–15 of the General Schedule established under section 5332 of title 5, United States Code.

''(B) TRAVEL EXPENSES.—A voting member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

''(2) STAFF.—The Secretary shall provide the Commission with any personnel and other resources as the Secretary determines appropriate.

''(h) FUNDING.—

''(1) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section such sums as are necessary for each of fiscal years 2002 through 2006.

''(2) AGRICULTURE INFRASTRUCTURE SECURITY FUND.—For the purpose of establishing the Commission, the Secretary shall use such sums from the Fund as the Secretary determines to be appropriate.

''CHAPTER 2—OTHER BIOSECURITY PROGRAMS

''SEC. 1487. SPECIAL AUTHORIZATION FOR BIOSECURITY PLANNING AND RESPONSE.

''(a) AUTHORIZATION OF APPROPRIATIONS.—In addition to amounts for agricultural research, extension, and education under this Act, there are authorized to be appropriated for agricultural research, education, and extension activities for biosecurity planning and response such sums as are necessary for each of fiscal years 2002 through 2006.

''(b) USE OF FUNDS.—Using any authority available to the Secretary, the Secretary shall use funds made available under this section to carry out agricultural research, education, and extension activities (including through competitive grants) necessary—

''(1) to reduce the vulnerability of the United States food and agricultural system to chemical or biological attack;

''(2) to continue joint research initiatives between the Agricultural Research Service, universities, and industry on counterbioterrorism efforts (including continued funding of a consortium in existence on the date of enactment of this subtitle of which the Agricultural Research Service and universities are members);

''(3) to make competitive grants to universities and qualified research institutions for research on counterbioterrorism; and

''(4) to counter or otherwise respond to chemical or biological attack.

''SEC. 1488. AGRICULTURE BIOTERRORISM RESEARCH FACILITIES.

''(a) DEFINITIONS.—In this section:

''(1) CONSTRUCTION.—The term 'construction' includes—

''(A) the construction of new buildings; and

''(B) the expansion, renovation, remodeling, and alteration of existing buildings.

''(2) COST.—

''(A) IN GENERAL.—The term 'cost' means any construction cost, including architects' fees.

''(B) EXCLUSIONS.—The term 'cost' does not include the cost of—

''(i) acquiring land or an interest in land; or

''(ii) constructing any offsite improvement.

''(3) ELIGIBLE ENTITY.—The term 'eligible entity' means a college or university that—

''(A) is a land grant college or university (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); and

''(B) as determined by the Secretary, has—

''(i) demonstrated expertise in the area of animal and plant diseases;

''(ii) substantial animal and plant diagnostic laboratories; and

''(iii) well-established working relationships with—

''(I) the agricultural industry; and

''(II) farm and commodity organizations.

''(b) MODERNIZATION AND CONSTRUCTION OF FACILITIES.—

''(1) IN GENERAL.—To enhance the security of agriculture in the United States against threats posed by bioterrorism, the Secretary shall make construction grants, on a competitive basis, to eligible entities.

''(2) LIMITATION ON GRANTS.—An eligible entity shall not receive grant funds under this section that, in any fiscal year, exceed $10,000,000.

''(c) REQUIREMENTS FOR GRANTS.—

''(1) IN GENERAL.—The Secretary shall make a grant to an eligible entity under this section only if, with respect to any facility constructed using grant funds, the eligible entity—

''(A) submits to the Secretary, in such form, in such manner, and containing such agreements, assurances, and information as the Secretary may require, an application for the grant;

''(B) is determined by the Secretary to be competent to engage in the type of research for which the facility is proposed to be constructed;

''(C) provides such assurances as the Secretary determines to be satisfactory that—

''(i) for not less than 20 years after the date of completion of the facility, the facility shall be used for the purposes of the research for which the facility was constructed, as described in the grant application;

''(ii) sufficient funds are available to pay the non-Federal share of the cost of constructing the facility;

''(iii) sufficient funds will be available, as of the date of completion of the construction, for the effective use of the facility for the purposes of the research for which the facility was constructed; and

''(iv) the proposed construction—

''(I) will increase the capability of the eligible entity to conduct research for which the facility was constructed; or

''(II) is necessary to improve or maintain the quality of the research of the eligible entity;

''(D) meets such reasonable qualifications as may be established by the Secretary with respect to—

''(i) the relative scientific and technical merit of the applications, and the relative effectiveness of facilities proposed to be constructed, in expanding the quality of, and the capacity of eligible entities to carry out, biosecurity research;

''(ii) the quality of the research to be carried out in each facility constructed;

''(iii) the need for the research activities to be carried out within the facility as those activities relate to research needs of the United States in securing, and ensuring the safety of, the food supply of the United States;

''(iv) the age and condition of existing research facilities of the eligible entity; and

''(v) biosafety and biosecurity requirements necessary to protect facility staff, members of the public, and the food supply; and

''(E) has demonstrated a commitment to enhancing and expanding the research productivity of the eligible entity.

''(2) PRIORITY.—In providing grants under this section, the Secretary shall give priority to an eligible entity that, as determined by the Secretary, has demonstrated expertise in—

''(A) animal and plant disease prevention;

''(B) pathogen and toxin mitigation;

''(C) cereal disease resistance;

''(D) grain milling and processing;

''(E) livestock production practices;

''(F) vaccine development;

''(G) meat processing;

''(H) pathogen detection and control; or

''(I) food safety.

''(d) AMOUNT OF GRANT.—The amount of a grant awarded under this section shall be determined by the Secretary.

''(e) FEDERAL SHARE.—The Federal share of the cost of any construction carried out using funds from a grant provided under this section shall not exceed 50 percent.

''(f) GUIDELINES.—Not later than 180 days after the date of enactment of this subtitle, the Secretary shall issue guidelines with respect to the provision of grants under this section.

''(g) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $100,000,000 for each of fiscal years 2003 through 2005.''.

(b) SENSE OF CONGRESS ON INCREASING CAPACITY FOR RESEARCH ON BIOSECURITY AND ANIMAL AND PLANT HEALTH DISEASES.—It is the sense of Congress that funding for the Agricultural Research Service, the Animal and Plant Health Inspection Service, and other agencies of the Department of Agriculture with responsibilities for biosecurity should be increased as necessary to improve the capacity of the agencies to conduct research and analysis of, and respond to, bioterrorism and animal and plant diseases.

Subtitle B—Food, Agriculture, Conservation, and Trade Act of 1990

SEC. 731. NATIONAL GENETIC RESOURCES PROGRAM.

Section 1635(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5844(b)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 732. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.

Section 1668 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921) is amended—

(1) by redesignating subsections (e) through (g) as subsections (f) through (h), respectively; and

(2) by inserting after subsection (d) the following:

''(e) GRANT PRIORITY.—In selecting projects for which grants shall be made under this section, the Secretary shall give priority to public and private research or educational institutions and organizations the goals of which include—

''(1) formation of interdisciplinary teams to review or conduct research on the environmental effects of the release of new genetically modified agricultural products;

''(2) conduct of studies relating to biosafety of genetically modified agricultural products;

''(3) evaluation of the cost and benefit for development of an identity preservation system for genetically modified agricultural products;

''(4) establishment of international partnerships for research and education on biosafety issues; or

''(5) formation of interdisciplinary teams to renew and conduct research on the nutritional enhancement and environmental benefits of genetically modified agricultural products.''.

SEC. 733. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.

Section 1672 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended

(1) in subsection (e), by adding at the end the following:

''(25) ANIMAL INFECTIOUS DISEASES RESEARCH AND EXTENSION.—

''(A) IN GENERAL.—Research and extension grants may be made under this section for the purpose of developing—

''(i) prevention and control methodologies for animal infectious diseases that impact trade, including vesicular stomatitis, bovine tuberculosis, transmissible spongiform encephalopathy, brucellosis, and E. coli 0157:H7 infection;

''(ii) laboratory tests for quicker detection of infected animals and presence of diseases among herds;

''(iii) prevention strategies, including vaccination programs; and

''(iv) rapid diagnostic techniques for, and evaluation of, animal disease agents considered to be risks for agricultural bioterrorism attack.

''(B) COLLABORATION.—Research under subparagraph (A) may be conducted in collaboration with scientists from the Department, other Federal agencies, universities, and industry.

''(C) EVALUATION OF DIAGNOSTIC TECHNIQUES AND VACCINES.—Any research on or evaluation of diagnostic techniques and vaccines under subparagraph (A) shall include evaluation of diagnostic techniques and vaccines under field conditions in countries in which the animal disease occurs.

''(26) PROGRAM TO COMBAT CHILDHOOD OBESITY.—Research and extension grants may be made under this section to consortia of institutions of higher education that specialize in obesity and nutrition research to develop and implement effective strategies to reduce the incidence of childhood obesity.

''(27) INTEGRATED PEST MANAGEMENT.—Research and extension grants may be made under this section to land grant colleges and universities, other Federal agencies, and other interested persons to coordinate and improve research, education, and outreach on, and implementation on farms of, integrated pest management.

''(28) BEEF CATTLE GENETICS.—

''(A) IN GENERAL.—Research and extension grants for beef cattle genetics evaluation research may be made under this section to institutions of higher education, or consortia of institutions of higher education, that—

''(i) have expertise in beef cattle genetic evaluation research and technology; and

''(ii) have been actively involved, for at least 20 years, in the estimation and prediction of progeny differences for publication and use by seed stock producer breed associations.

''(B) PRIORITY.—In making grants under subparagraph (A), the Secretary shall give priority to proposals to—

''(i) establish and coordinate priorities for genetic evaluation of domestic beef cattle;

''(ii) consolidate research efforts to reduce duplication of effort and maximize the return to beef industry;

''(iii) streamline the process between the development and adoption of new genetic evaluation methodologies by the industry;

''(iv) identify new traits and technologies for inclusion in genetic programs in order to—

''(I) reduce the costs of beef production; and

''(II) provide consumers with a high nutritional value, healthy, and affordable protein source; or

''(v) create decisionmaking tools that incorporate the increasing number of traits being evaluated and the increasing amount of information from DNA technology into genetic improvement programs, with the goal of optimizing the overall efficiency, product quality and safety, and health of the domestic beef cattle herd resource.''; and

(2) in subsection (h), by striking ''2002'' and inserting ''2006''.

SEC. 734. NUTRIENT MANAGEMENT RESEARCH AND EXTENSION INITIATIVE.

Section 1672A(g) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925a(g)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 735. ORGANIC AGRICULTURE RESEARCH AND EXTENSION INITIATIVE.

Section 1672B of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925b) is amended—

(1) in subsection (a)—

(A) by inserting after ''Board,'' the following: ''and the National Organic Standards Board,'';

(B) in paragraph (2), by striking ''and'' at the end;

(C) in paragraph (3), by striking the period at the end and inserting a semicolon; and

(D) by adding at the end the following:

''(4) determining desirable traits for organic commodities using advanced genomics;

''(5) pursuing classical and marker-assisted breeding for publicly held varieties of crops and animals optimized for organic systems;

''(6) identifying marketing and policy constraints on the expansion of organic agriculture; and

''(7) conducting advanced on-farm research and development that emphasizes observation of, experimentation with, and innovation for working organic farms, including research relating to production and to socioeconomic conditions.''; and

(2) in subsection (e), by striking ''2002'' and inserting ''2006''.

SEC. 736. AGRICULTURAL TELECOMMUNICATIONS PROGRAM.

Section 1673(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5926(h)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 737. ASSISTIVE TECHNOLOGY PROGRAM FOR FARMERS WITH DISABILITIES.

Section 1680(c)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5933(c)(1)) is amended by striking ''2002'' and inserting ''2006''.

Subtitle C—Agricultural Research, Extension, and Education Reform Act of 1998

SEC. 741. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.

Section 401 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621) is amended—

(1) by striking subsection (b) and inserting the following:

''(b) FUNDING.—

''(1) IN GENERAL.—Out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Account to carry out this section—

''(A) on October 1, 1998 and each October 1 thereafter through October 1, 2001, $120,000,000; and

''(B) on October 1, 2002, and each October 1 thereafter through October 1, 2005, $145,000,000.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.''; and

(2) in subsection (e), by adding at the end the following:

''(3) MINORITY-SERVING INSTITUTIONS.—The Secretary shall consider reserving, to the maximum extent practicable, 10 percent of the funds made available to carry out this section for a fiscal year for grants to minority-serving institutions.''.

SEC. 742. PARTNERSHIPS FOR HIGH-VALUE AGRICULTURAL PRODUCT QUALITY RESEARCH.

Section 402(g) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7622(g)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 743. PRECISION AGRICULTURE.

Section 403(i)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(i)(1)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 744. BIOBASED PRODUCTS.

Section 404 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624) is amended—

(1) in subsection (e)(2), by striking ''2001'' and inserting ''2006''; and

(2) in subsection (h), by striking ''2002'' and inserting ''2006''.

SEC. 745. THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.

Section 405(h) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(h)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 746. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.

Section 406 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626) is amended—

(1) by redesignating subsection (e) as subsection (f);

(2) by inserting after subsection (d) the following:

''(e) TERM OF GRANT.—A grant under this section shall have a term of not more than 5 years.''; and

(3) in subsection (f) (as so redesignated), by striking ''2002'' and inserting ''2006''.

SEC. 747. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM.

Section 408(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(e)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 748. OFFICE OF PEST MANAGEMENT POLICY.

Section 614(f) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7653(f)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 749. SENIOR SCIENTIFIC RESEARCH SERVICE.

Subtitle B of title VI of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7651 et seq.) is amended by adding at the end the following:

''SEC. 620. SENIOR SCIENTIFIC RESEARCH SERVICE.

''(a) IN GENERAL.—There is established in the Department of Agriculture the Senior Scientific Research Service (referred to in this section as the 'Service').

''(b) MEMBERS.—

''(1) IN GENERAL.—Subject to paragraphs (2) through (4), the Secretary shall appoint the members of the Service.

''(2) QUALIFICATIONS.—To be eligible for appointment to the Service, an individual shall—

''(A) have conducted outstanding research in the field of agriculture or forestry;

''(B) have earned a doctoral level degree at an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)); and

''(C) meet qualification standards prescribed by the Director of the Office of Personnel Management for appointment to a position at level GS–15 of the General Schedule.

''(3) NUMBER.—Not more than 100 individuals may serve as members of the Service at any 1 time.

''(4) OTHER REQUIREMENTS.—

''(A) IN GENERAL.—Subject to subparagraph (B) and subsection (d)(2), the Secretary may appoint and employ a member of the Service without regard to—

''(i) the provisions of title 5, United States Code, governing appointments in the competitive service;

''(ii) the provisions of subchapter I of chapter 35 of title 5, United States Code, relating to retention preference;

''(iii) the provisions of chapter 43 of title 5, United States Code, relating to performance appraisal and performance actions;

''(iv) the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification and General Schedule pay rates; and

''(v) the provisions of chapter 75 of title 5, United States Code, relating to adverse actions.

''(B) EXCEPTION.—A member of the Service appointed and employed by the Secretary under subparagraph (A) shall have the same right of appeal to the Merit Systems Protection Board and the same right to file a complaint with the Office of Special Counsel as an employee appointed to a position at level GS–15 of the General Schedule.

''(c) PERFORMANCE APPRAISAL SYSTEM.—The Secretary shall develop a performance appraisal system for members of the Service that is designed to—

''(1) provide for the systematic appraisal of the employment performance of the members; and

''(2) encourage excellence in employment performance by the members.

''(d) COMPENSATION.—

''(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall determine the compensation of members of the Service.

''(2) LIMITATIONS.—The rate of pay for a member of the Service shall—

''(A) not be less than the minimum rate payable for a position at level GS–15 of the General Schedule; and

''(B) not be more than the rate payable for a position at level I of the Executive Schedule, unless the rate is approved by the President under section 5377(d)(2) of title 5, United States Code.

''(e) RETIREMENT CONTRIBUTIONS.—

''(1) IN GENERAL.—On the request of a member of the Service who was an employee of an institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) immediately prior to appointment as a member of the Service and who retains the right to continue to make contributions to the retirement system of the institution, the Secretary may contribute an amount not to exceed 10 percent of the basic pay of the member to the retirement system of the institution on behalf of the member.

''(2) FEDERAL RETIREMENT SYSTEM.—

''(A) IN GENERAL.—Subject to subparagraph (B), a member for whom a contribution is made under paragraph (1) shall not, as a result of serving as a member of the Service, be covered by, or earn service credit under, chapter 83 or 84 of title 5, United States Code.

''(B) ANNUAL LEAVE.—Service of a member of the Service described in subparagraph (A) shall be creditable for determining years of

service under section 6303(a) of title 5, United States Code.

''(f) INVOLUNTARY SEPARATION.—

''(1) IN GENERAL.—Subject to paragraph (2) and notwithstanding the provisions of title 5, United States Code, governing appointment in the competitive service, in the case of an individual who is separated from the Service involuntarily and without cause—

''(A) the Secretary may appoint the individual to a position in the competitive civil service at level GS–15 of the General Schedule; and

''(B) the appointment shall be a career appointment.

''(2) EXCEPTED CIVIL SERVICE.—In the case of an individual described in paragraph (1) who immediately prior to appointment as a member of the Service was not a career appointee in the civil service or the Senior Executive Service, the appointment of the individual under paragraph (1)—

''(A) shall be to the excepted civil service; and

''(B) may not exceed a period of 2 years.''.

Subtitle D—Land-Grant Funding

CHAPTER 1—1862 INSTITUTIONS

SEC. 751. CARRYOVER.

Section 7 of the Hatch Act of 1887 (7 U.S.C. 361g) is amended by striking subsection (c) and inserting the following:

''(c) CARRYOVER.—

''(1) IN GENERAL.—The balance of any annual funds provided under this Act to a State agricultural experiment station for a fiscal year that remains unexpended at the end of the fiscal year may be carried over for use during the following fiscal year.

''(2) FAILURE TO EXPEND FULL ALLOTMENT.—If any unexpended balance carried over by a State is not expended by the end of the second fiscal year, an amount equal to the unexpended balance shall be deducted from the next succeeding annual allotment to the State.''.

SEC. 752. REPORTING OF TECHNOLOGY TRANSFER ACTIVITIES.

Section 7(e) of the Hatch Act of 1887 (7 U.S.C. 361g(e)) is amended by adding at the end the following:

''(5) The technology transfer activities conducted with respect to federally-funded agricultural research.''.

SEC. 753. COMPLIANCE WITH MULTISTATE AND INTEGRATION REQUIREMENTS.

(a) MULTISTATE COOPERATIVE EXTENSION ACTIVITIES.—Section 3 of the Smith-Lever Act (7 U.S.C. 343) is amended by striking subsection (h) and inserting the following:

''(h) MULTISTATE COOPERATIVE EXTENSION ACTIVITIES.—

''(1) DEFINITION OF MULTISTATE ACTIVITY.—In this subsection, the term 'multistate activity' means a cooperative extension activity in which 2 or more States cooperate to resolve problems that concern more than 1 State.

''(2) REQUIREMENT.—

''(A) IN GENERAL.—To receive funding under subsections (b) and (c) for a fiscal year, a State must have expended on multistate activities, in the preceding fiscal year, an amount equivalent to not less than 25 percent of the funds paid to the State under subsections (b) and (c) for the preceding fiscal year.

''(B) DETERMINATION OF AMOUNT.—In determining compliance with subparagraph (A), the Secretary shall include all cooperative extension funds expended by the State in the preceding fiscal year, including Federal, State, and local funds.

''(3) REDUCTION OF PERCENTAGE.—The Secretary may reduce the minimum percentage required to be expended for multistate activities under paragraph (2) by a State in a case of hardship, unfeasibility, or other similar circumstances beyond the control of the State, as determined by the Secretary.

''(4) PLAN OF WORK.—The State shall include in the plan of work of the State required under section 4 a description of the manner in which the State will meet the requirements of this subsection.

''(5) APPLICABILITY.—This subsection does not apply to funds provided—

''(A) to a 1994 Institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)); or

''(B) to the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.''.

(b) INTEGRATED RESEARCH AND EXTENSION ACTIVITIES.—Section 3 of the Hatch Act of 1887 (7 U.S.C. 361c) is amended by striking subsection (i) and inserting the following:

''(i) INTEGRATED RESEARCH AND EXTENSION ACTIVITIES.—

''(1) IN GENERAL.—

''(A) REQUIREMENT.—To receive funding under this Act and subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343) for a fiscal year, a State must have expended on activities that integrate cooperative research and extension (referred to in this section as 'integrated activities'), in the preceding fiscal year, an amount equivalent to not less than 25 percent of the funds paid to the State under this section and subsections (b) and (c) of section 3 of the Smith-Lever Act (7 U.S.C. 343) for the preceding fiscal year.

''(B) DETERMINATION OF AMOUNT.—In determining compliance with subparagraph (A), the Secretary shall include all cooperative research and extension funds expended by the State in the prior fiscal year, including Federal, State, and local funds.

''(2) REDUCTION OF PERCENTAGE.—The Secretary may reduce the minimum percentage required to be expended for integrated activities under paragraph (1) by a State in a case of hardship, unfeasibility, or other similar circumstances beyond the control of the State, as determined by the Secretary.

''(3) PLAN OF WORK.—The State shall include in the plan of work of the State required under section 7 of this Act and under section 4 of the Smith-Lever Act (7 U.S.C. 344), as applicable, a description of the manner in which the State will meet the requirements of this subsection.

''(4) APPLICABILITY.—This subsection does not apply to funds provided—

''(A) to a 1994 Institution (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)); or

''(B) to the Commonwealth of Puerto Rico, the Virgin Islands, or Guam.

''(5) RELATIONSHIP TO OTHER REQUIREMENTS.—Funds described in paragraph (1)(B) that a State uses to calculate the required amount of expenditures for integrated activities under paragraph (1)(A) may also be used in the same fiscal year to calculate the amount of expenditures for multistate activities required under subsection (c)(3) of this section and section 3(h) of the Smith-Lever Act (7 U.S.C. 343(h)).''.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2002.

CHAPTER 2—1994 INSTITUTIONS

SEC. 754. EXTENSION AT 1994 INSTITUTIONS.

Section 3(b) of the Smith-Lever Act (7 U.S.C. 343(b)) is amended by striking paragraph (3) and inserting the following:

''(3) EXTENSION AT 1994 INSTITUTIONS.—

''(A) IN GENERAL.—There are authorized to be appropriated for fiscal year 2002 and each subsequent fiscal year, for payment to 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382)), such sums as are necessary for the purposes set forth in section 2, to remain available until expended.

''(B) DISTRIBUTION.—Amounts made available under subparagraph (A)—

''(i) shall be distributed on the basis of a formula to be developed and implemented by the Secretary, in consultation with the 1994 Institutions; and

''(ii) may include payments for extension activities carried out during 1 or more fiscal years.

''(C) COOPERATIVE AGREEMENT.—In accordance with such regulations as the Secretary may promulgate, a 1994 Institution may administer funds received under this paragraph through a cooperative agreement with an 1862 Institution or an 1890 Institution (as those terms are defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)).''.

SEC. 755. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.

(a) TECHNICAL AMENDMENT TO REFLECT NAME CHANGES.—Section 532 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking paragraphs (1) through (30) and inserting the following:

''(1) Bay Mills Community College.
''(2) Blackfeet Community College.
''(3) Cankdeska Cikana Community College.
''(4) College of Menominee Nation.
''(5) Crownpoint Institute of Technology.
''(6) D-Q University.
''(7) Diné College.
''(8) Dull Knife Memorial College.
''(9) Fond du Lac Tribal and Community College.
''(10) Fort Belknap College.
''(11) Fort Berthold Community College.
''(12) Fort Peck Community College.
''(13) Haskell Indian Nations University.
''(14) Institute of American Indian and Alaska Native Culture and Arts Development.
''(15) Lac Courte Oreilles Ojibwa Community College.
''(16) Leech Lake Tribal College.
''(17) Little Big Horn College.
''(18) Little Priest Tribal College.
''(19) Nebraska Indian Community College.
''(20) Northwest Indian College.
''(21) Oglala Lakota College.
''(22) Salish Kootenai College.
''(23) Sinte Gleska University.
''(24) Sisseton Wahpeton Community College.
''(25) Si Tanka/Huron University.
''(26) Sitting Bull College.
''(27) Southwestern Indian Polytechnic Institute.
''(28) Stone Child College.
''(29) Turtle Mountain Community College.
''(30) United Tribes Technical College.
''(31) White Earth Tribal and Community College.''.

(b) ACCREDITATION REQUIREMENT FOR RESEARCH GRANTS.—Section 533(a)(3) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking ''sections 534 and 535'' and inserting ''sections 534, 535, and 536''.

(c) LAND-GRANT STATUS FOR 1994 INSTITUTIONS.—Section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking ''$4,600,000 for each of fiscal years 1996 through 2002'' and inserting ''such sums as are necessary for each of fiscal years 2002 through 2006''.

(d) CHANGE OF INDIAN STUDENT COUNT FORMULA.—Section 533(c)(4)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking ''(as defined in section 390(3) of the Carl D. Perkins Vocational and Applied Technology Education Act (20 U.S.C.

2397h(3)) for each 1994 Institution for the fiscal year'' and inserting ''(as defined in section 2(a) of the Tribally Controlled College or University Assistance Act of 1978 (25 U.S.C. 1801(a)))''.

(e) INCREASE IN INSTITUTIONAL PAYMENTS.—Section 534(a)(1)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking ''$50,000'' and inserting ''$100,000''.

(f) INSTITUTIONAL CAPACITY BUILDING GRANTS.—Section 535 of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended—

(1) in subsection (b)(1), by striking ''2002'' and inserting ''2006''; and

(2) in subsection (c), by striking ''$1,700,000 for each of fiscal years 1996 through 2002'' and inserting ''such sums as are necessary for each of fiscal years 2002 through 2006''.

(g) RESEARCH GRANTS.—Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note; Public Law 103–382) is amended by striking ''2002'' and inserting ''2006''.

SEC. 756. ELIGIBILITY FOR INTEGRATED GRANTS PROGRAM.

Section 406(b) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(b)) is amended by inserting ''and 1994 Institutions'' before ''on a competitive basis''.

CHAPTER 3—1890 INSTITUTIONS

SEC. 757. AUTHORIZATION PERCENTAGES FOR RESEARCH AND EXTENSION FORMULA FUNDS.

(a) EXTENSION.—Section 1444(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221(a)) is amended—

(1) by striking ''(a) There'' and inserting the following:

''(a) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There'';

(2) by striking the second sentence; and

(3) in the third sentence, by striking ''Beginning'' through ''6 per centum'' and inserting the following:

''(2) MINIMUM AMOUNT.—Beginning with fiscal year 2002, there shall be appropriated under this section for each fiscal year an amount that is not less than 15 percent'';

(3) by striking ''Funds appropriated'' and inserting the following:

''(3) USES.—Funds appropriated''; and

(4) by striking ''No more'' and inserting the following:

''(4) CARRYOVER.—No more''.

(b) RESEARCH.—Section 1445(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(a)) is amended—

(1) by striking ''(a) There'' and inserting the following:

''(a) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There'';

(2) by striking the second sentence and inserting the following:

''(2) MINIMUM AMOUNT.—Beginning with fiscal year 2002, there shall be appropriated under this section for each fiscal year an amount that is not less than 25 percent of the total appropriations for the fiscal year under section 3 of the Hatch Act of 1887 (7 U.S.C. 361c).'';

(3) by striking ''Funds appropriated'' and inserting the following:

''(3) USES.—Funds appropriated'';

(4) by striking ''The eligible'' and inserting the following:

''(4) COORDINATION.—The eligible''; and

(5) by striking ''No more'' and inserting the following:

''(5) CARRYOVER.—No more''.

SEC. 758. CARRYOVER.

Section 1445(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(a) (as amended by section 757(b)) is amended by striking paragraph (5) and inserting the following:

''(5) CARRYOVER.—

''(A) IN GENERAL.—The balance of any annual funds provided to an eligible institution for a fiscal year under this section that remains unexpended at the end of the fiscal year may be carried over for use during the following fiscal year.

''(B) FAILURE TO EXPEND FULL AMOUNT.—If any unexpended balance carried over by an eligible institution is not expended by the end of the second fiscal year, an amount equal to the unexpended balance shall be deducted from the next succeeding annual allotment to the eligible institution.''.

SEC. 759. REPORTING OF TECHNOLOGY TRANSFER ACTIVITIES.

Section 1445(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222(c)(3)) is amended by adding at the end the following:

''(F) The technology transfer activities conducted with respect to federally-funded agricultural research.''.

SEC. 760. GRANTS TO UPGRADE AGRICULTURAL AND FOOD SCIENCES FACILITIES AT 1890 LAND-GRANT COLLEGES, INCLUDING TUSKEGEE UNIVERSITY.

Section 1447(b) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222b(b)) is amended by striking ''$15,000,000 for each of fiscal years 1996 through 2002'' and inserting ''$25,000,000 for each of fiscal years 2002 through 2006''.

SEC. 761. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS.

Section 1448 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c) is amended by striking ''2002'' each place it appears in subsections (a)(1) and (f) and inserting ''2006''.

SEC. 762. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES.

Section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d) is amended by striking subsections (c) and (d) and inserting the following:

''(c) MATCHING FORMULA.—

''(1) IN GENERAL.—For each of fiscal years 2003 through 2006, the State shall provide matching funds from non-Federal sources.

''(2) AMOUNT.—The amount of the matching funds shall be equal to not less than—

''(A) for fiscal year 2003, 60 percent of the formula funds to be distributed to the eligible institution; and

''(B) for each of fiscal years 2004 through 2006, 110 percent of the amount required under this paragraph for the preceding fiscal year.

''(d) WAIVERS.—Notwithstanding subsection (f), for any of fiscal years 2003 through 2006, the Secretary may waive the matching funds requirement under subsection (c) for any amount above the level of 50 percent for an eligible institution of a State if the Secretary determines that the State will be unlikely to meet the matching requirement.''.

CHAPTER 4—LAND-GRANT INSTITUTIONS

Subchapter A—General

SEC. 771. PRIORITY-SETTING PROCESS.

Section 102(c)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7612(c)(1)) is amended—

(1) by striking ''establish and implement a process for obtaining'' and inserting ''obtain public''; and

(2) by striking the period at the end and inserting the following: ''through a process that reflects transparency and opportunity for input from producers of diverse agricultural crops and diverse geographic and cultural communities.''.

SEC. 772. TERMINATION OF CERTAIN SCHEDULE A APPOINTMENTS.

(a) TERMINATION.—Not later than 60 days after the date of enactment of this Act, the Secretary of Agriculture shall terminate each appointment listed as an excepted position under schedule A of the General Schedule made by the Secretary to the Federal civil service of an individual who holds dual government appointments, and who carries out agricultural extension work in a program at a college or university eligible to receive funds, under—

(1) the Smith-Lever Act (7 U.S.C. 341 et seq.);

(2) section 1444 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3221); or

(3) section 208(e) of the District of Columbia Public Postsecondary Education Reorganization Act (88 Stat. 1428).

(b) CONTINUATION OF CERTAIN FEDERAL BENEFITS.—

(1) IN GENERAL.—Notwithstanding title 5, United States Code, and subject to paragraph (2), an individual described in subsection (a), during the period the individual is employed in an agricultural extension program described in subsection (a) without a break in service, shall continue to—

(A) be eligible to participate, to the same extent that the individual was eligible to participate (on the day before the date of enactment of this Act), in—

(i) the Federal Employee Health Benefits Program;

(ii) the Federal Employee Group Life Insurance Program;

(iii) the Civil Service Retirement System;

(iv) the Federal Employee Retirement System; and

(v) the Thrift Savings Plan; and

(B) receive Federal Civil Service employment credit to the same extent that the individual was receiving such credit on the day before the date of enactment of this Act.

(2) LIMITATIONS.—An individual may continue to be eligible for the benefits described in paragraph (1) if—

(A) in the case of an individual who remains employed in the agricultural extension program described in subsection (a) on the date of the enactment of this Act, the employing college or university continues to fulfill the administrative and financial responsibilities (including making agency contributions) associated with providing those benefits, as determined by the Secretary of Agriculture; and

(B) in the case of an individual who changes employment to a second college or university described in subsection (a)—

(i) the individual continues to work in an agricultural extension program described in subsection (a), as determined by the Secretary of Agriculture;

(ii) the second college or university—

(I) fulfills the administrative and financial responsibilities (including making agency contributions) associated with providing those benefits, as determined by the Secretary of Agriculture; and

(II) within 120 days before the date of the employment of the individual, had employed a different individual described in subsection (a) who had performed the same duties of employment; and

(iii) the individual was eligible for those benefits on the day before the date of enactment of this Act.

Subchapter B—Land-Grant Institutions in Insular Areas

SEC. 775. DISTANCE EDUCATION GRANTS PROGRAM FOR INSULAR AREA LAND-GRANT INSTITUTIONS.

The National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3101 et seq.) (as amended by section 723) is amended by adding at the end the following:

"Subtitle 0—Land Grant Institutions in Insular Areas

"SEC. 1489. DISTANCE EDUCATION GRANTS FOR INSULAR AREAS.

''(a) IN GENERAL.—The Secretary may make competitive or noncompetitive grants to State cooperative institutions in insular areas to strengthen the capacity of State cooperative institutions to carry out distance food and agricultural education programs using digital network technologies.

''(b) USE.—Grants made under this section shall be used—

''(1) to acquire the equipment, instrumentation, networking capability, hardware and software, digital network technology, and infrastructure necessary to teach students and teachers about technology in the classroom;

''(2) to develop and provide educational services (including faculty development) to prepare students or faculty seeking a degree or certificate that is approved by the State or a regional accrediting body recognized by the Secretary of Education;

''(3) to provide teacher education, library and media specialist training, and preschool and teacher aid certification to individuals who seek to acquire or enhance technology skills in order to use technology in the classroom or instructional process;

''(4) to implement a joint project to provide education regarding technology in the classroom with a local educational agency, community-based organization, national nonprofit organization, or business, including a minority business or a business located in a HUBZone established under section 31 of the Small Business Act (15 U.S.C. 657a); or

''(5) to provide leadership development to administrators, board members, and faculty of eligible institutions with institutional responsibility for technology education.

''(c) LIMITATION ON USE OF GRANT FUNDS.—Funds provided under this section shall not be used for the planning, acquisition, construction, rehabilitation, or repair of a building or facility.

''(d) ADMINISTRATION OF PROGRAM.—The Secretary may carry out this section in a manner that recognizes the different needs and opportunities for State cooperative institutions in the Atlantic and Pacific Oceans.

''(e) MATCHING REQUIREMENT.—

''(1) IN GENERAL.—The Secretary may establishment a requirement that a State cooperative institution receiving a grant under this section shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the grant.

''(2) WAIVERS.—If the Secretary establishes a matching requirement under paragraph (1), the requirement shall include an option for the Secretary to waive the requirement for an insular area State cooperative institution for any fiscal year if the Secretary determines that the institution will be unlikely to meet the matching requirement for the fiscal year.

''(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $4,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 776. MATCHING REQUIREMENTS FOR RESEARCH AND EXTENSION FORMULA FUNDS FOR INSULAR AREA LAND-GRANT INSTITUTIONS.

(a) EXPERIMENT STATIONS.—Section 3(d) of the Hatch Act of 1887 (7 U.S.C. 361c(d)) is amended by striking paragraph (4) and inserting the following:

''(4) EXCEPTION FOR INSULAR AREAS.—

''(A) IN GENERAL.—Effective beginning for fiscal year 2003, in lieu of the matching funds requirement of paragraph (1), the insular areas of the Commonwealth of Puerto Rico, Guam, and the Virgin Islands of the United States shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the formula funds distributed by the Secretary to each of the insular areas, respectively, under this section.

''(B) WAIVERS.—The Secretary may waive the matching fund requirement of subparagraph (A) for any fiscal year if the Secretary determines that the government of the insular area will be unlikely to meet the matching requirement for the fiscal year.''.

(b) COOPERATIVE AGRICULTURAL EXTENSION.—Section 3(e) of the Smith-Lever Act (7 U.S.C. 343(e)) is amended by striking paragraph (4) and inserting the following:

''(4) EXCEPTION FOR INSULAR AREAS.—

''(A) IN GENERAL.—Effective beginning for fiscal year 2003, in lieu of the matching funds requirement of paragraph (1), the insular areas of the Commonwealth of Puerto Rico, Guam, and the Virgin Islands of the United States shall provide matching funds from non-Federal sources in an amount equal to not less than 50 percent of the formula funds distributed by the Secretary to each of the insular areas, respectively, under this section.

''(B) WAIVERS.—The Secretary may waive the matching fund requirement of subparagraph (A) for any fiscal year if the Secretary determines that the government of the insular area will be unlikely to meet the matching requirement for the fiscal year.''.

Subtitle E—Other Laws

SEC. 781. CRITICAL AGRICULTURAL MATERIALS.

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 782. RESEARCH FACILITIES.

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 783. FEDERAL AGRICULTURAL RESEARCH FACILITIES.

Section 1431 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1556) is amended by striking ''2002'' and inserting ''2006''.

SEC. 784. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.

The Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i) is amended in subsection (b)—

(1) in paragraph (2), by striking ''in—'' and all that follows and inserting '', as those needs are determined by the Secretary, in consultation with the National Agricultural Research, Extension, Education, and Economics Advisory Board, not later than July 1 of each fiscal year for the purposes of the following fiscal year.''; and

(2) in paragraph (10), by striking ''2002'' and inserting ''2006''.

SEC. 785. RISK MANAGEMENT EDUCATION FOR BEGINNING FARMERS AND RANCHERS.

(a) IN GENERAL.—Section 524(a)(3) of the Federal Crop Insurance Act (7 U.S.C. 1524(a)(3)) is amended by striking subparagraph (A) and inserting the following:

''(A) AUTHORITY.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall establish a program under which competitive grants are made to qualified public and private entities (including land-grant colleges and universities, cooperative extension services, colleges or universities, and community colleges), as determined by the Secretary, for the purpose of—

''(i) educating producers generally about the full range of risk management activities, including futures, options, agricultural trade options, crop insurance, cash forward contracting, debt reduction, production diversification, farm resources risk reduction, and other risk management strategies; or

''(ii) educating beginning farmers and ranchers—

''(I) in the areas described in clause (i); and

''(II) in risk management strategies, as part of programs that are specifically targeted at beginning farmers and ranchers.''.

(b) TECHNICAL CORRECTION.—Section 524(b) of the Federal Crop Insurance Act (7 U.S.C. 1524(b)) is amended by redesignating the second paragraph (2) and paragraph (3) as paragraphs (3) and (4), respectively.

SEC. 786. AQUACULTURE.

Section 10 of the National Aquaculture Act of 1980 (16 U.S.C. 2809) is amended by striking ''2002'' each place it appears and inserting ''2006''.

Subtitle F—New Authorities

SEC. 791. DEFINITIONS.

In this subtitle:

(1) DEPARTMENT.—The term ''Department'' means the Department of Agriculture.

(2) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

SEC. 792. REGULATORY AND INSPECTION RESEARCH.

(a) DEFINITIONS.—In this section:

(1) INSPECTION OR REGULATORY AGENCY OF THE DEPARTMENT.—The term ''inspection or regulatory agency of the Department'' includes—

(A) the Animal and Plant Health Inspection Service;

(B) the Food Safety and Inspection Service;

(C) the Grain Inspection, Packers, and Stockyards Administration; and

(D) the Agricultural Marketing Service.

(2) URGENT APPLIED RESEARCH NEEDS.—The term ''urgent applied research needs'' includes research necessary to carry out—

(A) agricultural marketing programs;

(B) programs to protect the animal and plant resources of the United States; and

(C) educational programs or special studies to improve the safety of the food supply of the United States.

(b) TIMELY, COST-EFFECTIVE RESEARCH.—To meet the urgent applied research needs of inspection or regulatory agencies of the Department, the Secretary—

(1) may use a public or private source; and

(2) shall use the most practicable source to provide timely, cost-effective means of providing the research.

(c) CONFLICTS OF INTEREST.—The Secretary shall establish guidelines to prevent any conflict of interest that may arise if an inspection or regulatory agency of the Department obtains research from any Federal agency the work or technology transfer efforts of which are funded in part by an industry subject to the jurisdiction of the inspection or regulatory agency of the Department.

(d) REGULATIONS.—The Secretary may promulgate such regulations as are necessary to carry out this section.

SEC. 793. EMERGENCY RESEARCH TRANSFER AUTHORITY.

(a) IN GENERAL.—Subject to subsection (b), in addition to any other authority that the Secretary may have to transfer appropriated funds, the Secretary may transfer up to 2

percent of any appropriation made available to an office or agency of the Department for a fiscal year for agricultural research, extension, marketing, animal and plant health, nutrition, food safety, nutrition education, or forestry programs to any other appropriation for an office or agency of the Department for emergency research, extension, or education activities needed to address imminent threats to animal and plant health, food safety, or human nutrition, including bioterrorism.

(b) LIMITATIONS.—The Secretary may transfer funds under subsection (a) only—

(1) on a determination by the Secretary that the need is so imminent that the need will not be timely met by annual, supplemental, or emergency appropriations;

(2) in an aggregate amount that does not exceed $5,000,000 for any fiscal year; and

(3) with the approval of the Director of the Office of Management and Budget.

SEC. 794. REVIEW OF AGRICULTURAL RESEARCH SERVICE.

(a) IN GENERAL.—The Secretary shall conduct a review of the purpose, efficiency, effectiveness, and impact on agricultural research of the Agricultural Research Service.

(b) ADMINISTRATION.—In conducting the review, the Secretary shall use persons outside the Department, including—

(1) Federal scientists;

(2) college and university faculty;

(3) private and nonprofit scientists; or

(4) other persons familiar with the role of the Agricultural Research Service in conducting agricultural research in the United States.

(c) REPORT.—Not later than September 30, 2004, the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the review.

(d) FUNDING.—The Secretary shall use to carry out this section not more than 0.1 percent of the amount of appropriations made available to the Agricultural Research Service for each of fiscal years 2002 through 2004.

SEC. 795. TECHNOLOGY TRANSFER FOR RURAL DEVELOPMENT.

(a) IN GENERAL.—The Secretary, acting through the Rural Business-Cooperative Service and the Agricultural Research Service, shall establish a program to promote the availability of technology transfer opportunities of the Department to rural businesses and residents.

(b) COMPONENTS OF PROGRAM.—The program shall, to the maximum extent practicable, include—

(1) a website featuring information about the program and technology transfer opportunities of the Department;

(2) an annual joint program for State economic development directors and Department rural development directors regarding technology transfer opportunities of the Agricultural Research Service and other offices and agencies of the Department; and

(3) technology transfer opportunity programs at each Agricultural Research Service laboratory, conducted at least biennially, which may include participation by other local Federal laboratories, as appropriate.

(c) FUNDING.—The Secretary shall use to carry out this section—

(1) amounts made available to the Agricultural Research Service; and

(2) amounts made available to the Rural Business-Cooperative Service for salaries and expenses.

SEC. 796. BEGINNING FARMER AND RANCHER DEVELOPMENT PROGRAM.

(a) DEFINITION OF BEGINNING FARMER OR RANCHER.—In this section, the term ''beginning farmer or rancher'' means a person that—

(1)(A) has not operated a farm or ranch; or

(B) has operated a farm or ranch for not more than 10 years; and

(2) meets such other criteria as the Secretary may establish.

(b) PROGRAM.—The Secretary shall establish a beginning farmer and rancher development program to provide training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers.

(c) GRANTS.—

(1) IN GENERAL.—In carrying out this section, the Secretary shall make competitive grants to support new and established local and regional training, education, outreach, and technical assistance initiatives for beginning farmers or ranchers, including programs and services (as appropriate) relating to—

(A) mentoring, apprenticeships, and internships;

(B) resources and referral;

(C) assisting beginning farmers or ranchers in acquiring land from retiring farmers and ranchers;

(D) innovative farm and ranch transfer strategies;

(E) entrepreneurship and business training;

(F) model land leasing contracts;

(G) financial management training;

(H) whole farm planning;

(I) conservation assistance;

(J) risk management education;

(K) diversification and marketing strategies;

(L) curriculum development;

(M) understanding the impact of concentration and globalization;

(N) basic livestock and crop farming practices;

(O) the acquisition and management of agricultural credit;

(P) environmental compliance;

(Q) information processing; and

(R) other similar subject areas of use to beginning farmers or ranchers.

(2) ELIGIBILITY.—To be eligible to receive a grant under this subsection, the recipient shall be a collaborative State, local, or regionally-based network or partnership of public or private entities, which may include—

(A) a State cooperative extension service;

(B) a Federal or State agency;

(C) a community-based and nongovernmental organization;

(D) a college or university (including an institution awarding an associate's degree) or foundation maintained by a college or university; or

(E) any other appropriate partner, as determined by the Secretary.

(3) TERM OF GRANT.—The term of a grant under this subsection shall not exceed 3 years.

(4) MATCHING REQUIREMENT.—To be eligible to receive a grant under this subsection, a recipient shall provide a match in the form of cash or in-kind contributions in an amount equal to 25 percent of the funds provided by the grant.

(5) SET-ASIDE.—Not less than 25 percent of funds used to carry out this subsection for a fiscal year shall be used to support programs and services that address the needs of—

(A) limited resource beginning farmers or ranchers (as defined by the Secretary);

(B) socially disadvantaged beginning farmers or ranchers (as defined in section 355(e) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)); and

(C) farmworkers desiring to become farmers or ranchers.

(6) PROHIBITION.—A grant made under this subsection may not be used for the planning, repair, rehabilitation, acquisition, or construction of a building or facility.

(7) ADMINISTRATIVE COSTS.—The Secretary shall use not more than 4 percent of the funds made available to carry out this section for administrative costs incurred by the Secretary in carrying out this section.

(d) EDUCATION TEAMS.—

(1) IN GENERAL.—In carrying out this section, the Secretary shall establish beginning farmer and rancher education teams to develop curricula and conduct educational programs and workshops for beginning farmers or ranchers in diverse geographical areas of the United States.

(2) CURRICULUM.—In promoting the development of curricula, the Secretary shall, to the maximum extent practicable, include modules tailored to specific audiences of beginning farmers or ranchers, based on crop or regional diversity.

(3) COMPOSITION.—In establishing an education team for a specific program or workshop, the Secretary shall, to the maximum extent practicable—

(A) obtain the short-term services of specialists with knowledge and expertise in programs serving beginning farmers or ranchers; and

(B) use officers and employees of the Department with direct experience in programs of the Department that may be taught as part of the curriculum for the program or workshop.

(4) COOPERATION.—

(A) IN GENERAL.—In carrying out this subsection, the Secretary shall cooperate, to the maximum extent practicable, with—

(i) State cooperative extension services;

(ii) Federal and State agencies;

(iii) community-based and nongovernmental organizations;

(iv) colleges and universities (including an institution awarding an associate's degree) or foundations maintained by a college or university; and

(v) other appropriate partners, as determined by the Secretary.

(B) COOPERATIVE AGREEMENT.—Notwithstanding chapter 63 of title 31, United States Code, the Secretary may enter into a cooperative agreement to reflect the terms of any cooperation under subparagraph (A).

(e) CURRICULUM AND TRAINING CLEARINGHOUSE.—The Secretary shall establish an online clearinghouse that makes available to beginning farmers or ranchers education curricula and training materials and programs, which may include online courses for direct use by beginning farmers or ranchers.

(f) STAKEHOLDER INPUT.—In carrying out this section, the Secretary shall seek stakeholder input from—

(1) beginning farmers and ranchers;

(2) national, State, and local organizations and other persons with expertise in operating beginning farmer and rancher programs; and

(3) the Advisory Committee on Beginning Farmers and Ranchers established under section 5 of the Agricultural Credit Improvement Act of 1992 (7 U.S.C. 1929 note; Public Law 102–554).

(g) PARTICIPATION BY OTHER FARMERS AND RANCHERS.—Nothing in this section prohibits the Secretary from allowing farmers and ranchers who are not beginning farmers or ranchers from participating in programs authorized under this section to the extent that the Secretary determines that such participation is appropriate and will not detract from the primary purpose of educating beginning farmers and ranchers.

(h) FUNDING.—

(1) FEES AND CONTRIBUTIONS.—

(A) IN GENERAL.—The Secretary may—

(i) charge a fee to cover all or part of the costs of curriculum development and the delivery of programs or workshops provided by—

(I) a beginning farmer and rancher education team established under subsection (d); or

(II) the online clearinghouse established under subsection (e); and

(ii) accept contributions from cooperating entities under a cooperative agreement entered into under subsection (d)(4)(B) to cover all or part of the costs for the delivery of programs or workshops by the beginning farmer and rancher education teams.

(B) AVAILABILITY.—Fees and contributions received by the Secretary under subparagraph (A) shall—

(i) be deposited in the account that incurred the costs to carry out this section;

(ii) be available to the Secretary to carry out the purposes of the account, without further appropriation;

(iii) remain available until expended; and

(iv) be in addition to any funds made available under paragraph (2).

(2) TRANSFERS.—

(A) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section $15,000,000, to remain available for 2 fiscal years.

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

SEC. 797. SENSE OF CONGRESS REGARDING DOUBLING OF FUNDING FOR AGRICULTURAL RESEARCH.

It is the sense of Congress that—

(1) Federal funding for food and agricultural research has been essentially constant for 2 decades, putting at risk the scientific base on which food and agricultural advances have been made;

(2) the resulting increase in the relative proportion of private sector, industry investments in food and agricultural research has led to questions about the independence and objectivity of research and outreach conducted by the Federal and university research sectors; and

(3) funding for food and agricultural research should be at least doubled over the next 5 fiscal years—

(A) to restore the balance between public and private sector funding for food and agricultural research; and

(B) to maintain the scientific base on which food and agricultural advances are made.

SEC. 798. RURAL POLICY RESEARCH.

(a) IN GENERAL.—There is established in the Treasury of the United States an account to be known as the ''Rural Research Fund Account'' (referred to in this section as the ''Account'') to provide funds for activities described in subsection (c).

(b) FUNDING.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Account to carry out this section $15,000,000, to remain available for 2 fiscal years.

(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

(c) PURPOSES.—The Secretary shall use the funds in the Account to make competitive research grants for applied and outcome oriented research and policy research and analysis of rural issues relating to—

(1) rural sociology;

(2) effects of demographic change, including aging population, outmigration, and labor resources;

(3) needs of groups of rural citizens, including senior citizens, families, youth, children, and socially disadvantaged individuals;

(4) rural community development;

(5) rural infrastructure, including water and waste, community facilities, telecommunications, electricity, and high-speed broadband services;

(6) rural business development, including credit, venture capital, cooperatives, value-added enterprises, new and alternative markets, farm and rural enterprise formation, and entrepreneurship;

(7) farm management, including strategic planning, business and marketing opportunities, risk management, natural resources and environmental management, organic and sustainable farming systems, and intergenerational transfer strategies;

(8) rural education and extension programs, including methods of delivery, availability of resources, and use of distance learning; and

(9) rural health, including mental health, on-farm safety, and food safety.

(d) REQUIREMENTS.—In making grants under this section, the Secretary shall—

(1) solicit and consider public input from persons who conduct or use agricultural research, extension, education, or rural development programs; and

(2) ensure that funded proposals will provide high-quality research that may be of use to public policymakers and private entities in making decisions that affect development in rural areas.

(e) ELIGIBLE GRANTEES.—The Secretary may make a grant under this section to—

(1) an individual;

(2) a college or university or a foundation maintained by a college or university;

(3) a State cooperative institution;

(4) a community college;

(5) a nonprofit organization, institution, or association;

(6) a business association;

(7) an agency of a State, local, or tribal government; or

(8) a regional partnership of public and private agencies.

(f) TERM.—A grant under this section shall have a term that does not exceed 5 years.

(g) MATCHING FUNDS.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary may require as a condition of the grant that the grant funding be matched, in whole or in part, with matching funds from a non-Federal source.

(2) BUSINESS ASSOCIATIONS.—The Secretary shall require that a grant to a business association be matched with equal matching funds from a non-Federal source.

(h) ADMINISTRATIVE COSTS.—The Secretary may use not more than 4 percent of the funds made available for grants under this section to pay administrative costs incurred by the Secretary in carrying out this section.

SEC. 798A. PRIORITY FOR FARMERS AND RANCHERS PARTICIPATING IN CONSERVATION PROGRAMS.

In carrying out new on-farm research or extension programs or projects authorized by this Act, an amendment made by this Act, or any Act enacted after the date of enactment of this Act, the Secretary shall give priority in carrying out the programs or projects to using farms or ranches of farmers or ranchers that participate in Federal agricultural conservation programs.

SEC. 798B. ORGANIC PRODUCTION AND MARKET DATA INITIATIVES.

The Secretary shall ensure that segregated data on the production and marketing of organic agricultural products is included in the ongoing baseline of data collection regarding agricultural production and marketing.

SEC. 798C. ORGANICALLY PRODUCED PRODUCT RESEARCH AND EDUCATION.

Not later than July 1, 2002, the Secretary, shall prepare, in consultation with the Advisory Committee on Small Farms, and submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, a report on—

(1) the implementation of the organic rule promulgated under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.); and

(2) the impact of the organic rule program on small farms (as defined by the Advisory Committee on Small Farms).

SEC. 798D. INTERNATIONAL ORGANIC RESEARCH COLLABORATION.

The Secretary, acting through the Agricultural Research Service (including the National Agriculture Library), shall facilitate access by research and extension professionals in the United States to, and the use by those professionals of, organic research conducted outside the United States.

TITLE VIII—FORESTRY

SEC. 801. OFFICE OF INTERNATIONAL FORESTRY.

Section 2405(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 6704(d)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 802. MCINTIRE-STENNIS COOPERATIVE FORESTRY RESEARCH PROGRAM.

It is the sense of Congress to reaffirm the importance of Public Law 87–88 (16 U.S.C. 582a et seq.), commonly known as the ''McIntire-Stennis Cooperative Forestry Act''.

SEC. 803. SUSTAINABLE FORESTRY OUTREACH INITIATIVE; RENEWABLE RESOURCES EXTENSION ACTIVITIES.

(a) SUSTAINABLE FORESTRY OUTREACH INITIATIVE.—The Renewable Resources Extension Act of 1978 is amended by inserting after section 5A (16 U.S.C. 1674a) the following:

''SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.

''The Secretary shall establish a program, to be known as the 'Sustainable Forestry Outreach Initiative', to educate landowners concerning—

''(1) the value and benefits of practicing sustainable forestry;

''(2) the importance of professional forestry advice in achieving sustainable forestry objectives; and

''(3) the variety of public and private sector resources available to assist the landowners in planning for and practicing sustainable forestry.''.

(b) RENEWABLE RESOURCES EXTENSION ACTIVITIES.—

(1) AUTHORIZATION OF APPROPRIATIONS.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended by striking the first sentence and inserting the following: ''There is authorized to be appropriated to carry out this Act $30,000,000 for each of fiscal years 2002 through 2006.''.

(2) TERMINATION DATE.—Section 8 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1671 note; Public Law 95–306) is amended by striking ''2000'' and inserting ''2006''.

SEC. 804. FORESTRY INCENTIVES PROGRAM.

Section 4(j) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2103(j)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 805. SUSTAINABLE FORESTRY COOPERATIVE PROGRAM.

The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 5 (16 U.S.C. 2103a) the following:

"SEC. 5A. SUSTAINABLE FORESTRY COOPERATIVE PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) FARMER OR RANCHER.—The term 'farmer or rancher' means a person engaged in the production of an agricultural commodity (including livestock).

''(2) FORESTRY COOPERATIVE.—The term 'forestry cooperative' means an association that is—

''(A) owned and operated by nonindustrial private forest landowners; and

''(B) comprised of members—

''(i) of which at least 51 percent are farmers or ranchers; and

''(ii) that use sustainable forestry practices on nonindustrial private forest land to create a long-term, sustainable income stream.

''(3) NONINDUSTRIAL PRIVATE FOREST LAND.—The term 'nonindustrial private forest land' has the meaning given the term 'nonindustrial private forest lands' in section 5(c).

''(b) ESTABLISHMENT.—The Secretary shall establish a program, to be known as the 'sustainable forestry cooperative program', under which the Secretary shall provide, to nonprofit organizations on a competitive basis, grants to establish, and develop and support, sustainable forestry practices carried out by members of, forestry cooperatives.

''(c) USE OF FUNDS.—

''(1) IN GENERAL.—Subject to paragraph (2), funds from a grant provided under this section shall be used for—

''(A) predevelopment, development, start-up, capital acquisition, and marketing costs associated with a forestry cooperative; or

''(B) the development or support of a sustainable forestry practice of a member of a forestry cooperative.

''(2) CONDITIONS.—

''(A) DEVELOPMENT.—The Secretary shall provide funds under paragraph (1)(A) only to a nonprofit organization with demonstrated expertise in cooperative development, as determined by the Secretary.

''(B) COMPLIANCE WITH PLAN.—A sustainable forestry practice developed or supported through the use of funds from a grant under this section shall comply with any applicable standards for sustainable forestry contained in a management plan that—

''(i) meets the requirements of section 6A(g); and

''(ii) is approved by the State forester (or equivalent State official).

''(d) FUNDING.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this section, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $2,000,000, to remain available until expended.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.''.

SEC. 806. SUSTAINABLE FOREST MANAGEMENT PROGRAM.

(a) FINDINGS AND PURPOSES.—

(1) FINDINGS.—Congress finds that—

(A) the United States is becoming increasingly dependent on nonindustrial private forest land to supply necessary market commodities and nonmarket conservation values;

(B) there is a strong demand for expanded assistance programs for owners of nonindustrial private forest land because the majority of the wood supply of the United States comes from nonindustrial private forest land;

(C) soil, water, and air quality, fish and wildlife habitat, aesthetic values, and opportunities for outdoor recreation in the United States would be maintained and improved through good stewardship of nonindustrial private forest land;

(D) the products and services resulting from stewardship of nonindustrial private forest land contribute to the economic, social, and ecological health and diversity of rural communities;

(E) catastrophic wildfires threaten human lives, property, forests, and other resources;

(F) Federal and State cooperation in forest fire prevention and control has proven effective and valuable because properly managed forest stands are less susceptible to catastrophic fire, as demonstrated by the catastrophic fire seasons of 1998 and 2000;

(G) owners of nonindustrial private forest land face increased pressure to make that land available for development and other uses, resulting in forest land loss and fragmentation that reduces the ability of private forest land to provide a full range of societal benefits;

(H) complex investments in the management of long-rotation forest stands, including sustainable hardwood management, are often the most difficult commitments for owners of nonindustrial private forest land;

(I) the investment of a single Federal dollar in State and private forestry programs is estimated to leverage, on the average, $9 from State, local, and private sources; and

(J) comprehensive, multiresource planning assistance made available to each landowner before the provision of technical assistance would provide an opportunity to ensure that the landowner is aware of the many projects and activities eligible for cost-share assistance.

(2) PURPOSES.—The purposes of this section are—

(A) to strengthen the commitment of the Secretary to sustainable forest management to enhance the productivity of timber, fish and wildlife habitat, soil and water quality, wetland, recreational resources, and aesthetic values of forest land; and

(B) to establish a coordinated and cooperative Federal, State, and local sustainable forestry program for the establishment, management, maintenance, enhancement, and restoration of forests on nonindustrial private forest land.

(b) PROGRAM.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 6 (16 U.S.C. 2103b) the following:

"SEC. 6A. SUSTAINABLE FOREST MANAGEMENT PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) COMMITTEE.—The term 'Committee' means a State Forest Stewardship Coordinating Committee established under section 19(b).

''(2) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(3) PROGRAM.—The term 'program' means the sustainable forest management program established under subsection (b)(1).

''(4) NONINDUSTRIAL PRIVATE FOREST LAND.—The term 'nonindustrial private forest land' has the meaning given the term 'nonindustrial private forest lands' in section 5(c).

''(5) OWNER.—The term 'owner' means an owner of nonindustrial private forest land.

''(6) STATE FORESTER.—The term 'State forester' means the director or other head of a State forestry agency (or an equivalent State official).

''(b) ESTABLISHMENT.—

''(1) IN GENERAL.—The Secretary shall establish a sustainable forest management program to—

''(A) provide financial assistance to State foresters; and

''(B) encourage the long-term sustainability of nonindustrial private forest land in the United States by assisting the owners of nonindustrial private forest land, through State foresters, in more actively managing the nonindustrial private forest land and related resources of those owners through the use of State, Federal, and private sector resource management expertise, financial assistance, and educational programs.

''(2) COORDINATION.—The Secretary, acting through State foresters, shall implement the program—

''(A) in coordination with the Committees; and

''(B) in consultation with—

''(i) other Federal, State, and local natural resource management agencies;

''(ii) institutions of higher education; and

''(iii) a broad range of private sector interests.

''(c) STATE PRIORITY PLAN.—

''(1) IN GENERAL.—Subject to paragraph (3), as a condition of receipt of funding under the program, a State Forester and the Committee of the State shall jointly develop and submit to the Secretary a 5-year plan that describes the funding priorities of the State in meeting the purposes of the program.

''(2) PUBLIC PARTICIPATION.—The plan submitted to the Secretary under paragraph (1) shall include documentation of the efforts of the State to provide for public participation in the development of the plan.

''(3) STATE PRIORITIES.—The Secretary shall ensure, to the maximum extent practicable, that the need for expanded technical assistance programs for owners is met in the annual funding priorities of each State described in paragraph (1).

''(d) PURPOSES.—The Secretary shall allocate resources of the Secretary among States in accordance with subsection (j) to encourage, in accordance with the plan of each State described in subsection (c)—

''(1) the investment in practices to establish, restore, protect, manage, maintain, and enhance the health and productivity of the nonindustrial private forest land in the United States;

''(2) the occurrence of afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices as needed to enhance and sustain the long-term productivity of timber and nontimber forest resources to—

''(A) meet projected public demand for forest resources; and

''(B) provide environmental benefits;

''(3) the protection of riparian buffers and forest wetland;

''(4) the maintenance and enhancement of fish and wildlife habitat;

''(5) the enhancement of soil, air, and water quality;

''(6) through the use of agroforestry practices, the reduction of soil erosion and maintenance of soil quality;

''(7) the maintenance and enhancement of the forest landbase;

''(8) the reduction of the threat of catastrophic wildfires; and

''(9) the preservation of aesthetic quality and opportunities for outdoor recreation.

''(e) ELIGIBILITY.—

''(1) COST-SHARE ASSISTANCE.—

''(A) IN GENERAL.—Except as provided in paragraph (2), an owner shall be eligible to receive cost-share assistance from a State forester under the program if the owner—

''(i) develops a management plan in accordance with subsection (f) that—

''(I) addresses site-specific activities and practices; and

''(II) is approved by the State forester;

''(ii) agrees to implement approved activities in accordance with the management plan for a period of not less than 10 years, unless the State forester approves a modification to the management plan; and

''(iii) except as provided in subparagraph (B), owns not more than 1,000 acres of nonindustrial private forest land.

''(B) EXCEPTION FOR SIGNIFICANT PUBLIC BENEFITS.—The Secretary may approve the provision of cost-share assistance to an owner that owns more than 1,000 but less than 5,000 acres of nonindustrial private forest land if the Secretary, in consultation with the State forester, determines that significant public benefits will accrue as a result of the approval.

''(2) PAYMENT FOR PLAN DEVELOPMENT.—The Secretary, acting through a State forester, may provide cost-share assistance to an owner to develop a management plan.

''(3) LIMITATIONS.—An owner shall receive no cost-share assistance for management of nonindustrial private forest land under this section if the owner receives cost-share assistance for that land under—

''(A) the forestry incentives program under section 4;

''(B) the stewardship incentives program under section 6; or

''(C) any conservation program administered by the Secretary.

''(4) RATE; SCHEDULE.—Subject to paragraph (5), the Secretary, in consultation with the State forester, shall determine the rate and timing of cost-share payments.

''(5) AMOUNT.—

''(A) PERCENTAGE OF COST.—Subject to subparagraph (B), a cost-share payment shall not exceed the lesser of an amount equal to—

''(i) 75 percent of the total cost of implementing the project or activity; or

''(ii) such lesser percentage of the total cost of implementing the project or activity as is determined by the appropriate State forester.

''(B) AGGREGATE PAYMENT LIMIT.—The Secretary shall determine the maximum aggregate amount of cost-share payments that an owner may receive under this section.

''(f) MANAGEMENT PLAN.—An owner that seeks to participate in the program shall—

''(1) submit to the State forester a management plan that—

''(A) meets the requirements of this section; and

''(B)(i) is prepared by, or in consultation with, a professional resource manager;

''(ii) identifies and describes projects and activities to be carried out by the owner to protect soil, water, air, range, and aesthetic quality, recreation, timber, water, wetland, and fish and wildlife resources on the land in a manner that is compatible with the objectives of the owner;

''(iii) addresses any criteria established by the applicable State and the applicable Committee; and

''(iv)(I) at a minimum, applies to the portion of the land on which any project or activity funded under the program will be carried out; or

''(II) in a case in which a project or activity described in subclause (I) may affect acreage outside the portion of the land on which the project or activity is carried out, applies to all land of the owner that is in forest cover and that may be affected by the project or activity; and

''(2) agree that all projects and activities conducted on the land shall be consistent with the management plan.

''(g) APPROVED ACTIVITIES.—

''(1) IN GENERAL.—The Secretary, in consultation with the State forester and the appropriate Committee, shall develop for each State a list of approved forest activities and practices eligible for cost-share assistance that meets the purposes of the program described in subsection (d).

''(2) TYPES OF ACTIVITIES.—Approved activities and practices under paragraph (1) may consist of activities and practices for—

''(A) the establishment, management, maintenance, and restoration of forests for shelterbelts, windbreaks, aesthetic quality, and other conservation purposes;

''(B) the sustainable growth and management of forests for timber production;

''(C) the restoration, use, and enhancement of forest wetland and riparian areas;

''(D) the protection of water quality and watersheds through—

''(i) the planting of trees in riparian areas; and

''(ii) the enhanced management and maintenance of native vegetation on land vital to water quality;

''(E) the preservation, restoration, or development of habitat for plants, fish, and wildlife;

''(F)(i) the control, detection, monitoring, and prevention of the spread of invasive species and pests on nonindustrial private forest land; and

''(ii) the restoration of nonindustrial private forest land affected by invasive species and pests;

''(G) the conduct of other management activities, such as the reduction of hazardous fuel use, that reduce the risks to forests posed by, and that restore, recover, and mitigate the damage to forests caused by, fire or any other catastrophic event, as determined by the Secretary;

''(H) the development of management plans;

''(I) the acquisition by the State of permanent easements to maintain forest cover and protect important forest values; and

''(J) the conduct of other activities approved by the Secretary, in consultation with the State forester and the appropriate Committees.

''(h) FAILURE TO COMPLY.—

''(1) IN GENERAL.—The Secretary shall establish a procedure to recover cost-share payments made under this section in any case in which the recipient of the payment fails—

''(A) to implement a project or activity in accordance with the management plan; or

''(B) comply with any requirement of this section.

''(2) ADDITIONAL AUTHORITY.—The authority under paragraph (1) shall be in addition to, and not in lieu of, any other authority available to the Secretary.

''(i) REPORTS.—

''(1) INTERIM REPORT.—Not later than 2½ years after the date on which funds are made available to implement a State priority plan under subsection (c), the State implementing the plan shall submit to the Secretary an interim report describing the status of projects and activities funded under the plan as of that date.

''(2) FINAL REPORT.—Not later than 5 years after the date on which funds are made available to implement a State priority plan under subsection (c), the State implementing the plan shall submit to the Secretary a final report describing the status of all projects and activities funded under the plan as of that date.

''(j) DISTRIBUTION.—

''(1) IN GENERAL.—The Secretary, acting through State foresters, shall distribute funds available for cost sharing under the program based on a nationwide funding formula developed under paragraph (2).

''(2) FORMULA.—In developing the formula referred to in paragraph (1), the Secretary shall—

''(A) assess public benefits that would result from the distribution; and

''(B) consider—

''(i) the total acreage of nonindustrial private forest land in each State;

''(ii) the potential productivity of that land, as determined by the Secretary;

''(iii) the number of owners eligible for cost sharing in each State;

''(iv) the opportunities to enhance nontimber resources on that land, including—

''(I) the protection of riparian buffers and forest wetland;

''(II) the preservation of fish and wildlife habitat;

''(III) the enhancement of soil, air, and water quality; and

''(IV) the preservation of aesthetic quality and opportunities for outdoor recreation;

''(v) the anticipated demand for timber and nontimber resources in each State;

''(vi) the need to improve forest health to minimize the damaging effects of catastrophic fire, insects, disease, or weather;

''(vii) the need and demand for agroforestry practices in each State;

''(viii) the need to maintain and enhance the forest landbase; and

''(ix) the need for afforestation, reforestation, and timber stand improvement.

''(k) FUNDING.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this section, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $48,000,000, to remain available until expended.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.''.

SEC. 807. FOREST FIRE RESEARCH CENTERS.

(a) FINDINGS.—Congress finds that—

(1) there is an increasing threat of fire to millions of acres of forest land and rangeland throughout the United States;

(2) this threat is especially great in the interior States of the western United States, where the Forest Service estimates that 39,000,000 acres of National Forest System land are at high risk of catastrophic wildfire;

(3)(A) the degraded condition of forest land and rangeland is often the consequence of land management practices that emphasize the control and prevention of fires; and

(B) the land management practices disrupted the occurrence of frequent low-intensity fires that periodically remove flammable undergrowth;

(4) as a result of the land management practices—

(A) some forest land and rangeland in the United States no longer function naturally as ecosystems; and

(B) drought cycles and the invasion of insects and disease have resulted in vast areas of dead or dying trees, overstocked stands, and the invasion of undesirable species;

(5)(A) population movement into wildland-urban interface areas exacerbate the fire danger;

(B) the increasing number of larger, more intense fires pose grave hazards to human health, safety, property, and infrastructure in the areas; and

(C) smoke from wildfires, which contain fine particulate matter and other hazardous pollutants, pose substantial health risks to people living in the areas;

(6)(A) the budgets and resources of Federal, State, and local entities supporting firefighting efforts have been stretched to their limits;

(B) according to the Comptroller General, the average cost of attempting to put out fires in the interior West grew by 150 percent, from $134,000,000 in fiscal year 1986 to $335,000,000 in fiscal year 1994; and

(C) the costs of preparedness, including the costs of maintaining a readiness force to fight fires, rose about 70 percent, from $189,000,000 in fiscal year 1992 to $326,000,000 in fiscal year 1997;

(7) diminishing Federal resources (including the availability of personnel) have limited the ability of Federal fire researchers—

(A) to respond to management needs; and

(B) to use technological advancements for analyzing fire management costs;

(8) the Federal fire research program is funded at approximately ⅓ of the amount that is required to address emerging fire problems, resulting in the lack of a cohesive strategy to address the threat of catastrophic wildfires; and

(9) there is a critical need for cost-effective investments in improved fire management technologies.

(b) FOREST FIRE RESEARCH CENTERS.—The Forest and Rangeland Renewable Resources Research Act of 1978 (16 U.S.C. 1641 et seq.) is amended by adding at the end the following:

"SEC. 11. FOREST FIRE RESEARCH CENTERS.

''(a) IN GENERAL.—Subject to the availability of appropriations, the Secretary of Agriculture, acting through the Chief of the Forest Service (referred to in this section as the 'Secretary') shall establish at least 2 forest fire research centers at institutions of higher education (which may include research centers in existence on the date of enactment of this section) that—

''(1) have expertise in natural resource development; and

''(2) are located in close proximity to other Federal natural resource, forest management, and land management agencies.

''(b) LOCATIONS.—Of the forest fire research centers established under subsection (a)—

''(1) at least 1 center shall be located in Arizona, California, New Mexico, Oregon, or Washington; and

''(2) at least 1 center shall be located in Colorado, Idaho, Montana, Nevada, or Wyoming.

''(c) DUTIES.—At each of the forest fire research centers established under subsection (a), the Secretary shall provide for—

''(1) the conduct of integrative, interdisciplinary research into the ecological, socioeconomic, and environmental impact of fire control and the use of management of ecosystems and landscapes to facilitate fire control; and

''(2) the development of mechanisms to rapidly transfer new fire control and management technologies to fire and land managers.

''(d) ADVISORY COMMITTEE.—

''(1) IN GENERAL.—The Secretary, in consultation with the Secretary of the Interior, shall establish a committee composed of fire and land managers and fire researchers to determine the areas of emphasis and establish priorities for research projects conducted at forest fire research centers established under subsection (a).

''(2) ADMINISTRATION.—The Federal Advisory Committee Act (5 U.S.C. App.) and section 102 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7612) shall not apply to the committee established under paragraph (1).

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary to carry out this section.''.

SEC. 808. WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) the damage caused by wildfire disasters has been equivalent in magnitude to the damage resulting from the Northridge earthquake, Hurricane Andrew, and the recent flooding of the Mississippi River and the Red River;

(2) more than 20,000 communities in the United States are at risk from wildfire and approximately 11,000 of those communities are located near Federal land;

(3) the accumulation of heavy forest fuel loads continues to increase as a result of disease, insect infestations, and drought, further increasing the risk of fire each year;

(4) modification of forest fuel load conditions through the removal of hazardous fuels would—

(A) minimize catastrophic damage from wildfires;

(B) reduce the need for emergency funding to respond to wildfires; and

(C) protect lives, communities, watersheds, and wildlife habitat;

(5) the hazardous fuels removed from forest land represent an abundant renewable resource, as well as a significant supply of biomass for biomass-to-energy facilities;

(6) the United States should invest in technologies that promote economic and entrepreneurial opportunities in processing forest products removed through hazardous fuel reduction activities; and

(7) the United States should—

(A) develop and expand markets for traditionally underused wood and other biomass as an outlet for value-added excessive forest fuels; and

(B) commit resources to support planning, assessments, and project reviews to ensure that hazardous fuels management is accomplished expeditiously and in an environmentally sound manner.

(b) WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PROGRAM.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 6A (as added by section 806(b)) the following:

"SEC. 6B. WILDFIRE PREVENTION AND HAZARDOUS FUEL PURCHASE PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) BIOMASS-TO-ENERGY FACILITY.—The term 'biomass-to-energy facility' means a facility that uses forest biomass or other biomass as a raw material to produce electric energy, useful heat, or a transportation fuel.

''(2) ELIGIBLE COMMUNITY.—The term 'eligible community' means—

''(A) any town, township, municipality, or other similar unit of local government (as determined by the Secretary), or any area represented by a nonprofit corporation or institution organized under Federal or State law to promote broad-based economic development, that—

''(i) has a population of not more than 10,000 individuals;

''(ii) is located within a county in which at least 15 percent of the total primary and secondary labor and proprietor income is derived from forestry, wood products, and forest-related industries, such as recreation, forage production, and tourism; and

''(iii) is located adjacent to public or private forest land, the condition of which land the Secretary determines poses a substantial present or potential hazard to the safety of—

''(I) a forest ecosystem;

''(II) wildlife; or

''(III) in the case of a wildfire, human, community, or firefighter safety, in a year in which drought conditions are present; and

''(B) any county that is not contained within a metropolitan statistical area that meets the conditions described in clauses (ii) and (iii) of subparagraph (A).

''(3) FOREST BIOMASS.—The term 'forest biomass' means fuel and biomass accumulation from precommercial thinnings, slash, and brush on public or private forest land.

''(4) HAZARDOUS FUEL.—The term 'hazardous fuel' means any excessive accumulation of forest biomass on public or private forest land (especially land in an urban-wildland interface area or in an area that is located near an eligible community and designated as condition class 2 or 3 under the report of the Forest Service entitled 'Protecting People and Sustainable Resources in Fire-Adapted Ecosystems', dated October 13, 2000) that the Secretary determines poses a substantial present or potential hazard—

''(A) to the safety of a forest ecosystem;

''(B) to the safety of wildlife; or

''(C) in the case of wildfire in a year in which drought conditions are present, to human, community, or firefighter safety.

''(5) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(6) SECRETARY.—The term 'Secretary' means—

''(A) the Secretary of Agriculture (or a designee), with respect to National Forest System land and private land in the United States; and

''(B) the Secretary of the Interior (or a designee) with respect to Federal land under the jurisdiction of the Secretary of the Interior or an Indian tribe.

''(b) HAZARDOUS FUEL GRANT PROGRAM.—

''(1) GRANTS.—

''(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary may make grants to persons that operate biomass-to-energy facilities to offset the costs incurred by those persons in purchasing hazardous fuels derived from public and private forest land adjacent to eligible communities.

''(B) SELECTION CRITERIA.—The Secretary shall select recipients for grants under subparagraph (A) based on—

''(i) planned purchases by the recipients of hazardous fuels, as demonstrated by the recipient through the submission to the Secretary of such assurances as the Secretary may require; and

''(ii) the level of anticipated benefits of those purchases in reducing the risk of wildfires.

''(2) GRANT AMOUNTS.—

''(A) IN GENERAL.—A grant under this subsection shall—

''(i) be based on—

''(I) the distance required to transport hazardous fuels to a biomass-to-energy facility; and

''(II) the cost of removal of hazardous fuels; and

''(ii) be in an amount that is at least equal to the product obtained by multiplying—

''(I) the number of tons of hazardous fuels delivered to a grant recipient; by

''(II) an amount that is at least $5 but not more than $10 per ton of hazardous fuels, as determined by the Secretary taking into consideration the factors described in clause (i).

''(B) LIMITATION ON INDIVIDUAL GRANTS.—

''(i) IN GENERAL.—Except as provided in clause (ii), a grant under subparagraph (A) shall not exceed $1,500,000 for any biomass-to-energy facility for any fiscal year.

''(ii) SMALL BIOMASS-TO-ENERGY FACILITIES.—A biomass-to-energy facility that has an annual production of 5 megawatts or less shall not be subject to the limitation under clause (i).

''(3) MONITORING OF GRANT RECIPIENT ACTIVITIES.—

''(A) IN GENERAL.—As a condition of receipt of a grant under this subsection, a grant recipient shall keep such records as the Secretary may require, including records that—

''(i) completely and accurately disclose the use of grant funds; and

''(ii) describe all transactions involved in the purchase of hazardous fuels.

''(B) ACCESS.—On notice by the Secretary, the operator of a biomass-to-energy facility that purchases and uses hazardous fuels with funds from a grant under this subsection shall provide the Secretary with—

''(i) reasonable access to the biomass-to-energy facility; and

''(ii) an opportunity to examine the inventory and records of the biomass-to-energy facility.

''(4) MONITORING OF EFFECT OF TREATMENTS.—The Secretary shall monitor Federal land from which hazardous fuels are removed and sold to a biomass-to-energy facility under this subsection to determine and document the reduction in fire hazards on that land.

''(5) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $50,000,000 for each of fiscal years 2002 through 2006.

''(c) LONG-TERM FOREST STEWARDSHIP CONTRACTS FOR HAZARDOUS FUELS REMOVAL.—

''(1) ANNUAL ASSESSMENT OF TREATMENT ACREAGE.—

''(A) IN GENERAL.—Subject to the availability of appropriations, not later than March 1 of each of fiscal years 2002 through 2006, the Secretary of Agriculture and the Secretary of Energy shall jointly submit to Congress an assessment of the number of acres of Federal forest land recommended to be treated during the subsequent fiscal year using stewardship end result contracts authorized by paragraph (3).

''(B) COMPONENTS.—The assessment shall—

''(i) be based on the treatment schedules contained in the report entitled 'Protecting People and Sustaining Resources in Fire-Adapted Ecosystems', dated October 13, 2000, and incorporated into the National Fire Plan (as identified by the Secretary);

''(ii) identify the acreage by condition class, type of treatment, and treatment year to achieve the restoration goals outlined in the report within 10-, 15-, and 20-year time periods;

''(iii) give priority to condition class 3 areas (as described in subsection (a)(4)(A)), including modifications in the restoration goals based on the effects of—

''(I) fire;

''(II) hazardous fuel treatments under the National Fire Plan (as identified by the Secretary); or

''(III) updates in data;

''(iv) provide information relating to the type of material and estimated quantities and range of sizes of material that shall be included in the treatments;

''(v) describe the management area prescriptions in the applicable land and resource management plan for the land on which the treatment is recommended; and

''(vi) give priority to areas described in subsection (a)(4)(A).

''(2) FUNDING RECOMMENDATION.—The Secretary shall include in the annual assessment under paragraph (1) a request for funds sufficient to implement the recommendations contained in the assessment using stewardship end result contracts described in paragraph (3) in any case in which the Secretary determines that the objectives of the National Fire Plan (as identified by the Secretary) would best be accomplished through forest stewardship end result contracting.

''(3) STEWARDSHIP END RESULT CONTRACTING.—

''(A) IN GENERAL.—Subject to the availability of appropriations, the Secretary may enter into stewardship end result contracts to implement the National Fire Plan (as identified by the Secretary) on National Forest System land based on the treatment schedules provided in the annual assessments conducted under paragraph (1)(B)(i).

''(B) PERIOD OF CONTRACTS.—The contracting goals and authorities described in subsections (b) through (g) of section 347 of the Department of the Interior and Related Agencies Appropriations Act, 1999 (commonly known as the 'Stewardship End Result Contracting Demonstration Project') (16 U.S.C. 2104 note; Public Law 105–277), shall apply to contracts entered into under this paragraph, except that the period of each such contract shall not exceed 10 years.

''(C) STATUS REPORT.—Beginning with the assessment required under paragraph (1) for fiscal year 2003, the Secretary shall include in the annual assessment under paragraph (1) a status report of the stewardship end result contracts entered into under this paragraph.

''(4) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this subsection such sums as are necessary for each of fiscal years 2002 through 2006.

''(d) TERMINATION OF AUTHORITY.—The authority provided under this section shall terminate on September 30, 2006.''.

SEC. 809. ENHANCED COMMUNITY FIRE PROTECTION.

(a) FINDINGS.—Congress finds that—

(1) the severity and intensity of wildfires have increased dramatically over the past few decades as a result of past fire and land management policies;

(2) the record 2000 fire season is a prime example of what can be expected if action is not taken to reduce the risk of catastrophic wildfires;

(3) wildfires threaten not only the forested resources of the United States, but also the thousands of communities intermingled with wildland in the wildland-urban interface;

(4) wetland forests provide essential ecological services, such as filtering pollutants, buffering important rivers and estuaries, and minimizing flooding, that make the protection and restoration of those forests worthy of special focus;

(5) the National Fire Plan, if implemented to achieve appropriate priorities, is the proper, coordinated, and most effective means to address the issue of wildfires;

(6) while adequate authorities exist to address the problem of wildfires at the landscape level on Federal land, there is limited authority to take action on most private land where the largest threat to life and property lies; and

(7) there is a significant Federal interest in enhancing the protection of communities from wildfire.

(b) ENHANCED COMMUNITY FIRE PROTECTION.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 10 (16 U.S.C. 2106) the following:

''SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.

''(a) COOPERATIVE MANAGEMENT RELATING TO WILDFIRE THREATS.—Notwithstanding section 7 of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2206), the Secretary may cooperate with State foresters and equivalent State officials to—

''(1) assist in the prevention, control, suppression, and prescribed use of fires (including through the provision of financial, technical, and related assistance);

''(2) protect communities from wildfire threats;

''(3) enhance the growth and maintenance of trees and forests in a manner that promotes overall forest health; and

''(4) ensure the continued production of all forest resources, including timber, outdoor recreation opportunities, wildlife habitat, and clean water, through conservation of forest cover on watersheds, shelterbelts, and windbreaks.

''(b) COMMUNITY AND PRIVATE LAND FIRE ASSISTANCE PROGRAM.—

''(1) IN GENERAL.—The Secretary shall establish a program to be known as the 'community and private land fire assistance program' (referred to in this section as the 'Program')—

''(A) to focus the Federal role in promoting optimal firefighting efficiency at the Federal, State, and local levels;

''(B) to provide increased assistance to Federal projects that establish landscape level protection from wildfires;

''(C) to expand outreach and education programs concerning fire prevention to homeowners and communities; and

''(D) to establish defensible space against wildfires around the homes and property of private landowners.

''(2) ADMINISTRATION AND IMPLEMENTATION.—The Program shall be administered by the Secretary and, with respect to non-Federal land described in paragraph (3), carried out through the State forester or equivalent State official.

''(3) COMPONENTS.—The Secretary may carry out under the Program, on National Forest System land and non-Federal land determined by the Secretary in consultation with State foresters and Committees—

''(A) fuel hazard mitigation and prevention;

''(B) invasive species management;

''(C) multiresource wildfire and community protection planning;

''(D) community and landowner education enterprises, including the program known as 'FIREWISE';

''(E) market development and expansion;

''(F) improved use of wood products; and

''(G) restoration projects.

''(4) PRIORITY.—In entering into contracts to carry out projects under the Program, the Secretary shall give priority to contracts with local persons or entities.

''(c) AUTHORITY.—The authority provided under this section shall be in addition to any authority provided under section 10.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to the Secretary to carry out this section $35,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 810. WATERSHED FORESTRY ASSISTANCE PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) there has been a dramatic shift in public attitudes and perceptions about forest management, particularly in the understanding and practice of sustainable forest management;

(2) it is commonly recognized that proper stewardship of forest land is essential to—

(A) sustain and restore watershed health;

(B) produce clean water; and

(C) maintain healthy aquatic systems;

(3) forests are increasingly important to the protection and sustainability of drinking water supplies for more than 1/2 of the population of the United States;

(4) forest loss and fragmentation in urbanizing areas are contributing to flooding, degradation of urban stream habitat and water quality, and public health concerns;

(5) scientific evidence and public awareness with respect to the manner in which forest management can positively affect water quality and quantity, and the manner in which trees, forests, and forestry practices (such as forest buffers) can serve as solutions to water quality problems in rural and urban areas, are increasing;

(6) the application of forestry best management practices developed at the State level has been found to greatly facilitate the achievement of water quality goals;

(7) significant efforts are underway to revisit and make improvements on needed forestry best management practices;

(8) according to the report of the Forest Service numbered FS–660 and entitled ''Water and the Forest Service'', forests are a requirement for maintenance of clean water because—

(A) approximately 66 percent of the freshwater resources of the United States originate on forests; and

(B) forests cover approximately 1/3 of the land area of the United States;

(9) because almost 500,000,000 acres, or approximately 2/3, of the forest land of the United States is owned by non-Federal entities, a significant burden is placed on private forest landowners to provide or maintain the clean water needed by the public for drinking, swimming, fishing, and a number of other water uses;

(10) because the decisions made by individual landowners and communities will affect the ability to maintain the health of rural and urban watersheds in the future, there is a need to integrate forest management, conservation, restoration, and stewardship in watershed management;

(11) although water management is the primary responsibility of States, the Federal Government has a responsibility to promote and encourage the ability of States and private forest landowners to sustain the delivery of clean, abundant water from forest land;

(12) as of the date of enactment of this Act, the availability of Federal assistance to support forest landowners to achieve the water goals identified in many Federal laws (including regulations) is lacking; and

(13) increased research for, education for, and technical and financial assistance provided to, forest landowners and communities that relate to the protection of watersheds and improvement of water quality, are needed to realize the expectations of the general public for clean water and healthy aquatic systems.

(b) PURPOSES.—The purposes of this section are to—

(1) improve the understanding of landowners and the public with respect to the relationship between water quality and forest management;

(2) encourage landowners to maintain tree cover and use tree plantings and vegetative treatments as creative solutions to water quality and quantity problems associated with varying land uses;

(3) enhance and complement source water protection in watersheds that provide drinking water for municipalities;

(4) establish new partnerships and collaborative watershed approaches to forest management, stewardship, and protection; and

(5) provide technical and financial assistance to States to deliver a coordinated program that through the provision of technical, financial, and educational assistance to qualified individuals and entities—

(A) enhances State forestry best management practices programs; and

(B) protects and improves water quality on forest land.

(c) PROGRAM.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 5A (as added by section 805) the following:

''SEC. 5B. WATERSHED FORESTRY ASSISTANCE PROGRAM.

''(a) ESTABLISHMENT.—Subject to the availability of appropriations, the Secretary shall establish a watershed forestry assistance program (referred to in this section as the 'program') to provide to States, through State foresters (as defined in section 6A), technical, financial, and related assistance to—

''(1) expand forest stewardship capacities and activities through State forestry best management practices and other means at the State level; and

''(2) prevent water quality degradation, and address watershed issues, on non-Federal forest land.

''(b) WATERSHED FORESTRY EDUCATION, TECHNICAL ASSISTANCE, AND PLANNING.—

''(1) PLAN.—

''(A) IN GENERAL.—In carrying out the program, the Secretary shall cooperate with State foresters to develop a plan, to be administered by the Secretary and implemented by State foresters, to provide technical assistance to assist States in preventing and mitigating water quality degradation.

''(B) PARTICIPATION.—In developing the plan under subparagraph (A), the Secretary shall encourage participation of interested members of the public (including nonprofit private organizations and local watershed councils).

''(2) COMPONENTS.—The plan described in paragraph (1) shall include provisions to—

''(A) build and strengthen watershed partnerships focusing on forest land at the national, State, regional, and local levels;

''(B) provide State forestry best management practices and water quality technical assistance directly to private landowners;

''(C) provide technical guidance relating to water quality management through forest management in degraded watersheds to land managers and policymakers;

''(D)(i) complement State nonpoint source assessment and management plans established under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329); and

''(ii) provide enhanced opportunities for coordination and cooperation among Federal and State agencies having responsibility for water and watershed management under that Act; and

''(E) provide enhanced forest resource data and support for improved implementation of State forestry best management practices, including—

''(i) designing and conducting effectiveness and implementation studies; and

''(ii) meeting in-State water quality assessment needs, such as the development of water quality models that correlate the management of forest land to water quality measures and standards.

''(c) WATERSHED FORESTRY COST-SHARE PROGRAM.—

''(1) ESTABLISHMENT.—In carrying out the program, the Secretary shall establish a watershed forestry cost-share program, to be administered by the Secretary and implemented by State foresters, to provide grants and other assistance for eligible programs and projects described in paragraph (2).

''(2) ELIGIBLE PROGRAMS AND PROJECTS.—A community, nonprofit group, or landowner may receive a grant or other assistance under this subsection to carry out a State forestry best management practices program or a watershed forestry project if the program or project, as determined by the Secretary—

''(A) is consistent with—

''(i) State nonpoint source assessment and management plan objectives established under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329); and

''(ii) the cost-share requirements of this section; and

''(B) is designed to address critical forest stewardship, watershed protection, and restoration needs of a State through—

''(i) the use of trees and forests as solutions to water quality problems in urban and agricultural areas;

''(ii) community-based planning, involvement, and action through State, local and nonprofit partnerships;

''(iii) the application of and dissemination of information on forestry best management practices relating to water quality;

''(iv) watershed-scale forest management activities and conservation planning; and

''(v) the restoration of wetland and stream side forests and establishment of riparian vegetative buffers.

''(3) ALLOCATION.—

''(A) IN GENERAL.—After taking into consideration the criteria described in subparagraph (B), the Secretary shall allocate among States, for award by State foresters under paragraph (4), the amounts made available to carry out this subsection.

''(B) CRITERIA.—The criteria referred to in subparagraph (A) are—

''(i) the number of acres of forest land, and land that could be converted to forest land, in each State;

''(ii) the nonpoint source assessment and management plans of each State, as developed under section 319 of the Federal Water Pollution Control Act (33 U.S.C. 1329);

''(iii) the acres of wetland forests that have been lost or degraded or cases in which forests may play a role in restoring wetland resources;

''(iv) the number of non-Federal forest landowners in each State; and

''(v) the extent to which the priorities of States are designed to achieve a reasonable range of the purposes of the program and, as a result, contribute to the water-related goals of the United States.

''(4) AWARD OF GRANTS AND ASSISTANCE.—

''(A) IN GENERAL.—In implementing the program under this subsection, the State forester, in coordination with the State Coordinating Committee established under section 19(b), shall provide annual grants and cost-share assistance to communities, nonprofit groups, and landowners to carry out eligible programs and projects described in paragraph (2).

''(B) APPLICATION.—A community, nonprofit group, or landowner that seeks to receive cost-share assistance under this subsection shall submit to the State forester an application, in such form and containing such information as the State forester may prescribe, for the assistance.

''(C) PRIORITIZATION.—In awarding cost-share assistance under this subsection, the Secretary shall give priority to eligible programs and projects that are identified by the State foresters and the State Stewardship Committees as having a greater need for assistance.

''(D) AWARD.—On approval by the Secretary of an application under subparagraph (B), the State forester shall award to the applicant, from funds allocated to the State under paragraph (3), such amount of cost-share assistance as is requested in the application.

''(5) COST SHARING.—

''(A) FEDERAL SHARE.—The Federal share of the cost of carrying out any eligible program or project under this subsection shall not exceed 75 percent, of which not more than 50 percent may be in the form of assistance provided under this subsection.

''(B) NON-FEDERAL SHARE.—The non-Federal share of the cost of carrying out any eligible program or project under this subsection may be provided in the form of cash, services, or in-kind contributions.

''(d) WATERSHED FORESTER.—A State may use a portion of the funds made available to the State under subsection (e) to establish and fill a position of 'Watershed Forester' to

lead State-wide programs and coordinate watershed-level projects.

''(e) FUNDING.—

''(1) IN GENERAL.—There are authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2002 through 2006.

''(2) ALLOCATION.—Of the funds made available under paragraph (1)—

''(A) 75 percent shall be used to carry out subsection (c); and

''(B) 25 percent shall be used to carry out provisions of this section other than subsection (c).''.

SEC. 811. GENERAL PROVISIONS.

Section 13 of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2109) is amended by striking subsection (f) and inserting the following:

''(f) GRANTS, CONTRACTS, AND OTHER AGREEMENTS.—

''(1) IN GENERAL.—In accordance with paragraph (2), the Secretary may make such grants and enter into such contracts, agreements, or other arrangements as the Secretary determines are necessary to carry out this Act.

''(2) ASSISTANCE.—Notwithstanding any other provision of this Act, the Secretary, with the concurrence of the applicable State forester or equivalent State official, may provide assistance under this Act directly to any public or private entity, organization, or individual—

''(A) through a grant; or

''(B) by entering into a contract or cooperative agreement.''.

SEC. 812. STATE FOREST STEWARDSHIP COORDINATING COMMITTEES.

Section 19(b) of the Cooperative Forestry Assistance Act of 1978 (16 U.S.C. 2113(b)) is amended—

(1) in paragraph (1)(B)(i), by inserting ''United States Fish and Wildlife Service,'' before ''Forest Service''; and

(2) in paragraph (2)—

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

(B) in subparagraph (D), by striking the period at the end and inserting ''; and''; and

(C) by adding at the end the following:

''(E) submit to the Secretary, the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate, an annual report that provides—

''(i) the list of members on the Committee described in paragraph (1)(B); and

''(ii) for those members that may be included on the Committee, but are not included because a determination that it is not practicable to include the members has been made, an explanation of the reasons for that determination.''.

TITLE IX—ENERGY

SEC. 901. FINDINGS.

Congress finds that—

(1) there are many opportunities for the agricultural sector and rural areas to produce renewable energy and increase energy efficiency;

(2) investments in renewable energy and energy efficiency—

(A) enhance the energy security and independence of the United States;

(B) increase farmer and rancher income;

(C) promote rural economic development;

(D) provide environmental and public health benefits such as cleaner air and water; and

(E) improve electricity grid reliability, thereby reducing the likelihood of blackouts and brownouts, particularly during peak usage periods;

(3) the public strongly supports renewable energy generation and energy efficiency improvements as an important component of a national energy strategy;

(4)(A) the Federal Government is the country's largest consumer of a vast array of products, spending in excess of $200,000,000,000 per year;

(B) purchases and use of products by the Federal Government have a significant effect on the environment; and

(C) accordingly, the Federal Government should lead the way in purchasing biobased products so as to minimize environmental impacts while supporting domestic producers of biobased products;

(5) the agricultural sector is a leading producer of biobased products to meet domestic and international needs;

(6) agriculture can play a significant role in the development of fuel cell and hydrogen-based energy technologies, which are critical technologies for a clean energy future;

(7)(A) wind energy is 1 of the fastest growing clean energy technologies; and

(B) there are tremendous economic development and environmental quality benefits to be achieved by developing both large-scale and small-scale wind power projects on farms and in rural communities;

(8) farm-based renewable energy generation can become one of the major cash crops of the United States, improving the livelihoods of hundreds of thousands of family farmers, ranchers, and others and revitalizing rural communities;

(9)(A) evidence continues to mount that increases in atmospheric concentrations of greenhouse gases are contributing to global climate change; and

(B) agriculture can help in climate change mitigation by—

(i) storing carbon in soils, plants, and forests;

(ii) producing biofuels, chemicals, and power to replace fossil fuels and petroleum-based products; and

(iii) reducing emissions by capturing gases from animal feeding operations, changing agricultural land practices, and becoming more energy efficient;

(10) because agricultural production is energy-intensive, it is incumbent on the Federal Government to aid the agricultural sector in reducing energy consumption and energy costs;

(11)(A) one way to help farmers, ranchers, and others reduce energy use is through professional energy audits;

(B) energy audits provide recommendations for improved energy efficiency that, when acted on, offer an effective means of reducing overall energy use and saving money; and

(C) energy savings of 10 to 30 percent can typically be achieved, and greater savings are often realized;

(12) rural electric utilities are often geographically well situated to develop renewable and distributed energy supplies, enabling the utilities to diversify their energy portfolios and afford their members or customers alternative energy sources, which many such members and customers desire;

(13) fuel cells are a highly efficient, clean, and flexible technology for generating electricity from hydrogen that promises to improve the environment, electricity reliability, and energy security;

(14)(A) because fuel cells can be made in any size, fuel cells can be used for a wide variety of farm applications, including powering farm vehicles, equipment, houses, and other operations; and

(B) much of the initial use of fuel cells is likely to be in remote and off-grid applications in rural areas; and

(15) hydrogen is a clean and flexible fuel that can play a critical role in storing and transporting energy produced on farms from renewable sources (including biomass, wind, and solar energy).

SEC. 902. CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT.

The Consolidated Farm and Rural Development Act (as amended by section 647) is amended by adding at the end the following:

"Subtitle L—Clean Energy

"SEC. 388A. DEFINITIONS.

''In this subtitle:

''(1) BIOMASS.—

''(A) IN GENERAL.—The term 'biomass' means any organic material that is available on a renewable or recurring basis.

''(B) INCLUSIONS.—The term 'biomass' includes—

''(i) dedicated energy crops;

''(ii) trees grown for energy production;

''(iii) wood waste and wood residues;

''(iv) plants (including aquatic plants, grasses, and agricultural crops);

''(v) residues;

''(vi) fibers;

''(vii) animal wastes and other waste materials; and

''(viii) fats and oils.

''(C) EXCLUSIONS.—The term 'biomass' does not include—

''(i) old-growth timber (as determined by the Secretary);

''(ii) paper that is commonly recycled; or

''(iii) unsegregated garbage.

''(2) RENEWABLE ENERGY.—The term 'renewable energy' means energy derived from a wind, solar, biomass, geothermal, or hydrogen source.

''(3) RURAL SMALL BUSINESS.—The term 'rural small business' has the meaning that the Secretary shall prescribe by regulation.

"CHAPTER 1—BIOBASED PRODUCT DEVELOPMENT

"SEC. 388B. BIOBASED PRODUCT PURCHASING REQUIREMENT.

''(a) DEFINITIONS.—In this section:

''(1) ADMINISTRATOR.—The term 'Administrator' means the Administrator of the Environmental Protection Agency.

''(2) BIOBASED PRODUCT.—The term 'biobased product' means a commercial or industrial product, as determined by the Secretary (other than food or feed), that uses biological products or renewable domestic agricultural materials (including plant, animal, and marine materials) or forestry materials.

''(3) ENVIRONMENTALLY PREFERABLE.—The term 'environmentally preferable', with respect to a biobased product, refers to a biobased product that has a lesser or reduced effect on human health and the environment when compared with competing nonbiobased products that serve the same purpose.

''(b) BIOBASED PRODUCT PURCHASING.—

''(1) MANDATORY PURCHASING REQUIREMENT FOR LISTED BIOBASED PRODUCTS.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), not later than 180 days after the date of enactment of this subtitle, the head of each Federal agency shall ensure that, in purchasing any product, the Federal agency purchases a biobased product, rather than a comparable nonbiobased product, if the biobased product is listed on the list of biobased products published under subsection (c)(1).

''(B) BIOBASED PRODUCT NOT REASONABLY COMPARABLE.—A Federal agency shall not be required to purchase a biobased product under subparagraph (A) if the purchasing employee submits to the Secretary and the Administrator of the Office of Federal Procurement Policy a written determination that the biobased product is not reasonably comparable to nonbiobased products in price, performance, or availability.

''(C) CONFLICTING REQUIREMENTS.—The Secretary and the Administrator shall jointly promulgate regulations with which Federal agencies shall comply in cases of a conflict

between the biobased product purchasing requirement under subparagraph (A) and a purchasing requirement under any other provision of law.

''(2) PURCHASING OF NONLISTED BIOBASED PRODUCTS.—The head of each Federal agency is encouraged to purchase, to the maximum extent practicable, available biobased products that are not listed on the list of biobased products published under subsection (c)(1) when the Federal agency is not required to purchase a biobased product that is on the list.

''(c) ADMINISTRATIVE ACTION.—

''(1) LIST OF BIOBASED PRODUCTS.—

''(A) IN GENERAL.—Not later than 180 days after the date of enactment of this subtitle, and annually thereafter, the Secretary, in consultation with the Administrator and the Director of the National Institute of Standards and Technology, shall publish a list of biobased products.

''(B) ENVIRONMENTALLY PREFERABLE BIOBASED PRODUCTS.—The Secretary shall not include on the list under paragraph (1) biobased products that are not environmentally preferable, as determined by the Secretary.

''(C) GRANTS.—The Secretary may award grants to, or enter into contracts or cooperative agreements with, eligible persons, businesses, or institutions (as determined by the Secretary) to assist in collecting data concerning the evaluation of and lifecycle analyses of biobased products for use in making the determinations necessary to carry out this paragraph.

''(2) GUIDANCE.—Not later than 240 days after the date of enactment of this subtitle, the Office of Federal Procurement Policy and Federal Acquisition Regulation Council shall make the Federal Acquisition Regulation consistent with subsection (b).

''(d) EDUCATION AND OUTREACH PROGRAM.—The Secretary, in cooperation with the Defense Acquisition University and the Federal Acquisition Institute, shall conduct education programs for all Federal procurement officers regarding biobased products and the requirements of subsection (b).

''(e) LABELING.—

''(1) IN GENERAL.—The Secretary shall develop a program, similar to the Energy Star program of the Department of Energy and the Environmental Protection Agency, under which the Secretary authorizes producers of environmentally preferable biobased products to use a label that identifies the products as environmentally preferable biobased products.

''(2) ENVIRONMENTALLY PREFERABLE BIOBASED PRODUCTS.—The Secretary shall monitor and take appropriate action regarding the use of labels under paragraph (1) to ensure that the biobased products using the labels do not include biobased products that are not environmentally preferable, as determined by the Secretary.

''(3) CONTRACTING.—In carrying out paragraph (1), the Secretary may contract with appropriate entities with expertise in product labeling and standard setting.

''(f) GOAL.—It shall be the goal of each Federal agency for each fiscal year to purchase biobased products of an aggregate value that is not less than 5 percent of the aggregate value of all products purchased by the Federal agency during the preceding fiscal year.

''(g) REPORTS.—As soon as practicable after the end of each fiscal year, the Secretary and the Office of Federal Procurement Policy shall jointly submit to Congress an annual report that, for the fiscal year, describes the extent of—

''(1) compliance by each Federal agency with subsection (b); and

''(2) the success of each Federal agency in achieving the goal established under subsection (f).

''(h) FUNDING.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this subtitle, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section $2,000,000, to remain available until expended.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

"SEC. 388C. BIOREFINERY DEVELOPMENT GRANTS.

''(a) PURPOSE.—The purpose of this section is to assist in the development of new and emerging technologies for the conversion of biomass into petroleum substitutes, so as to—

''(1) develop transportation and other fuels and chemicals from renewable sources;

''(2) reduce the dependence of the United States on imported oil;

''(3) reduce greenhouse gas emissions;

''(4) diversify markets for raw agricultural and forestry products; and

''(5) create jobs and enhance the economic development of the rural economy.

''(b) DEFINITIONS.—In this section:

''(1) ADVISORY COMMITTEE.—The term 'Advisory Committee' means the Biomass Research and Development Technical Advisory Committee established by section 306 of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224).

''(2) BIOREFINERY.—The term 'biorefinery' means equipment and processes that—

''(A) convert biomass into bioenergy fuels and chemicals; and

''(B) may produce electricity as a byproduct.

''(3) BOARD.—The term 'Board' means the Biomass Research and Development Board established by section 305 of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224).

''(4) INDIAN TRIBE.—The term 'Indian tribe' has the meaning given the term in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b).

''(c) GRANTS.—The Secretary shall award grants to eligible entities to assist in paying the cost of development and construction of biorefineries to carry out projects to demonstrate the commercial viability of 1 or more processes for converting biomass to fuels or chemicals.

''(d) ELIGIBLE ENTITIES.—A corporation, farm cooperative, association of farmers, national laboratory, university, State energy agency or office, Indian tribe, or consortium comprised of any of those entities shall be eligible to receive a grant under subsection (c).

''(e) COMPETITIVE BASIS FOR AWARDS.—

''(1) IN GENERAL.—The Secretary shall award grants under subsection (c) on a competitive basis in consultation with the Board and Advisory Committee.

''(2) SELECTION CRITERIA.—

''(A) IN GENERAL.—The Secretary shall select projects to receive grants under subsection (c) based on—

''(i) the likelihood that the projects will demonstrate the commercial viability of a process for converting biomass to fuels or chemicals; and

''(ii) the likelihood that the projects will produce electricity.

''(B) FACTORS.—The factors to be considered under subparagraph (A) shall include—

''(i) the potential market for the product or products;

''(ii) the quantity of petroleum the product will displace;

''(iii) the level of financial participation by the applicants;

''(iv) the availability of adequate funding from other sources;

''(v) the beneficial impact on resource conservation and the environment;

''(vi) the participation of producer associations and cooperatives;

''(vii) the timeframe in which the project will be operational;

''(viii) the potential for rural economic development; and

''(ix) the participation of multiple eligible entities.

''(f) COST SHARING.—

''(1) IN GENERAL.—Except as provided in paragraph (2), the amount of a grant for a project awarded under subsection (c) shall not exceed 30 percent of the cost of the project.

''(2) INCREASED GRANT AMOUNT.—The Secretary may increase the amount of a grant for a project under subsection (c) to not more than 50 percent in the case of a project that the Secretary finds particularly meritorious.

''(3) FORM OF GRANTEE SHARE.—

''(A) IN GENERAL.—The grantee share of the cost of a project may be made in the form of cash or the provision of services, material, or other in-kind contributions.

''(B) LIMITATION.—The amount of the grantee share of the cost of a project that is made in the form of the provision of services, material, or other in-kind contributions shall not exceed 25 percent of the amount of the grantee share determined under paragraph (1).

''(g) FUNDING.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this subtitle, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section $15,000,000, to remain available until expended.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

"SEC. 388D. BIODIESEL FUEL EDUCATION PROGRAM.

''(a) FINDINGS.—Congress finds that—

''(1) biodiesel fuel use can help reduce greenhouse gas emissions and public health risks associated with air pollution;

''(2) biodiesel fuel use enhances energy security by reducing petroleum consumption;

''(3) biodiesel fuel is nearing the transition from the research and development phase to commercialization;

''(4) biodiesel fuel is still relatively unknown to the public and even to diesel fuel users; and

''(5) education of, and provision of technical support to, current and future biodiesel fuel users will be critical to the widespread use of biodiesel fuel.

''(b) ESTABLISHMENT.—The Secretary shall, under such terms and conditions as are appropriate, offer 1 or more competitive grants to eligible entities to educate Federal, State, regional, and local government entities and private entities that operate vehicle fleets, other interested entities (as determined by the Secretary), and the public about the benefits of biodiesel fuel use.

''(c) ELIGIBLE ENTITIES.—To receive a grant under subsection (b), an entity—

''(1) shall be a nonprofit organization; and

''(2) shall have demonstrated expertise in biodiesel fuel production, use, and distribution.

''(d) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each of fiscal years 2002 through 2006, to remain available until expended.

"CHAPTER 2—RENEWABLE ENERGY DEVELOPMENT AND ENERGY EFFICIENCY

"SEC. 388E. RENEWABLE ENERGY DEVELOPMENT LOAN AND GRANT PROGRAM.

''(a) IN GENERAL.—The Secretary, acting through the Rural Business Cooperative Service, in addition to exercising authority to make loans and loan guarantees under other law, shall establish a program under which the Secretary shall make loans and loan guarantees and competitively award grants to assist farmers and ranchers in projects to establish new, or expand existing, farmer or rancher cooperatives, or other rural business ventures (as determined by the Secretary), to—

''(1) enable farmers and ranchers to become owners of sources of renewable electric energy and marketers of electric energy produced from renewable sources;

''(2) provide new income streams for farmers and ranchers;

''(3) increase the quantity of electricity available from renewable energy sources; and

''(4) provide environmental and public health benefits to rural communities and the United States as a whole.

''(b) OWNERSHIP REQUIREMENT.—At least 51 percent of the interest in a rural business venture assisted with a grant under subsection (a) shall be owned by farmers or ranchers.

''(c) MAXIMUM AMOUNT OF LOANS AND GRANTS.—

''(1) LOANS.—The amount of a loan made or guaranteed for a project under subsection (a) shall not exceed $10,000,000.

''(2) GRANTS.—The amount of a grant made for a project under subsection (a) shall not exceed $200,000 for a fiscal year.

''(d) COST SHARING.—

''(1) IN GENERAL.—The total amount of loans made or guaranteed or grants awarded under subsection (a) for a project shall not exceed 50 percent of the cost of the activity funded by the loan or grant.

''(2) FORM OF GRANTEE SHARE.—

''(A) IN GENERAL.—The grantee share of the cost of the activity may be made in the form of cash or the provision of services, material, or other in-kind contributions.

''(B) LIMITATION.—The amount of the grantee share of the cost of an activity that is made in the form of the provision of services, material, or other in-kind contributions shall not exceed 25 percent of the amount of the grantee share, as determined under paragraph (1).

''(e) INTEREST RATE.—A loan made or guaranteed under subsection (a) shall bear an interest rate that does not exceed 4 percent.

''(f) USE OF FUNDS.—

''(1) PERMITTED USES.—

''(A) GRANTS.—A recipient of a grant awarded under subsection (a) may use the grant funds to develop a business plan or perform a feasibility study to establish a viable marketing opportunity for renewable electric energy generation and sale.

''(B) LOANS.—A recipient of a loan or loan guarantee under subsection (a) may use the loan funds to provide capital for start-up costs associated with the rural business venture or the promotion of the aggregation of renewable electric energy sources.

''(2) PROHIBITED USES.—A recipient of a loan, loan guarantee, or grant under subsection (a) shall not use the loan or grant funds for planning, repair, rehabilitation, acquisition, or construction of a building.

''(g) FUNDING.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this subtitle, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section $16,000,000, to remain available until expended.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

''(3) LOAN AND INTEREST SUBSIDIES.—In the case of a loan or loan guarantee under subsection (a), the Secretary shall use funds under paragraph (1) to pay the cost of loan and interest subsidies necessary to carry out this section.

"SEC. 388F. ENERGY AUDIT AND RENEWABLE ENERGY DEVELOPMENT PROGRAM.

''(a) IN GENERAL.—The Secretary, acting through the Rural Business Cooperative Service, shall make competitive grants to eligible entities to enable the eligible entities to carry out a program to assist farmers, and ranchers, and rural small businesses (as determined by the Secretary) in becoming more energy efficient and in using renewable energy technology.

''(b) ELIGIBLE ENTITIES.—Entities eligible to carry out a program under subsection (a) include—

''(1) a State energy or agricultural office;

''(2) a regional or State-based energy organization or energy organization of an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

''(3) a land-grant college or university (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)) or other college or university;

''(4) a farm bureau or organization;

''(5) a rural electric cooperative or utility;

''(6) a nonprofit organization; and

''(7) any other entity, as determined by the Secretary.

''(c) MERIT REVIEW.—

''(1) MERIT REVIEW PANEL.—The Secretary shall establish a merit review panel to review applications for grants under subsection (a) that uses the expertise of other Federal agencies (including the Department of Energy and the Environmental Protection Agency), industry, and nongovernmental organizations.

''(2) SELECTION CRITERIA.—In reviewing applications of eligible entities to receive grants under subsection (a), the merit review panel shall consider—

''(A) the ability and expertise of the eligible entity in providing professional energy audits and renewable energy assessments;

''(B) the geographic scope of the program proposed by the eligible entity;

''(C) the number of farmers, ranchers, and rural small businesses to be assisted by the program;

''(D) the potential for energy savings and environmental and public health benefits resulting from the program; and

''(E) the plan of the eligible entity for educating farmers, ranchers, and rural small businesses on the benefits of energy efficiency and renewable energy development.

''(d) USE OF GRANT FUNDS.—A recipient of a grant under subsection (a) shall use the grant funds to—

''(1)(A) conduct energy audits for farmers, ranchers, and rural small businesses to provide farmers, ranchers, and rural small businesses recommendations for energy efficiency and renewable energy development opportunities; and

''(B) conduct workshops on that subject as appropriate;

''(2) make farmers, ranchers, and rural small businesses aware of, and ensure that they have access to—

''(A) financial assistance under section 388G; and

''(B) other Federal, State, and local financial assistance programs for which farmers, ranchers, and rural small businesses may be eligible; and

''(3) arrange private financial assistance to farmers, ranchers, and rural small businesses on favorable terms.

''(e) COST SHARING.—

''(1) IN GENERAL.—A recipient of a grant under subsection (a) that conducts an energy audit for a farmer, rancher, or rural small business under subsection (d)(1) shall require that, as a condition to the conduct of the energy audit, the farmer, rancher, or rural small business pay at least 25 percent of the cost of the audit.

''(2) IMPLEMENTATION OF RECOMMENDATIONS.—If a farmer, rancher, or rural small business substantially implements the recommendations made in connection with an energy audit, the Secretary may reimburse the farmer, rancher, or rural small business the amount that is equal to the share of the cost paid by the farmer, rancher, or rural small business under paragraph (1).

''(f) REPORTS.—The Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate an annual report on the implementation of this section.

''(g) FUNDING.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this subtitle, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section $15,000,000, to remain available until expended.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

"SEC. 388G. LOANS, LOAN GUARANTEES, AND GRANTS TO FARMERS, RANCHERS, AND RURAL SMALL BUSINESSES FOR RENEWABLE ENERGY SYSTEMS AND ENERGY EFFICIENCY IMPROVEMENTS.

''(a) IN GENERAL.—In addition to exercising authority to make loans and loan guarantees under other law, the Secretary shall make loans, loan guarantees, and grants to farmers, ranchers, and rural small businesses to—

''(1) purchase renewable energy systems; and

''(2) make energy efficiency improvements.

''(b) ELIGIBILITY OF FARMERS AND RANCHERS.—To be eligible to receive a grant under subsection (a) for a fiscal year, a farmer or rancher shall have produced not more than $1,000,000 in market value of agricultural products during the preceding fiscal year, as determined by the Secretary.

''(c) COST SHARING.—

''(1) RENEWABLE ENERGY SYSTEMS.—

''(A) IN GENERAL.—

''(i) GRANTS.—The amount of a grant made under subsection (a) for a renewable energy system shall not exceed 15 percent of the cost of the renewable energy system.

''(ii) LOANS.—The amount of a loan made or guaranteed under subsection (a) for a renewable energy system shall not exceed 35 percent of the cost of the renewable energy system.

''(B) FACTORS.—In determining the amount of a grant or loan under subparagraph (A), the Secretary shall take into consideration—

''(i) the type of renewable energy system to be purchased;

''(ii) the estimated quantity of energy to be generated or displaced by the renewable energy system;

''(iii) the expected environmental benefits of the renewable energy system;

''(iv) the extent to which the renewable energy system will be replicable; and

''(v) other factors as appropriate.

''(2) ENERGY EFFICIENCY IMPROVEMENTS.—

''(A) IN GENERAL.—

''(i) GRANTS.—The amount of a grant made under subsection (a) for an energy efficiency improvement shall not exceed 15 percent of the cost of the energy efficiency improvement.

''(ii) LOANS.—The amount of a loan made or guaranteed under subsection (a) for an energy efficiency project shall not exceed 35 percent of the cost of the energy efficiency improvement.

''(B) FACTORS.—In determining the amount of a grant or loan under subparagraph (A), the Secretary shall take into consideration—

''(i) the estimated length of time it would take for the energy savings generated by the improvement to equal the cost of the improvement;

''(ii) the amount of energy savings expected to be derived from the improvement; and

''(iii) other factors as appropriate.

''(d) INTEREST RATE.—A loan made or guaranteed under subsection (a) shall bear interest at a rate not exceeding 4 percent.

''(e) ENERGY AUDIT AND RENEWABLE ENERGY DEVELOPMENT PROGRAM.—

''(1) PREFERENCE.—In making loans, loan guarantees, and grants under subsection (a), the Secretary shall give preference to participants in the energy audit and renewable energy development program under section 388F.

''(2) RESERVATION OF FUNDING.—The Secretary shall reserve at least 25 percent of the funds made available to carry out this section for each of fiscal years 2002 through 2006 to participants in the energy audit and renewable energy development program under section 388F.

''(f) FUNDING.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this subtitle, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section $33,000,000, to remain available until expended.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

''(3) LOAN AND INTEREST SUBSIDIES.—In the case of a loan or loan guarantee under subsection (a), the Secretary shall use funds under paragraph (1) to pay the cost of loan and interest subsidies necessary to carry out this section.

''SEC. 388H. HYDROGEN AND FUEL CELL TECHNOLOGIES PROGRAM.

''(a) IN GENERAL.—The Secretary of Agriculture, in consultation with the Secretary of Energy, shall establish a program under which the Secretary of Agriculture shall competitively award grants to, or enter into contracts or cooperative agreements with, eligible entities for—

''(1) projects to demonstrate the use of hydrogen technologies and fuel cell technologies in farm, ranch, and rural applications; and

''(2) as appropriate, studies of the technical, environmental, and economic viability, in farm, ranch, and rural applications, of innovative hydrogen and fuel cell technologies not ready for demonstration.

''(b) ELIGIBLE ENTITIES.—Under subsection (a), the Secretary may make a grant to or enter into a contract or cooperative agreement with—

''(1) a Federal research agency;

''(2) a national laboratory;

''(3) a college or university or a research foundation maintained by a college or university;

''(4) a private research organization with an established and demonstrated capacity to perform research or technology transfer;

''(5) a State agricultural experiment station; or

''(6) an individual.

''(c) SELECTION CRITERIA.—In selecting projects for grants, contracts, and cooperative agreements under subsection (a)(1), the Secretary shall give preference to projects that demonstrate technologies that—

''(1) are innovative;

''(2) use renewable energy sources;

''(3) produce multiple sources of energy;

''(4) provide significant environmental benefits;

''(5) are likely to be economically competitive; and

''(6) have potential for commercialization as mass-produced, farm- or ranch-sized systems.

''(d) COST SHARING.—The amount of financial assistance provided for a project under a grant, contract, or cooperative agreement under subsection (a) shall not exceed 50 percent of the cost of the project.

''(e) FUNDING.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this subtitle, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section $5,000,000, to remain available until expended.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

''SEC. 388I. TECHNICAL ASSISTANCE FOR FARMERS AND RANCHERS TO DEVELOP RENEWABLE ENERGY RESOURCES.

''(a) IN GENERAL.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service in consultation with the Natural Resources Conservation Service, regional biomass programs under the Department of Energy, and other entities as appropriate, may provide for education and technical assistance to farmers and ranchers for the development and marketing of renewable energy resources.

''(b) ADMINISTRATIVE EXPENSES.—The Secretary may retain up to 4 percent of the amounts made available for each fiscal year to carry out this section to pay administrative expenses incurred in carrying out this section.

''CHAPTER 3—CARBON SEQUESTRATION RESEARCH, DEVELOPMENT, AND DEMONSTRATION PROGRAM

''SEC. 388J. RESEARCH.

''(a) BASIC RESEARCH.—

''(1) IN GENERAL.—Subject to the availability of appropriations, the Secretary shall carry out research to promote understanding of—

''(A) the net sequestration of organic carbon in soils and plants (including trees); and

''(B) net emissions of other greenhouse gases from agriculture.

''(2) AGRICULTURAL RESEARCH SERVICE.—The Secretary, acting through the Agricultural Research Service, shall collaborate with other Federal agencies in developing data and carrying out research addressing carbon losses and gains in soils and plants (including trees) and net emissions of methane and nitrous oxide from cultivation and animal management activities.

''(3) COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE.—

''(A) IN GENERAL.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall establish a competitive grant program to carry out research on the matters described in paragraph (1) by eligible entities.

''(B) ELIGIBLE ENTITIES.—Under subparagraph (A), the Secretary may make a grant to—

''(i) a Federal research agency;

''(ii) a national laboratory;

''(iii) a college or university or a research foundation maintained by a college or university;

''(iv) a private research organization with an established and demonstrated capacity to perform research or technology transfer;

''(v) a State agricultural experiment station; or

''(vi) an individual.

''(C) CONSULTATION ON RESEARCH TOPICS.—Before issuing a request for proposals for basic research under paragraph (1), the Cooperative State Research, Education, and Extension Service shall consult with the Agricultural Research Service and the Forest Service to ensure that proposed research areas are complementary with and do not duplicate other research projects funded by the Department or other Federal agencies.

''(D) ADMINISTRATIVE EXPENSES.—The Secretary may retain up to 4 percent of the amounts made available for each fiscal year to carry out this subsection to pay administrative expenses incurred in carrying out this subsection.

''(b) APPLIED RESEARCH.—

''(1) IN GENERAL.—The Secretary shall carry out applied research in the areas of soil science, agronomy, agricultural economics, forestry, and other agricultural sciences to—

''(A) promote understanding of—

''(i) how agricultural and forestry practices affect the sequestration of organic and inorganic carbon in soils and plants (including trees) and net emissions of other greenhouse gases;

''(ii) how changes in soil carbon pools in soils and plants (including trees) are cost-effectively measured, monitored, and verified; and

''(iii) how public programs and private market approaches can be devised to incorporate carbon sequestration in a broader societal greenhouse gas emission reduction effort;

''(B) develop methods for establishing baselines for measuring the quantities of carbon and other greenhouse gases sequestered; and

''(C) evaluate leakage and performance issues.

''(2) REQUIREMENTS.—To the maximum extent practicable, applied research under paragraph (1) shall—

''(A) use existing technologies and methods; and

''(B) provide methodologies that are accessible to a nontechnical audience.

''(3) MINIMIZATION OF ADVERSE ENVIRONMENTAL IMPACTS.—All applied research under paragraph (1) shall be conducted with an emphasis on minimizing adverse environmental impacts.

''(4) NATURAL RESOURCES AND THE ENVIRONMENT.—The Secretary, acting through the Natural Resources Conservation Service and the Forest Service, shall collaborate with other Federal agencies in developing new

measuring techniques and equipment or adapting existing techniques and equipment to enable cost-effective and accurate monitoring and verification, for a wide range of agricultural and forestry practices, of—

''(A) changes in carbon content in soils and plants (including trees); and

''(B) net emissions of other greenhouse gases.

''(5) COOPERATIVE STATE RESEARCH, EDUCATION, AND EXTENSION SERVICE.—

''(A) IN GENERAL.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service and the Forest Service, shall establish a competitive grant program to encourage research on the matters described in paragraph (1) by eligible entities.

''(B) ELIGIBLE ENTITIES.—Under subparagraph (A), the Secretary may make a grant to—

''(i) a Federal research agency;

''(ii) a national laboratory;

''(iii) a college or university or a research foundation maintained by a college or university;

''(iv) a private research organization with an established and demonstrated capacity to perform research or technology transfer;

''(v) a State agricultural experiment station; or

''(vi) an individual.

''(C) CONSULTATION ON RESEARCH TOPICS.—Before issuing a request for proposals for applied research under paragraph (1), the Cooperative State Research, Education, and Extension Service and the Forest Service shall consult with the Natural Resources Conservation Service and the Agricultural Research Service to ensure that proposed research areas are complementary with and do not duplicate research projects funded by the Department of Agriculture or other Federal agencies.

''(D) ADMINISTRATIVE EXPENSES.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, may retain up to 4 percent of the amounts made available for each fiscal year to carry out this subsection to pay administrative expenses incurred in carrying out this subsection.

''(c) RESEARCH CONSORTIA.—

''(1) IN GENERAL.—The Secretary may designate not more than 2 research consortia to carry out research projects under this section, with the requirement that the consortia propose to conduct basic research under subsection (a) and applied research under subsection (b) .

''(2) SELECTION.—The consortia shall be selected on a competitive basis by the Cooperative State Research, Education, and Extension Service.

''(3) ELIGIBLE CONSORTIUM PARTICIPANTS.—Entities eligible to participate in a consortium include—

''(A) a land-grant college or university (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103));

''(B) a private research institution;

''(C) a State agency;

''(D) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b));

''(E) an agency of the Department of Agriculture;

''(F) a research center of the National Aeronautics and Space Administration, the Department of Energy, or any other Federal agency;

''(G) an agricultural business or organization with demonstrated expertise in areas covered by this section; and

''(H) a representative of the private sector with demonstrated expertise in the areas.

''(4) RESERVATION OF FUNDING.—If the Secretary designates 1 or 2 consortia, the Secretary shall reserve for research projects carried out by the consortium or consortia not more than 25 percent of the amounts made available to carry out this section for a fiscal year.

''(d) STANDARDS FOR MEASURING CARBON AND OTHER GREENHOUSE GAS CONTENT.—

''(1) CONFERENCE.—Not later than 3 years after the date of enactment of this subtitle, the Secretary shall convene a conference of key scientific experts on carbon sequestration from various sectors (including the government, academic, and private sectors) to—

''(A) discuss and establish benchmark standards for measuring the carbon content of soils and plants (including trees) and net emissions of other greenhouse gases;

''(B) propose techniques and modeling approaches for measuring carbon content with a level of precision that is agreed on by the participants in the conference; and

''(C) evaluate results of analyses on baseline, permanence, and leakage issues.

''(2) REPORT.—Not later than 180 days after the conclusion of the conference under paragraph (1), the Secretary shall submit to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a report on the results of the conference.

''(e) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $25,000,000 for each of fiscal years 2002 through 2006.

''(2) ALLOCATION.—

''(A) IN GENERAL.—Of the amounts made available to carry out this section for a fiscal year, at least 50 percent shall be allocated for competitive grants by the Cooperative State Research, Education, and Extension Service.

''(B) ADMINISTRATIVE EXPENSES.—The Secretary may retain up to 4 percent of the amounts made available for each fiscal year to carry out this section to pay administrative expenses incurred in carrying out this section.

''SEC. 388K. DEMONSTRATION PROJECTS AND OUTREACH.

''(a) DEMONSTRATION PROJECTS.—

''(1) DEVELOPMENT OF MONITORING PROGRAMS.—

''(A) IN GENERAL.—The Secretary, in cooperation with local extension agents, experts from land grant universities, and other local agricultural or conservation organizations, shall develop user-friendly programs that combine measurement tools and modeling techniques into integrated packages to monitor the carbon sequestering benefits of conservation practices and net changes in greenhouse gas emissions.

''(B) BENCHMARK LEVELS OF PRECISION.—The Secretary shall administer programs developed under subparagraph (A) in a manner that achieves, to the maximum extent practicable, benchmark levels of precision in the measurement, in a cost-effective manner, of benefits and changes described in subparagraph (A).

''(2) PROJECTS.—

''(A) IN GENERAL.—The Secretary shall establish a program under which the monitoring programs developed under paragraph (1) are used in projects to demonstrate the feasibility of methods of measuring, verifying, and monitoring—

''(i) changes in organic carbon content and other carbon pools in soils and plants (including trees); and

''(ii) net changes in emissions of other greenhouse gases.

''(B) EVALUATION OF IMPLICATIONS.—The projects under subparagraph (A) shall include evaluation of the implications for reassessed baselines, carbon or other greenhouse gas leakage, and the permanence of sequestration.

''(C) SUBMISSION OF PROPOSALS.—Proposals for projects under subparagraph (A) shall be submitted by the appropriate agency of each State, in consultation with interested local jurisdictions and State agricultural and conservation organizations.

''(D) LIMITATION.—Not more than 10 projects under subparagraph (A) may be approved in conjunction with applied research projects under section 388J(b) until benchmark measurement and assessment standards are established under section 388J(d).

''(b) OUTREACH.—

''(1) IN GENERAL.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall widely disseminate information about the economic and environmental benefits that can be generated by adoption of conservation practices that increase sequestration of carbon and reduce emission of other greenhouse gases.

''(2) PROJECT RESULTS.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall provide for the dissemination to farmers, ranchers, private forest landowners, and appropriate State agencies in each State of information concerning—

''(A) the results of demonstration projects under subsection (a)(2); and

''(B) the manner in which the methods demonstrated in the projects might be applicable to the operations of the farmers and ranchers.

''(3) POLICY OUTREACH.—The Secretary, acting through the Cooperative State Research, Education, and Extension Service, shall disseminate information on the connection between global climate change mitigation strategies and agriculture and forestry, so that farmers and ranchers may better understand the global implications of the activities of farmers and ranchers.

''(c) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2006.

''(2) ALLOCATION.—Of the amounts made available to carry out this section for a fiscal year, at least 50 percent shall be allocated for demonstration projects under subsection (a)(2).''.

SEC. 903. BIOMASS RESEARCH AND DEVELOPMENT ACT OF 2000.

(a) FUNDING.—The Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) is amended—

(1) in section 307, by striking subsection (f);

(2) by redesignating section 310 as section 311; and

(3) by inserting after section 309 the following:

''SEC. 310. FUNDING.

''(a) IN GENERAL.—Not later than 30 days after the date of enactment of this subsection, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this title $15,000,000, to remain available until expended.

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

(b) TERMINATION OF AUTHORITY.—Section 311 of the Biomass Research and Development Act of 2000 (7 U.S.C. 7624 note; Public Law 106–224) (as redesignated by subsection (a)) is amended by striking ''December 31, 2005'' and inserting ''September 30, 2006''.

SEC. 904. RURAL ELECTRIFICATION ACT OF 1936.

Title I of the Rural Electrification Act of 1936 (7 U.S.C. 901 et seq.) (as amended by section 661) is amended by adding at the end the following:

"SEC. 21. FINANCIAL AND TECHNICAL ASSISTANCE FOR RENEWABLE ENERGY PROJECTS.

''(a) DEFINITION OF RENEWABLE ENERGY.—In this section, the term 'renewable energy' means energy derived from a wind, solar, biomass, geothermal, or hydrogen source.

''(b) LOANS, LOAN GUARANTEES, AND GRANTS.—The Secretary shall make loans, loan guarantees, and grants to rural electric cooperatives and other rural electric utilities to promote the development of economically and environmentally sustainable renewable energy projects to serve the needs of rural communities or for rural economic development.

''(c) INTEREST RATE.—A loan made or guaranteed under subsection (b) shall bear interest at a rate not exceeding 4 percent.

''(d) USE OF FUNDS.—

''(1) GRANTS.—A recipient of a grant under subsection (a) may use the grant funds to pay up to 75 percent of the cost of an economic feasibility study or technical assistance for a renewable energy project.

''(2) LOANS.—If a renewable energy project is determined to be economically feasible, a recipient of a loan or loan guarantee under subsection (a) may use the loan funds to pay a percentage of the cost of the project determined by the Secretary.

''(e) FUNDING.—

''(1) IN GENERAL.—Not later than 30 days after the date of enactment of this section, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary to carry out this section $9,000,000, to remain available until expended.

''(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

''(3) LOAN AND INTEREST SUBSIDIES.—In the case of a loan or loan guarantee under subsection (a), the Secretary shall use funds under paragraph (1) to pay the cost of loan and interest subsidies necessary to carry out this section.''.

SEC. 905. CARBON SEQUESTRATION DEMONSTRATION PROGRAM.

(a) FINDINGS.—Congress finds that—

(1) greenhouse gas emissions resulting from human activity present potential risks and potential opportunities for agricultural and forestry production;

(2) there is a need to identify cost-effective methods that can be used in the agricultural and forestry sectors to reduce the threat of climate change;

(3) deforestation and other land use changes account for approximately 1,600,000,000 of the 7,900,000,000 metric tons of the average annual worldwide quantity of carbon emitted during the 1990s;

(4) ocean and terrestrial systems each sequestered approximately 2,300,000,000 metric tons of carbon annually, resulting in a sequestration of 60 percent of the annual human-induced emissions of carbon during the 1990s;

(5) there are opportunities for increasing the quantity of carbon that can be stored in terrestrial systems through improved, human-induced agricultural and forestry practices;

(6) increasing the carbon content of soil helps to reduce erosion, reduce flooding, minimize the effects of drought, prevent nutrients and pesticides from washing into water bodies, and contribute to water infiltration, air and water holding capacity, and good seed germination and plant growth;

(7) tree planting and wetland restoration could play a major role in sequestering carbon and reducing greenhouse gas concentrations in the atmosphere;

(8) nitrogen management is a cost-effective method of addressing nutrient overenrichment in the estuaries of the United States and of reducing emissions of nitrous oxide;

(9) animal feed and waste management can be cost-effective methods to address water quality issues and reduce emissions of methane; and

(10) there is a need to—

(A) demonstrate that carbon sequestration in soils, plants, and forests and reductions in greenhouse gas emissions through nitrogen and animal feed and waste management can be measured and verified; and

(B) develop and refine quantification, verification, and auditing methodologies for carbon sequestration and greenhouse gas emission reductions on a project by project basis.

(b) PROGRAM.—Title IV of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621 et seq.) is amended by adding at the end the following:

"SEC. 409. CARBON SEQUESTRATION DEMONSTRATION PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE PROJECT.—The term 'eligible project' means a project that is likely to result in—

''(A) demonstrable reductions in net emissions of greenhouse gases; or

''(B) demonstrable net increases in the quantity of carbon sequestered in soils and forests.

''(2) ENVIRONMENTAL TRADE.—The term 'environmental trade' means a transaction between an emitter of a greenhouse gas and an agricultural producer under which the emitter pays to the agricultural producer a fee to sequester carbon or otherwise reduce emissions of greenhouse gases.

''(3) PANEL.—The term 'panel' means the panel of experts established under subsection (b)(4)(A).

''(4) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting in consultation with—

''(A) the Under Secretary of Agriculture for Natural Resources and Environment;

''(B) the Under Secretary of Agriculture for Research, Education, and Economics;

''(C) the Chief Economist of the Department; and

''(D) the panel.

''(b) DEMONSTRATION PROGRAM.—

''(1) ESTABLISHMENT.—Subject to the availability of appropriations, the Secretary shall establish a program to provide grants, on a competitive, cost-shared basis, to agricultural producers to assist in paying the costs incurred in measuring, estimating, monitoring, verifying, auditing, and testing methodologies involved in environmental trades (including costs incurred in employing certified independent third persons to carry out those activities).

''(2) CONDITIONS FOR RECEIPT OF GRANT.—As a condition of the acceptance of a grant under paragraph (1), an agricultural producer shall—

''(A) establish a carbon and greenhouse gas monitoring, verification, and reporting system that meets such requirements as the Secretary shall prescribe; and

''(B) under the system and through the use of an independent third party for any necessary monitoring, verifying, reporting, and auditing, measure and report to the Secretary the quantity of carbon sequestered, or the quantity of greenhouse gas emissions reduced, as a result of the conduct of an eligible project.

''(3) CRITERIA FOR AWARD OF GRANT.—

''(A) IN GENERAL.—In awarding a grant for an eligible project under paragraph (1), the Secretary shall take into consideration—

''(i) the likelihood of the eligible project in succeeding in achieving greenhouse gas emissions reductions and net carbon sequestration increases; and

''(ii) the usefulness of the information to be obtained from the eligible project in determining how best to quantify, monitor, and verify sequestered carbon or reductions in greenhouse gas emissions.

''(B) PRIORITY CRITERIA.—The Secretary shall give priority in awarding a grant under paragraph (1) to an eligible project that—

''(i) involves multiple parties, a whole farm approach, or any other approach, such as the aggregation of land areas, that would—

''(I) increase the environmental benefits or reduce the transaction costs of the eligible project; and

''(II) reduce the costs of measuring, monitoring, and verifying any net sequestration of carbon or net reduction in greenhouse gas emissions;

''(ii) is designed to achieve long-term sequestration of carbon or long-term reductions in greenhouse gas emissions;

''(iii) is designed to address concerns concerning leakage;

''(iv) provides certain other benefits, such as improvements in—

''(I) soil fertility;

''(II) wildlife habitat;

''(III) water quality;

''(IV) soil erosion management;

''(V) the use of renewable resources to produce energy;

''(VI) the avoidance of ecosystem fragmentation; and

''(VII) the promotion of ecosystem restoration with native species; or

''(v) does not involve—

''(I) the reforestation of land that has been deforested since 1990; or

''(II) the conversion of native grassland.

''(4) PANEL.—

''(A) IN GENERAL.—The Secretary shall establish a panel to provide advice and recommendations to the Secretary with respect to criteria for awarding grants under this subsection.

''(B) COMPOSITION.—The panel shall be composed of the following representatives, to be appointed by the Secretary:

''(i) Experts from each of—

''(I) the Department;

''(II) the Environmental Protection Agency; and

''(III) the Department of Energy.

''(ii) Experts from nongovernmental and academic entities.

''(5) PAYMENT OF GRANT FUNDS.—The Secretary shall provide a grant awarded under this section in such number of installments as is necessary to ensure proper implementation of an eligible project.

''(c) METHODOLOGY GRANT PROGRAM.—

''(1) ESTABLISHMENT.—The Secretary shall establish a program to provide grants to determine the best methodologies for estimating and measuring increases or decreases in—

''(A) agricultural greenhouse gas emissions; and

''(B) the quantity of carbon sequestered in soils, forests, and trees.

''(2) ELIGIBLE RECIPIENTS.—The Secretary shall award a grant under paragraph (1), on a competitive basis, to a college or university, or other research institution, that seeks to demonstrate the viability of a methodology described in paragraph (1).

''(d) DISSEMINATION OF INFORMATION.—As soon as practicable after the date of enactment of this section, the Secretary shall establish an Internet site through which agricultural producers may obtain information concerning—

''(1) potential environmental trades; and

''(2) activities of the Secretary under this section.

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $20,000,000 for each of fiscal years 2002 through 2006.''.

SEC. 906. SENSE OF CONGRESS CONCERNING NATIONAL RENEWABLE FUELS STANDARD.

It is the sense of Congress that—

(1) Congress supports and encourages adoption of a national renewable fuels program, under which the motor vehicle fuel placed into commerce by a refiner, blender, or importer shall be composed of renewable fuel measured according to a statutory formula for specified calendar years; and

(2) the Secretary of Agriculture should ensure that the policies and programs of the Department of Agriculture promote the production of fuels from renewable fuel sources.

SEC. 907. SENSE OF CONGRESS CONCERNING THE BIOENERGY PROGRAM OF THE DEPARTMENT OF AGRICULTURE.

It is the sense of Congress that—

(1) ethanol and biofuel production capacity will be needed to phase out the use of methyl tertiary butyl ether in gasoline and the dependence of the United States on foreign oil; and

(2) the bioenergy program of the Department of Agriculture under part 1424 of title 7, Code of Federal Regulations, should be continued and expanded.

TITLE X—MISCELLANEOUS

Subtitle A—Country of Origin and Quality Grade Labeling

SEC. 1001. COUNTRY OF ORIGIN LABELING.

The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) is amended by adding at the end the following:

"Subtitle C—Country of Origin Labeling

"SEC. 271. DEFINITIONS.

''In this subtitle:

''(1) BEEF.—The term 'beef' means meat produced from cattle (including veal).

''(2) COVERED COMMODITY.—

''(A) IN GENERAL.—The term 'covered commodity' means—

''(i) muscle cuts of beef, lamb, and pork;

''(ii) ground beef, ground lamb, and ground pork;

''(iii) farm-raised fish;

''(iv) a perishable agricultural commodity; and

''(v) peanuts.

''(B) EXCLUSIONS.—The term 'covered commodity' does not include—

''(i) processed beef, lamb, and pork food items; and

''(ii) frozen entrees containing beef, lamb, and pork.

''(3) FARM-RAISED FISH.—The term 'farm-raised fish' includes—

''(A) farm-raised shellfish; and

''(B) fillets, steaks, nuggets, and any other flesh from a farm-raised fish or shellfish.

''(4) FOOD SERVICE ESTABLISHMENT.—The term 'food service establishment' means a restaurant, cafeteria, lunch room, food stand, saloon, tavern, bar, lounge, or other similar facility operated as an enterprise engaged in the business of selling food to the public.

''(5) LAMB.—The term 'lamb' means meat, other than mutton, produced from sheep.

''(6) PERISHABLE AGRICULTURAL COMMODITY; RETAILER.—The terms 'perishable agricultural commodity' and 'retailer' have the meanings given the terms in section 1(b) of the Perishable Agricultural Commodities Act, 1930 (7 U.S.C. 499a(b)).

''(7) PORK.—The term 'pork' means meat produced from hogs.

''(8) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting through the Agricultural Marketing Service.

"SEC. 272. NOTICE OF COUNTRY OF ORIGIN.

''(a) IN GENERAL.—

''(1) REQUIREMENT.—Except as provided in subsection (b), a retailer of a covered commodity shall inform consumers, at the final point of sale of the covered commodity to consumers, of the country of origin of the covered commodity.

''(2) UNITED STATES COUNTRY OF ORIGIN.—A retailer of a covered commodity may designate the covered commodity as having a United States country of origin only if the covered commodity—

''(A) in the case of beef, lamb, and pork, is exclusively from an animal that is exclusively born, raised, and slaughtered in the United States; and

''(B) in the case of farm-raised fish, is hatched, raised, harvested, and processed in the United States; and

''(C) in the case of a perishable agricultural commodities or peanut, is exclusively produced in the United States.

''(b) EXEMPTION FOR FOOD SERVICE ESTABLISHMENTS.—Subsection (a) shall not apply to a covered commodity if the covered commodity is—

''(1) prepared or served in a food service establishment; and

''(2)(A) offered for sale or sold at the food service establishment in normal retail quantities; or

''(B) served to consumers at the food service establishment.

''(c) METHOD OF NOTIFICATION.—

''(1) IN GENERAL.—The information required by subsection (a) may be provided to consumers by means of a label, stamp, mark, placard, or other clear and visible sign on the covered commodity or on the package, display, holding unit, or bin containing the commodity at the final point of sale to consumers.

''(2) LABELED COMMODITIES.—If the covered commodity is already individually labeled for retail sale regarding country of origin, the retailer shall not be required to provide any additional information to comply with this section.

''(d) AUDIT VERIFICATION SYSTEM.—The Secretary may require that any person that prepares, stores, handles, or distributes a covered commodity for retail sale maintain a verifiable recordkeeping audit trail that will permit the Secretary to ensure compliance with the regulations promulgated under section 274.

''(e) INFORMATION.—Any person engaged in the business of supplying a covered commodity to a retailer shall provide information to the retailer indicating the country of origin of the covered commodity.

''(f) CERTIFICATION OF ORIGIN.—

''(1) MANDATORY IDENTIFICATION.—The Secretary shall not use a mandatory identification system to verify the country of origin of a covered commodity.

''(2) EXISTING CERTIFICATION PROGRAMS.—To certify the country of origin of a covered commodity, the Secretary may use as a model certification programs in existence on the date of enactment of this Act, including—

''(A) the carcass grading and certification system carried out under this Act;

''(B) the voluntary country of origin beef labeling system carried out under this Act;

''(C) voluntary programs established to certify certain premium beef cuts;

''(D) the origin verification system established to carry out the child and adult care food program established under section 17 of the Richard B. Russell National School Lunch Act (42 U.S.C. 1766); or

''(E) the origin verification system established to carry out the market access program under section 203 of the Agricultural Trade Act of 1978 (7 U.S.C. 5623).

"SEC. 273. ENFORCEMENT.

''(a) IN GENERAL.—Except as provided in subsection (b), section 253 shall apply to a violation of this subtitle.

''(b) WARNINGS.—If the Secretary determines that a retailer is in violation of section 272, the Secretary shall—

''(1) notify the retailer of the determination of the Secretary; and

''(2) provide the retailer a 30-day period, beginning on the date on which the retailer receives the notice under paragraph (1) from the Secretary, during which the retailer may take necessary steps to comply with section 272.

''(c) FINES.—If, on completion of the 30-day period described in subsection (c)(2), the Secretary determines that the retailer has willfully violated section 272, after providing notice and an opportunity for a hearing before the Secretary with respect to the violation, the Secretary may fine the retailer in an amount determined by the Secretary.

"SEC. 274. REGULATIONS.

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

''(b) PARTNERSHIPS WITH STATES.—In promulgating the regulations, the Secretary shall, to the maximum extent practicable, enter into partnerships with States with enforcement infrastructure to carry out this subtitle.

"SEC. 275. APPLICATION.

''This subtitle shall apply to the retail sale of a covered commodity beginning on the date that is 180 days after the date of the enactment of this subtitle.''.

SEC. 1002. QUALITY GRADE LABELING OF IMPORTED MEAT AND MEAT FOOD PRODUCTS.

The Agricultural Marketing Act of 1946 (7 U.S.C. 1621 et seq.) (as amended by section 1001) is amended by adding at the end the following:

"Subtitle D—Commodity-Specific Grading Standards

"SEC. 281. DEFINITION OF SECRETARY.

''In this subtitle, the term 'Secretary' means the Secretary of Agriculture.

"SEC. 282. QUALITY GRADE LABELING OF IMPORTED MEAT AND MEAT FOOD PRODUCTS.

''An imported carcass, part thereof, meat, or meat food product (as defined by the Secretary) shall not bear a label that indicates a quality grade issued by the Secretary.

"SEC. 283. REGULATIONS.

''The Secretary shall promulgate such regulations as are necessary to ensure compliance with, and otherwise carry out, this subtitle.''.

Subtitle B—Crop Insurance

SEC. 1011. CONTINUOUS COVERAGE.

Section 508(e)(4) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(4)) is amended—

(1) in the paragraph heading, by striking ''TEMPORARY PROHIBITION'' and inserting ''PROHIBITION''; and

(2) by striking ''through 2005'' and inserting ''and subsequent''.

SEC. 1012. QUALITY LOSS ADJUSTMENT PROCEDURES.

Section 508(m)(3) of the Federal Crop Insurance Act (7 U.S.C. 1508(m)(3)) is amended—

(1) by striking ''The Corporation'' and inserting the following:

''(A) REVIEW.—The Corporation''; and

(2) by striking ''Based on'' and inserting the following:

''(B) PROCEDURES.—Effective beginning not later than the 2003 reinsurance year, based on''.

SEC. 1013. CONSERVATION REQUIREMENTS.

(a) HIGHLY ERODIBLE LAND CONSERVATION.—Section 1211(1) of the Food Security Act of 1985 (16 U.S.C. 3811(1)) is amended—

(1) in subparagraph (A), by striking ''production flexibility'';

(2) by redesignating subparagraphs (C) and (D) as subparagraphs (D) and (E), respectively; and

(3) by inserting after subparagraph (B) the following:

''(C) an indemnity payment under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.);''.

(b) WETLAND CONSERVATION.—Section 1221(b) of the Food Security Act of 1985 (16 U.S.C. 3821(b)) is amended—

(1) in paragraph (1), by striking ''production flexibility'';

(2) by redesignating paragraphs (2) and (3) as paragraphs (5) and (6), respectively; and

(3) by inserting after paragraph (1) the following:

''(2) A farm storage facility loan made under section 4(h) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714b(h)).

''(3) A disaster payment.

''(4) An indemnity payment under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.).''.

(c) CONTROLLED SUBSTANCES PRODUCTION CONTROL.—Section 519(b) of the Controlled Substances Act (21 U.S.C. 889(b)) is amended—

(1) in paragraph (1)—

(A) by striking subparagraph (A) and inserting the following:

''(A) contract payments under a contract, marketing assistance loans, and any type of price support or payment made available under the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.), the Commodity Credit Corporation Charter Act (15 U.S.C. 714 et seq.), or any other Act;'';

(B) by striking subparagraphs (C) and (D) and inserting the following:

''(C) an indemnity payment under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.);

''(D) a disaster payment; or'';

(2) in paragraph (2), by striking the period at the end and inserting ''; or''; and

(3) by adding at the end the following:

''(3) during the crop year—

''(A) a payment made pursuant to a contract entered into under the environmental quality incentives program under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.);

''(B) a payment under any other provision of subtitle D of title XII of that Act (16 U.S.C. 3830 et seq.);

''(C) a payment under section 401 or 402 of the Agricultural Credit Act of 1978 (16 U.S.C. 2201, 2202); or

''(D) a payment, loan, or other assistance under section 3 or 8 of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1003 and 1006a).''.

Subtitle C—General Provisions

SEC. 1021. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

(a) IN GENERAL.—Title III of the Packers and Stockyards Act, 1921, is amended by inserting after section 317 (7 U.S.C. 217a) the following:

''SEC. 318. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.

''(a) DEFINITIONS.—In this section:

''(1) HUMANELY EUTHANIZED.—The term 'humanely euthanized' means to kill an animal by mechanical, chemical, or other means that immediately render the animal unconscious, with this state remaining until the animal's death.

''(2) NONAMBULATORY LIVESTOCK.—The term 'nonambulatory livestock' means any livestock that is unable to stand and walk unassisted.

''(b) UNLAWFUL PRACTICES.—

''(1) IN GENERAL.—It shall be unlawful under section 312 for any stockyard owner, market agency, or dealer to buy, sell, give, receive, transfer, market, hold, or drag any nonambulatory livestock unless the nonambulatory livestock has been humanely euthanized.

''(2) EXCEPTIONS.—

''(A) NON-GIPSA FARMS.—Paragraph (1) shall not apply to any farm the animal care practices of which are not subject to the authority of the Grain Inspection, Packers, and Stockyards Administration.

''(B) VETERINARY CARE.—Paragraph (1) shall not apply in a case in which nonambulatory livestock receive veterinary care intended to render the livestock ambulatory.''.

(b) EFFECTIVE DATE.—

(1) IN GENERAL.—The amendment made by subsection (a) takes effect 1 year after the date of the enactment of this Act.

(2) REGULATIONS.—Not later than 1 year after the date of enactment of this Act, the Secretary of Agriculture shall promulgate regulations consistent with the amendment, relating to the handling, treatment, and disposition of nonambulatory livestock at livestock marketing facilities or by dealers.

SEC. 1022. COTTON CLASSIFICATION SERVICES.

The first sentence of section 3a of the Act of March 3, 1927 (commonly known as the ''Cotton Statistics and Estimates Act'') (7 U.S.C. 473), is amended by striking ''2002'' and inserting ''2006''.

SEC. 1023. PROTECTION FOR PURCHASERS OF FARM PRODUCTS.

Section 1324 of the Food Security Act of 1985 (7 U.S.C. 1631) is amended—

(1) in subsection (c)(4)—

(A) in subparagraph (B), by striking ''signed,'' and inserting ''signed, authorized, or otherwise authenticated by the debtor,'';

(B) by striking subparagraph (C);

(C) in subparagraph (D)—

(i) in clause (iii), by adding ''and'' after the semicolon at the end; and

(ii) in clause (iv), by striking ''applicable;'' and all that follows and inserting ''applicable, and the name of each county or parish in which the farm products are growing or located;''; and

(D) by redesignating subparagraphs (D) through (I) as subparagraphs (C) through (H), respectively;

(2) in subsection (e)—

(A) in paragraph (1)(A)—

(i) in clause (ii)—

(I) in subclause (III), by adding ''and'' after the semicolon at the end; and

(II) in subclause (IV), by striking ''crop year,'' and all that follows and inserting ''crop year, and the name of each county or parish in which the farm products are growing or located;''; and

(iii) in clause (v), by inserting ''contains'' before ''any payment''; and

(B) in paragraph (3)—

(i) in subparagraph (A), by striking ''subparagraph'' and inserting ''subsection''; and

(ii) in subparagraph (B), by striking ''; and'' and inserting a period; and

(3) subsection (g)(2)(A)—

(A) in clause (ii)—

(i) in subclause (III), by adding ''and'' after the semicolon at the end; and

(ii) in subclause (IV), by striking ''crop year,'' and all that follows and inserting ''crop year, and the name of each county or parish in which the farm products are growing or located;''; and

(B) in clause (v), by inserting ''contains'' before ''any payment''.

SEC. 1024. PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.

(a) PENALTIES AND FOREIGN COMMERCE PROVISIONS OF THE ANIMAL WELFARE ACT.—Section 26 of the Animal Welfare Act (7 U.S.C. 2156) is amended—

(1) in subsection (e)—

(A) by inserting ''PENALTIES.—'' after ''(e)'';

(B) by striking ''$5,000'' and inserting ''$15,000''; and

(C) by striking ''1 year'' and inserting ''2 years''; and

(2) in subsection (g)(2)(B), by inserting at the end before the semicolon the following: ''or from any State into any foreign country''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect 30 days after the date of the enactment of this Act.

SEC. 1025. PROHIBITION ON INTERSTATE MOVEMENT OF ANIMALS FOR ANIMAL FIGHTING.

(a) PROHIBITION ON INTERSTATE MOVEMENT OF ANIMALS FOR ANIMAL FIGHTING.—Section 26(d) of the Animal Welfare Act (7 U.S.C. 2156(d)) is amended to read as follows:

''(d) ACTIVITIES NOT SUBJECT TO PROHIBITION.—This section does not apply to the selling, buying, transporting, or delivery of an animal in interstate or foreign commerce for any purpose, so long as the purpose does not include participation of the animal in an animal fighting venture.''.

(b) EFFECTIVE DATE.—The amendment made by this section take effect 30 days after the date of the enactment of this Act.

SEC. 1026. OUTREACH AND ASSISTANCE FOR SOCIALLY DISADVANTAGED FARMERS AND RANCHERS.

Section 2501 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 2279) is amended by striking subsection (a) and inserting the following:

''(a) OUTREACH AND ASSISTANCE.—

''(1) DEFINITIONS.—In this subsection:

''(A) DEPARTMENT.—The term 'Department' means the Department of Agriculture.

''(B) ELIGIBLE ENTITY.—The term 'eligible entity' means—

''(i) any community-based organization, network, or coalition of community-based organizations that—

''(I) has demonstrated experience in providing agricultural education or other agriculturally related services to socially disadvantaged farmers and ranchers;

''(II) has provided to the Secretary documentary evidence of work with socially disadvantaged farmers and ranchers during the 2-year period preceding the submission of an application for assistance under this subsection; and

''(III) has not engaged in activities prohibited under section 501(c)(3) of the Internal Revenue Code of 1986;

''(ii)(I) an 1890 institution (as defined in section 2 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7601)), including West Virginia State College;

''(II) a 1994 institution (as defined in section 2 of that Act);

''(III) an Indian tribal community college;

''(IV) an Alaska Native cooperative college;

''(V) a Hispanic-serving institution (as defined in section 1404 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103)); and

''(VI) any other institution of higher education (as defined in section 101 of the Higher Education Act of 1965 (20 U.S.C. 1001)) that has demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged farmers and ranchers in a region; and

''(iii) an Indian tribe (as defined in section 4 of the Indian Self-Determination and Education Assistance Act (25 U.S.C. 450b)) or a national tribal organization that has demonstrated experience in providing agriculture education or other agriculturally related services to socially disadvantaged farmers and ranchers in a region.

''(C) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(2) PROGRAM.—The Secretary shall carry out an outreach and technical assistance program to encourage and assist socially disadvantaged farmers and ranchers—

''(A) in owning and operating farms and ranches; and

''(B) in participating equitably in the full range of agricultural programs offered by the Department.

''(3) REQUIREMENTS.—The outreach and technical assistance program under paragraph (2) shall—

''(A) enhance coordination of the outreach, technical assistance, and education efforts authorized under various agriculture programs; and

''(B) include information on, and assistance with—

''(i) commodity, conservation, credit, rural, and business development programs;

''(ii) application and bidding procedures;

''(iii) farm and risk management;

''(iv) marketing; and

''(v) other activities essential to participation in agricultural and other programs of the Department.

''(4) GRANTS AND CONTRACTS.—

''(A) IN GENERAL.—The Secretary may make grants to, and enter into contracts and other agreements with, an eligible entity to provide information and technical assistance under this subsection.

''(B) RELATIONSHIP TO OTHER LAW.—The authority to carry out this section shall be in addition to any other authority provided in this or any other Act.

''(5) FUNDING.—

''(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this subsection $25,000,000 for each of fiscal years 2002 through 2006.

''(B) INTERAGENCY FUNDING.—In addition to funds authorized to be appropriated under subparagraph (A), any agency of the Department may participate in any grant, contract, or agreement entered into under this section by contributing funds, if the agency determined that the objectives of the grant, contract, or agreement will further the authorized programs of the contributing agency.''.

SEC. 1027. PUBLIC DISCLOSURE REQUIREMENTS FOR COUNTY COMMITTEE ELECTIONS.

Section 8(b)(5) of the Soil Conservation and Domestic Allotment Act (16 U.S.C. 590h(b)(5)) is amended by striking subparagraph (B) and inserting the following:

''(B) ESTABLISHMENT AND ELECTIONS FOR COUNTY, AREA, OR LOCAL COMMITTEES.—

''(i) ESTABLISHMENT.—

''(I) IN GENERAL.—In each county or area in which activities are carried out under this section, the Secretary shall establish a county or area committee.

''(II) LOCAL ADMINISTRATIVE AREAS.—The Secretary may designate local administrative areas within a county or a larger area under the jurisdiction of a committee established under subclause (I).

''(ii) COMPOSITION OF COUNTY, AREA, OR LOCAL COMMITTEES.—A committee established under clause (i) shall consist of not fewer than 3 nor more than 5 members that—

''(I) are fairly representative of the agricultural producers within the area covered by the county, area, or local committee; and

''(II) are elected by the agricultural producers that participate or cooperate in programs administered within the area under the jurisdiction of the county, area, or local committee.

''(iii) ELECTIONS.—

''(I) IN GENERAL.—Subject to subclauses (II) through (V), the Secretary shall establish procedures for nominations and elections to county, area, or local committees.

''(II) NONDISCRIMINATION STATEMENT.—Each solicitation of nominations for, and notice of elections of, a county, area, or local committee shall include the nondiscrimination statement used by the Secretary.

''(III) NOMINATIONS.—

''(aa) ELIGIBILITY.—To be eligible for nomination and election to the applicable county, area, or local committee, as determined by the Secretary, an agricultural producer shall be located within the area under the jurisdiction of a county, area, or local committee, and participate or cooperate in programs administered within that area.

''(bb) OUTREACH.—In addition to such nominating procedures as the Secretary may prescribe, the Secretary shall solicit and accept nominations from organizations representing the interests of socially disadvantaged groups (as defined in section 355(e)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2003(e)(1)).

''(IV) OPENING OF BALLOTS.—

''(aa) PUBLIC NOTICE.—At least 10 days before the date on which ballots are to be opened and counted, a county, area, or local committee shall announce the date, time, and place at which election ballots will be opened and counted.

''(bb) OPENING OF BALLOTS.—Election ballots shall not be opened until the date and time announced under item (aa).

''(cc) OBSERVATION.—Any person may observe the opening and counting of the election ballots.

''(V) REPORT OF ELECTION.—Not later than 20 days after the date on which an election is held, a county, area, or local committee shall file an election report with the Secretary and the State office of the Farm Service Agency that includes—

''(aa) the number of eligible voters in the area covered by the county, area, or local committee;

''(bb) the number of ballots cast in the election by eligible voters (including the percentage of eligible voters that cast ballots);

''(cc) the number of ballots disqualified in the election;

''(dd) the percentage that the number of ballots disqualified is of the number of ballots received;

''(ee) the number of nominees for each seat up for election;

''(ff) the race, ethnicity, and gender of each nominee, as provided through the voluntary self-identification of each nominee; and

''(gg) the final election results (including the number of ballots received by each nominee).

''(VI) NATIONAL REPORT.—Not later than 90 days after the date on which the first election of a county, area, or local committee that occurs after the date of enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001 is held, the Secretary shall complete a report that consolidates all the election data reported to the Secretary under subclause (V).

''(VII) ELECTION REFORM.—

''(aa) ANALYSIS.—If determined necessary by the Secretary after analyzing the data contained in the report under subclause (VI), the Secretary shall promulgate and publish in the Federal Register proposed uniform guidelines for conducting elections for members and alternate members of county, area, and local committees not later than 1 year after the date of completion of the report.

''(bb) INCLUSION.—The procedures promulgated by the Secretary under item (aa) shall ensure fair representation of socially disadvantaged groups described in subclause (III)(bb) in an area covered by the county, area, or local committee, in cases in which those groups are underrepresented on the county, area, or local committee for that area.

''(cc) METHODS OF INCLUSION.—Notwithstanding clause (ii), the Secretary may ensure inclusion of socially disadvantaged farmers and ranchers through provisions allowing for appointment of additional voting members to a county, area, or local committee or through other methods.

''(iv) TERM OF OFFICE.—The term of office for a member of a county, area, or local committee shall not exceed 3 years.''.

SEC. 1028. PSEUDORABIES ERADICATION PROGRAM.

Section 2506(d) of the Food, Agriculture, Conservation, and Trade Act of 1990 (21 U.S.C. 114i(d)) is amended by striking ''2002'' and inserting ''2006''.

SEC. 1029. TREE ASSISTANCE PROGRAM.

(a) IN GENERAL.—Section 194 of the Federal Agriculture Improvement and Reform Act of 1996 (Public Law 104–127; 110 Stat. 945) is amended to read as follows:

''SEC. 194. TREE ASSISTANCE PROGRAM.

''(a) DEFINITIONS.—In this section:

''(1) ELIGIBLE ORCHARDIST.—The term 'eligible orchardist' means a person that produces annual crops from trees for commercial purposes,

''(2) NATURAL DISASTER.—The term 'natural disaster' means plant disease, insect infestation, drought, fire, freeze, flood, earthquake, and other natural occurrences, as determined by the Secretary.

''(3) TREE.—The term 'tree' includes trees, bushes, and vines.

''(4) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(b) ELIGIBILITY.—

''(1) LOSS.—Subject to paragraph (2), the Secretary shall provide assistance in accordance with subsection (c) to eligible orchardists that, as determined by the Secretary—

''(A) planted trees for commercial purposes; and

''(B) lost those trees as a result of a natural disaster.

''(2) LIMITATION.—An eligible orchardist shall qualify for assistance under subsection (c) only if the tree mortality rate of the orchardist, as a result of the natural disaster, exceeds 15 percent (adjusted for normal mortality), as determined by the Secretary.

''(c) ASSISTANCE.—

''(1) IN GENERAL.—Assistance provided by the Secretary to eligible orchardists for losses described in subsection (b) shall consist of—

''(A) reimbursement of 75 percent of the cost of replanting trees lost due to a natural disaster, as determined by the Secretary, in excess of 15 percent mortality (adjusted for normal mortality); or

''(B) at the discretion of the Secretary, sufficient tree seedlings to reestablish the stand.

''(2) LIMITATION ON ASSISTANCE.—

''(A) LIMITATION.—The total amount of payments that a person may receive under this section shall not exceed—

''(i) $100,000; or

''(ii) an equivalent value in tree seedlings.

''(B) REGULATIONS.—The Secretary shall promulgate regulations that—

''(i) define the term 'person' for the purposes of this section (which definition shall conform, to the extent practicable, to the regulations defining the term 'person' promulgated under section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308); and

''(ii) prescribe such rules as the Secretary determines are necessary to ensure a fair and reasonable application of the limitation established under this section.

''(d) AUTHORIZATION OF APPROPRIATIONS.—Notwithstanding section 161, there is authorized to be appropriated such sums as are necessary to carry out this section for each of fiscal years 2002 through 2006.''.

(b) APPLICATION DATE.—The amendment made by subsection (a) shall apply to tree losses that are incurred as a result of a natural disaster after January 1, 2000.

SEC. 1030. NATIONAL ORGANIC CERTIFICATION COST-SHARE PROGRAM.

(a) IN GENERAL.—The Secretary of Agriculture (acting through the Agricultural Marketing Service) shall use $3,500,000 of funds of the Commodity Credit Corporation for fiscal year 2002 to establish a national organic certification cost-share program to assist producers and handlers of agricultural products in obtaining certification under the national organic production program established under the Organic Foods Production Act of 1990 (7 U.S.C. 6501 et seq.).

(b) FEDERAL SHARE.—

(1) IN GENERAL.—Subject to paragraph (2), the Secretary shall pay under this section not more than 75 percent of the costs incurred by a producer or handler in obtaining certification under the national organic production program, as certified to and approved by the Secretary.

(2) MAXIMUM AMOUNT.—The maximum amount of a payment made to a producer or handler under this section shall be $500.

SEC. 1031. FOOD SAFETY COMMISSION.

(a) ESTABLISHMENT.—

(1) IN GENERAL.—There is established a commission to be known as the ''Food Safety Commission'' (referred to in this section as the ''Commission'').

(2) MEMBERSHIP.—

(A) COMPOSITION.—The Commission shall be composed of 15 members, of whom—

(i) 4 shall be appointed by the Majority Leader of the Senate;

(ii) 3 shall be appointed by the Minority Leader of the Senate;

(iii) 4 shall be appointed by the Speaker of the House of Representatives;

(iv) 3 shall be appointed by the Minority Leader of the House of Representatives; and

(v) 1 shall—

(I) be appointed jointly by the Speaker of the House of Representatives and the Majority Leader of the Senate; and

(II) serve as chairperson.

(B) ELIGIBILITY.—Members of the Commission—

(i) shall be knowledgeable or have expertise or training in matters under the jurisdiction of the Commission;

(ii) shall represent, at a minimum—

(I) consumer groups;

(II) food processors, producers, and retailers;

(III) public health professionals;

(IV) food inspectors;

(V) former or current food safety regulators;

(VI) members of academia; or

(VII) any other interested individuals; and

(iii) shall not be Federal employees.

(C) DATE OF APPOINTMENTS.—The appointment of a member of the Commission shall be made not later than 60 days after the date of enactment of this Act.

(D) CONSULTATION.—The Speaker of the House of Representatives, the Minority Leader of the House of Representatives, the Majority Leader of the Senate, and the Minority Leader of the Senate shall consult among themselves prior to appointing the members of the Commission under subparagraph (A) to achieve, to the maximum extent practicable—

(i) consensus on the appointments; and

(ii) fair and equitable representation of various points of view with respect to matters reviewed by the Commission.

(E) VACANCIES.—A vacancy on the Commission—

(i) shall not affect the powers of the Commission; and

(ii) shall be filled—

(I) not later than 60 days after the date on which the vacancy occurs; and

(II) in the same manner as the original appointment was made.

(3) MEETINGS.—

(A) INITIAL MEETING.—The initial meeting of the Commission shall be conducted not later than 30 days after the later of—

(i) the date of appointment of the final member of the Commission; or

(ii) the date on which funds authorized to be appropriated under subsection (f)(1) are made available.

(B) OTHER MEETINGS.—The Commission shall meet at the call of the Chairperson.

(4) QUORUM; STANDING RULES.—

(A) QUORUM.—A majority of the members of the Commission shall constitute a quorum to conduct business.

(B) STANDING RULES.—At the first meeting of the Commission, the Commission shall adopt standing rules of the Commission to guide the conduct of business and decision-making of the Commission.

(C) CONSENSUS.—

(i) IN GENERAL.—To the maximum extent practicable, the Commission shall carry out the duties of the Commission by reaching consensus.

(ii) VOTING.—

(I) IN GENERAL.—If the Commission is unable to achieve consensus with respect to a particular decision, the Commission shall vote on the decision.

(II) AUTHORITY.—Each member of the Commission shall have 1 vote, which vote shall be accorded the same weight as a vote of each other voting member.

(b) DUTIES.—

(1) RECOMMENDATIONS.—

(A) IN GENERAL.—The Commission shall make specific recommendations that build on and implement, to the maximum extent practicable, the recommendations contained in the report of the National Academy of Sciences entitled ''Ensuring Safe Food from Production to Consumption'' and that shall serve as the basis for draft legislative language to—

(i) improve the food safety system;

(ii) improve public health;

(iii) create a harmonized, central framework for managing Federal food safety programs (including outbreak management, standard-setting, inspection, monitoring, surveillance, risk assessment, enforcement, research, and education);

(iv) enhance the effectiveness of Federal food safety resources; and

(v) eliminate, to the maximum extent practicable, gaps, conflicts, duplication, and failures in the food safety system.

(B) COMPONENTS.—Recommendations made by the Commission under subparagraph (A) shall, at a minimum, address—

(i) all food available commercially in the United States, including meat, poultry, eggs, seafood, and produce;

(ii) the application of all resources based on risk, including resources for inspection, research, enforcement, and education;

(iii) shortfalls, redundancy, and inconsistency in laws (including regulations); and

(iv) the use of science-based methods, performance standards, and preventative control systems to ensure the safety of the food supply of the United States.

(2) REPORT.—Not later than 1 year after the date on which the Commission first meets, the Commission shall submit to the President and Congress a comprehensive report that includes—

(A) the findings, conclusions, and recommendations of the Commission;

(B) a summary of any reports submitted to the Commission under subsection (e) by—

(i) the Advisory Commission on Intergovernmental Relations; and

(ii) the National Academy of Sciences;

(C) a summary of any other material used by the Commission in the preparation of the report under this paragraph; and

(D) if requested by 1 or more members of the Commission, a statement of the minority views of the Commission.

(c) POWERS OF THE COMMISSION.—

(1) HEARINGS.—The Commission or, at the direction of the Commission, any subcommittee or member of the Commission, may, for the purpose of carrying out this section hold such hearings, meet and act at such times and places, take such testimony, receive such evidence, and administer such oaths, as the Commission or such subcommittee or member considers advisable.

(2) WITNESS ALLOWANCES AND FEES.—

(A) IN GENERAL.—Section 1821 of title 28, United States Code, shall apply to a witness requested to appear at a hearing of the Commission.

(B) EXPENSES.—The per diem and mileage allowances for a witness shall be paid from funds available to pay the expenses of the Commission.

(3) INFORMATION FROM FEDERAL AGENCIES.—

(A) IN GENERAL.—The Commission may secure directly, from any Federal Department or agency, such information as the Commission considers necessary to carry out the duties of the Commission under subsection (b).

(B) PROVISION OF INFORMATION.—

(i) IN GENERAL.—Subject to subparagraph (C), on the request of the Commission, the head of a department or agency described in subparagraph (A) shall furnish information requested by the Commission to the Commission.

(ii) ADMINISTRATION.—The furnishing of information by a department or agency to the Commission shall not be considered a waiver of any exemption available to the department or agency under section 552 of title 5, United States Code.

(C) INFORMATION TO BE KEPT CONFIDENTIAL.—

(i) IN GENERAL.—For purposes of section 1905 of title 18, United States Code—

(I) the Commission shall be considered an agency of the Federal Government; and

(II) any individual employed by an individual, entity, or organization that is a party to a contract with the Commission under subsection (e) shall be considered an employee of the Commission.

(ii) PROHIBITION ON DISCLOSURE.—Information obtained by the Commission, other than information that is available to the public, shall not be disclosed to any person in any manner except—

(I) to an employee of the Commission described in clause (i), for the purpose of receiving, reviewing, or processing the information;

(II) in compliance with a court order; or

(III) in any case in which the information is publicly released by the Commission in an aggregate or summary form that does not directly or indirectly disclose—

(aa) the identity of any person or business entity; or

(bb) any information the release of which is prohibited under section 1905 of title 18, United States Code.

(d) COMMISSION PERSONNEL MATTERS.—

(1) COMPENSATION OF MEMBERS.—A member of the Commission shall be compensated at a rate equal to the daily equivalent of the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code, for each day (including travel time) during which the member is engaged in the performance of the duties of the Commission.

(2) TRAVEL EXPENSES.—A member of the Commission shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Commission.

(3) STAFF.—

(A) IN GENERAL.—The Chairperson of the Commission may, without regard to the civil service laws (including regulations), appoint and terminate an executive director and such other additional personnel as are necessary to enable the Commission to perform the duties of the Commission.

(B) CONFIRMATION OF EXECUTIVE DIRECTOR.—The employment of an executive director shall be subject to confirmation by the Commission.

(C) COMPENSATION.—

(i) IN GENERAL.—Except as provided in clause (ii), the Chairperson of the Commission may fix the compensation of the executive director and other personnel without regard to the provisions of chapter 51 and subchapter III of chapter 53 of title 5, United States Code, relating to classification of positions and General Schedule pay rates.

(ii) MAXIMUM RATE OF PAY.—The rate of pay for the executive director and other personnel shall not exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(4) DETAIL OF FEDERAL GOVERNMENT EMPLOYEES.—

(A) IN GENERAL.—Notwithstanding any other provision of law (including an Act of appropriation), an employee of the Federal Government may be detailed to the Commission, without reimbursement, for such period of time as the Commission may require.

(B) CIVIL SERVICE STATUS.—The detail of the employee shall be without interruption or loss of civil service status or privilege.

(5) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Chairperson of the Commission may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay prescribed for level V of the Executive Schedule under section 5316 of that title.

(e) CONTRACTS FOR RESEARCH.—

(1) ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS.—

(A) IN GENERAL.—In carrying out the duties of the Commission under subsection (b), the Commission may enter into contracts with the Advisory Commission on Intergovernmental Relations under which the Advisory Commission on Intergovernmental Relations shall conduct a thorough review of, and shall catalogue, all applicable Federal, State, local, and tribal laws, regulations, and ordinances that pertain to food safety in the United States.

(B) REPORT.—A contract under subparagraph (A) shall require that, not later than 240 days after the date on which the Commission first meets, the Advisory Commission on Intergovernmental Relations shall submit to the Commission a report that describes the results of the services rendered by the Advisory Commission on Intergovernmental Relations under the contract.

(2) NATIONAL ACADEMY OF SCIENCES.—

(A) IN GENERAL.—In carrying out the duties of the Commission under subsection (b), the Commission may enter in contracts with the National Academy of Sciences to obtain research or other assistance.

(B) REPORT.—A contract under subparagraph (A) shall require that, not later than 240 days after the date on which the Commission first meets, the National Academy of Sciences shall submit to the Commission a report that describes the results of the services to be rendered by the National Academy of Sciences under the contract.

(3) OTHER ORGANIZATIONS.—Nothing in this subsection limits or otherwise affects the ability of the Commission to enter into a contract with an entity or organization that is not described in paragraph (1) or (2) to obtain assistance in conducting research necessary to carry out the duties of the Commission under subsection (b).

(f) AUTHORIZATION OF APPROPRIATIONS.—

(1) IN GENERAL.—There is authorized to be appropriated to carry out this section $3,000,000.

(2) LIMITATION.—No payment may be made under subsection (d) or (e) except to the extent provided for in advance in an appropriations Act.

(g) TERMINATION.—The Commission shall terminate on the date that is 60 days after the date on which the Commission submits the recommendations and report under subsection (b).

SEC. 1032. HUMANE METHODS OF ANIMAL SLAUGHTER.

It is the sense of Congress that—

(1) the Secretary of Agriculture should—

(A) resume tracking the number of violations of Public Law 85–765 (7 U.S.C. 1901 et seq.) and report the results and relevant trends annually to Congress; and

(B) fully enforce Public Law 85–765 by ensuring that humane methods in the slaughter of livestock—

(i) prevent needless suffering;

(ii) result in safer and better working conditions for persons engaged in the slaughtering of livestock;

(iii) bring about improvement of products and economies in slaughtering operations; and

(iv) produce other benefits for producers, processors, and consumers that tend to expedite an orderly flow of livestock and livestock products in interstate and foreign commerce; and

(2) it should be the policy of the United States that the slaughtering of livestock and the handling of livestock in connection with slaughter shall be carried out only by humane methods.

SEC. 1033. PENALTIES FOR VIOLATIONS OF PLANT PROTECTION ACT.

Section 424 of the Plant Protection Act (7 U.S.C. 7734) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) CRIMINAL PENALTIES.—

''(1) IN GENERAL.—A person that knowingly violates this title shall be subject to criminal penalties in accordance with this subsection.

''(2) FELONIES.—

''(A) IN GENERAL.—Subject to subparagraphs (B) and (C), a person shall be imprisoned not more than 5 years, fined not more than $25,000, or both, in the case of a violation of this title involving—

''(i) plant pests;

''(ii) more than 50 pounds of plants;

''(iii) more than 5 pounds of plant products;

''(iv) more than 50 pounds of noxious weeds;

''(v) possession with intent to distribute or sell items described in clause (i), (ii), (iii), or (iv), knowing the items have been involved in a violation of this title; or

''(vi) forging, counterfeiting, or without authority from the Secretary, using, altering, defacing, or destroying a certificate, permit, or other document provided under this title.

''(B) MULTIPLE VIOLATIONS.—On the second and any subsequent conviction of a person of a violation of this title described in subparagraph (A), the person shall be imprisoned not more than 10 years or fined not more than $50,000, or both.

''(C) INTENT TO HARM AGRICULTURE OF UNITED STATES.—In the case of a knowing movement in violation of this title by a person of a plant, plant product, biological control organism, plant pest, noxious weed, article, or means of conveyance into, out of, or within the United States, with the intent to harm the agriculture of the United States by introduction into the United States or dissemination of a plant pest or noxious weed within the United States, the person shall be imprisoned not less than 10 nor more than 20 years, fined not more than $500,000, or both.

''(3) MISDEMEANORS.—

''(A) IN GENERAL.—Subject to subparagraph (B), a person shall be imprisoned not more than 1 year, fined not more than $1,000, or both, in the case of a violation of this title involving—

''(i) 50 pounds or less of plants;

''(ii) 5 pounds or less of plant products; or

''(iii) 50 pounds or less of noxious weeds.

''(B) MULTIPLE VIOLATIONS.—On the second and any subsequent conviction of a person of a violation of this title described in subparagraph (A), the person shall be imprisoned not more than 3 years, fined not more than $10,000, or both.'';

(2) by redesignating subsections (b), (c), and (d) as subsections (c), (e), (f), respectively;

(3) by inserting after subsection (a) the following:

''(b) CRIMINAL FORFEITURE.—

''(1) IN GENERAL.—In imposing a sentence on a person convicted of a violation of this title, in addition to any other penalty imposed under this section and irrespective of any provision of State law, a court shall order that the person forfeit to the United States—

''(A) any of the property of the person used to commit or to facilitate the commission of the violation (other than a misdemeanor); and

''(B) any property, real or personal, constituting, derived from, or traceable to any proceeds that the person obtained directly or indirectly as a result of the violation.

''(2) PROCEDURES.—All property subject to forfeiture under this subsection, any seizure and disposition of the property, and any proceeding relating to the forfeiture shall be subject to the procedures of section 413 of the Comprehensive Drug Abuse Prevention and Control Act of 1970 (21 U.S.C. 853), other than subsections (d) and (q).

''(3) PROCEEDS.—The proceeds from the sale of any forfeited property, and any funds forfeited, under this subsection shall be used—

''(A) first, to reimburse the Department of Justice, the United States Postal Service, and the Department of the Treasury for any costs incurred by the Departments and the Service to initiate and complete the forfeiture proceeding;

''(B) second, to reimburse the Office of Inspector General of the Department of Agriculture for any costs incurred by the Office

in the law enforcement effort resulting in the forfeiture;

''(C) third, to reimburse any Federal or State law enforcement agency for any costs incurred in the law enforcement effort resulting in the forfeiture; and

''(D) fourth, by the Secretary to carry out the functions of the Secretary under this title.''; and

(4) by inserting after subsection (c) (as redesignated by paragraph (2)) the following:

''(d) CIVIL FORFEITURE.—

''(1) IN GENERAL.—There shall be subject to forfeiture to the United States any property, real or personal—

''(A) used to commit or to facilitate the commission of a violation (other than a misdemeanor) described in subsection (a); or

''(B) constituting, derived from, or traceable to proceeds of a violation described in subsection (a).

''(2) PROCEDURES.—

''(A) IN GENERAL.—Subject to subparagraph (B), the procedures of chapter 46 of title 18, United States Code, relating to civil forfeitures shall apply to a seizure or forfeiture under this subsection, to the extent that the procedures are applicable and consistent with this subsection.

''(B) PERFORMANCE OF DUTIES.—Duties imposed on the Secretary of the Treasury under chapter 46 of title 18, United States Code, shall be performed with respect to seizures and forfeitures under this subsection by officers, employees, agents, and other persons designated by the Secretary of Agriculture.'.

SEC. 1034. CONNECTICUT RIVER ATLANTIC SALMON COMMISSION.

(a) EFFECTIVE PERIOD.—Section 3(2) of Public Law 98–138 (Public Law 98–138; 97 Stat. 870) is amended by striking ''twenty'' and inserting ''40''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Public Law 98–138 (97 Stat. 866) is amended by adding at the end the following:

''SEC. 6. AUTHORIZATION OF APPROPRIATIONS.

''There is authorized to be appropriated to the Secretary of the Interior to carry out the activities of the Connecticut River Atlantic Salmon Commission $9,000,000 for each of fiscal years 2002 through 2010.''.

Subtitle D—Administration

SEC. 1041. REGULATIONS.

(a) IN GENERAL.—The Secretary of Agriculture may promulgate such regulations as are necessary to implement this Act and the amendments made by this Act.

(b) PROCEDURE.—The promulgation of the regulations and administration of title I and sections 456 and 508 and the amendments made by title I and sections 456 and 508 shall be made without regard to—

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

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

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

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

SEC. 1042. EFFECT OF AMENDMENTS.

(a) IN GENERAL.—Except as otherwise specifically provided in this Act and notwithstanding any other provision of law, this Act and the amendments made by this Act shall not affect the authority of the Secretary of Agriculture to carry out an agricultural market transition, price support, or production adjustment program for any of the 1996 through 2001 crop, fiscal, or calendar years under a provision of law in effect immediately before the date of enactment of this Act.

(b) LIABILITY.—A provision of this Act or an amendment made by this Act shall not affect the liability of any person under any provision of law as in effect immediately before the date of enactment of this Act.

SA 2472. Mr. CRAPO (for himself, Mr. BINGAMAN, Mr. DOMENICI, Mr. BROWNBACK, Mr. CRAIG, and Mr. VOINOVICH) proposed an amendment to amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

Strike section 132 and insert the following:

SEC. 132. STUDY OF NATIONAL DAIRY POLICY.

(a) STUDY REQUIRED.—Not later than April 30, 2002, the Secretary of Agriculture shall submit to Congress a comprehensive economic evaluation of the potential direct and indirect effects of the various elements of the national dairy policy, including an examination of the effect of the national dairy policy on—

(1) farm price stability, farm profitability and viability, and local rural economies in the United States;

(2) child, senior, and low-income nutrition programs, including impacts on schools and institutions participating in the programs, on program recipients, and other factors; and

(3) the wholesale and retail cost of fluid milk, dairy farms, and milk utilization.

(b) NATIONAL DAIRY POLICY DEFINED.—In this section, the term ''national dairy policy'' means the dairy policy of the United States as evidenced by the following policies and programs:

(1) Federal Milk Marketing Orders.

(2) Interstate dairy compacts (including proposed compacts described in H.R. 1827 and S. 1157, as introduced in the 107th Congress).

(3) Over-order premiums and State pricing programs.

(4) Direct payments to milk producers.

(5) Federal milk price support program.

(6) Export programs regarding milk and dairy products, such as the Dairy Export Incentive Program.

SA 2473. Mr. LUGAR (for himself and Mr. DOMENICI) proposed an amendment to amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

Beginning on page 985, strike subtitle D and all that follows through page 987, line 2 and insert the following:

TITLE XI—COMMODITY PROGRAMS

SEC. 1101. SHORT TITLE.

This title may be cited as the ''Farm Financial Protection Act''.

SEC. 1102. PURPOSES.

The purposes of this title are—

(1) to encourage producers to select strategies for managing risk in the farming or ranching operation of the producer by providing financial assistance that can be applied to the risk management strategy that the producer believes best addresses the unique financial, business, and agricultural conditions of the farm or ranch of the producer; and

(2) to provide new programs that—

(A) allow producers to address the risk management strategies that best suit the farming or ranching operation of the producer; and

(B) do not distort commercial markets and are consistent with international obligations of the United States.

Subtitle A—Farm Financial Protection

SEC. 1111. DEFINITIONS.

In this subtitle:

(1) ADJUSTED GROSS REVENUE.—The term ''adjusted gross revenue'' means the adjusted gross income for all agricultural enterprises of a producer in an applicable year, excluding revenue earned from nonagricultural sources, as determined by the Secretary—

(A) by taking into account gross receipts from the sale of crops and livestock on all agricultural enterprises of the producer, including insurance indemnities resulting from losses in the agricultural enterprises;

(B) by including all farm payments paid by the Secretary for all agricultural enterprises of the producer, including—

(i) a voucher received under section 1112; and

(ii) any marketing loan gains described in section 1001(3)(A) of the Food Security Act of 1985 (7 U.S.C. 1308(3)(A));

(C) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on all agricultural enterprises of the producer; and

(D) as represented on—

(i) a schedule F of the Federal income tax returns of the producer; or

(ii) a comparable tax form related to the agricultural enterprises of the producer, as approved by the Secretary.

(2) AGRICULTURAL COMMODITY.—The term ''agricultural commodity'' means any agricultural commodity, food, feed, fiber, or livestock.

(3) AGRICULTURAL ENTERPRISE.—The term ''agricultural enterprise'' means the production and marketing of all agricultural commodities (including livestock but excluding tobacco) on a farm or ranch.

(4) APPLICABLE YEAR.—The term ''applicable year'' means the year during which the producer elects to receive a voucher under a risk management contract.

(5) AVERAGE ADJUSTED GROSS REVENUE.—The term ''average adjusted gross revenue'' means—

(A) the average of the adjusted gross revenue of a producer for each of the preceding 5 taxable years; or

(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

(6) PRODUCER.—The term ''producer'' means an individual or entity, as determined by the Secretary for an applicable year, that—

(A) shares in the risk of producing, or provides a material contribution in producing, an agricultural commodity for the applicable year;

(B) has a substantial beneficial interest in the agricultural enterprise in which the agricultural commodity is produced;

(C)(i) during each of the preceding 5 taxable years, has filed—

(I) a schedule F of the Federal income tax returns; or

(II) a comparable tax form related to the agricultural enterprises of the individual or entity, as approved by the Secretary; or

(ii) is a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, as determined by the Secretary; and

(D)(i) has earned at least $20,000 in average adjusted gross revenue for each of the preceding 5 taxable years;

(ii) is a limited resource farmer or rancher, as determined by the Secretary; or

(iii) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, has at least $20,000 in estimated income from all agricultural enterprises for the applicable year, as determined by the Secretary.

(7) RISK MANAGEMENT CONTRACT.—The term ''risk management contract'' means a contract entered into under section 1112 annually for each applicable year.

(8) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

SEC. 1112. RISK MANAGEMENT CONTRACT.

(a) OFFER.—The Secretary shall offer to enter into a risk management contract annually for each of the 2003 through 2006 crops with each producer that is engaged in the production of an agricultural commodity for an applicable year.

(b) VOUCHER.—

(1) IN GENERAL.—Under a risk management contract, the Secretary shall pay to a producer a voucher that is equivalent in value to the average adjusted gross revenue of the producer.

(2) PAYMENT RATE.—The payment rate for a voucher each year shall be equal to the total of—

(A) 6 percent for the amount of the average adjusted gross revenue of a producer that is less than $250,000;

(B) 4 percent for the amount of the average adjusted gross revenue of a producer that is $250,000 or more but less than $500,000;

(C) 1 percent for the amount of the average adjusted gross revenue of a producer that is $500,000 or more but less than $1,000,000; and

(D) 0 percent for the amount of the average adjusted gross revenue of a producer that is $1,000,000 or more.

(c) ELIGIBILITY.—

(1) IN GENERAL.—An individual or entity may not receive directly or indirectly a voucher that is equal in value to more than $30,000 in a year.

(2) INELIGIBLE ENTITIES.—An entity shall be ineligible to receive a voucher under this section if the entity is—

(A) an agency of the Federal Government, a State, or a political subdivision of a State;

(B) an entity that has shares traded on a public stock exchange; or

(C) another entity, as determined by the Secretary.

(3) VERIFICATION.—The Secretary shall determine which individuals or entities are eligible for a voucher under this section by using social security numbers or taxpayer identification numbers, respectively.

(d) TERMS.—

(1) IN GENERAL.—In exchange for a voucher under a risk management contract, a producer shall—

(A) purchase whole farm revenue insurance coverage under section 525 of the Federal Crop Insurance Act (as added by section 1113(a)) that provides a revenue guarantee of at least 80 percent of the average adjusted gross revenue of the producer at a payment rate of 100 percent;

(B) contribute an amount that is at least equal to the amount of the voucher to an Account established under section 1114; or

(C) redeem the voucher for a cash payment and use the payment to carry out 1 or more risk management strategies for the farm under section 1115 that are sufficient to guarantee a net income from all agricultural enterprises of the producer for the applicable year that is at least 80 percent of the average adjusted gross revenue of the producer.

(2) CONSERVATION COMPLIANCE.—In addition to implementing 1 of the risk management strategies under paragraph (1), a producer shall agree, in exchange for a voucher, to—

(A) comply with applicable highly erodible land conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.); and

(B) comply with applicable wetland conservation requirements under subtitle C of title XII of that Act (16 U.S.C. 3821 et seq.).

(3) EXCESS VOUCHER AMOUNTS.—

(A) WHOLE FARM REVENUE INSURANCE COVERAGE.—If a producer elects to use a voucher to purchase whole farm revenue insurance coverage under section 525 of the Federal Crop Insurance Act (as added by section 1113(a)) and the amount of the voucher exceeds the premium for the coverage, the producer may only deposit the amount of the voucher that exceeds the premium into an Account in accordance with section 1114.

(B) RISK MANAGEMENT OPTIONS.—If a producer elects to use a voucher to carry out 1 or more risk management strategies under section 1115 and the amount of the voucher exceeds the amount necessary to carry out the strategies, the producer may only deposit the amount of the voucher that exceeds the amount necessary to carry out the strategies into an Account in accordance with section 1114.

(4) TENANTS AND SHARECROPPERS.—In carrying out this subtitle, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(e) ADMINISTRATION.—

(1) APPLICATION.—A producer that elects to enter into a risk management contract for an applicable year shall submit an application to the Secretary prior to the beginning of the calendar year in which the voucher would be paid.

(2) PAYMENT OF VOUCHER.—The Secretary shall make available to the producer the full amount of the voucher required to be paid for the applicable year not earlier than October 1 of the applicable year.

(3) INTERNET.—The Secretary shall facilitate the contract process required under this section, to the maximum extent practicable, by using the Internet.

(4) COMPLIANCE.—The Secretary shall perform random audits of producers that enter into risk management contracts to ensure that the producers comply with the risk management contracts.

(5) VIOLATIONS.—If a producer has accepted a risk management payment for an applicable year and the producer fails to comply with subsection (d) with respect to the applicable year, the producer—

(A) shall refund to the Secretary an amount equal to the amount of the voucher; and

(B) may be determined to be ineligible to receive a voucher under this subtitle for a period of not to exceed 5 years, as determined by the Secretary.

(f) SHARING OF BENEFITS.—The Secretary shall provide for the sharing of benefits under this subtitle among all producers on a farm on a fair and equitable basis.

(g) COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

SEC. 1113. WHOLE FARM REVENUE INSURANCE.

(a) IN GENERAL.—The Federal Crop Insurance Act (7 U.S.C. 1501 et. seq.) is amended by adding at the end the following:

''SEC. 525. WHOLE FARM REVENUE INSURANCE.

''(a) DEFINITIONS.—In this section:

''(1) ADJUSTED GROSS REVENUE.—The term 'adjusted gross revenue' means the adjusted gross income for all agricultural enterprises of a producer, excluding revenue earned from nonagricultural sources, as determined by the Secretary—

''(A) by taking into account gross receipts from the sale of all crops and livestock on all agricultural enterprises of the producer;

''(B) by deducting the cost or basis of livestock or other items purchased for resale, such as feeder livestock, on all agricultural enterprises of the producer; and

''(C) as represented on—

''(i) a schedule F of the Federal income tax returns; or

''(ii) a comparable tax form related to the agricultural enterprises of the producer, as approved by the Secretary.

''(2) AGRICULTURAL COMMODITY.—The term 'agricultural commodity' means any agricultural commodity, livestock (as defined in section 523(b)(1)), food, feed, or fiber.

''(3) AGRICULTURAL ENTERPRISE.—The term 'agricultural enterprise' means the production and marketing of all agricultural commodities (including livestock) on a farm or ranch.

''(4) AVERAGE ADJUSTED GROSS REVENUE.—The term 'average adjusted gross revenue' means—

''(A) the average adjusted gross revenue of a producer for the preceding 5 taxable years; or

''(B) in the case of a beginning farmer or rancher or other producer that does not have adjusted gross revenue for each of the preceding 5 taxable years, the estimated income of the producer that will be earned from all agricultural enterprises for the applicable year, as determined by the Secretary.

''(b) REVENUE INSURANCE.—If a producer elects to use a voucher in accordance with section 1112(d)(1)(A) of the Farm and Ranch Equity Act of 2001, the producer may use the voucher to obtain insurance that provides a revenue guarantee for all agricultural enterprises of the producer.

''(c) REVENUE GUARANTEE.—The amount of the revenue guarantee for a policy of revenue insurance under this section for the agricultural enterprises of a producer shall be equal to the product obtained by multiplying—

''(1) the coverage level; by

''(2) the average adjusted gross revenue of the producer.

''(d) COVERAGE LEVEL.—The coverage level for whole farm revenue insurance under this section shall be 80 percent of the average adjusted gross revenue of a producer.

''(e) PURCHASE OF MULTIPERIL OR REVENUE COVERAGES.—A producer that purchases coverage under this section shall not be required to purchase other policies of multiperil or revenue coverage under this title.

''(f) ADMINISTRATION.—In providing a policy of whole farm revenue insurance to a producer under this section, the Secretary shall—

''(1) offer the policy through a reinsurance agreement with a private insurance company;

''(2) ensure that the policy is actuarially sound;

''(3) require the producer to pay administrative fees and premiums for the policy in accordance with subsections (c)(10) and (d), respectively, of section 508; and

''(4) pay a portion of the premium for the policy in an amount that does not exceed the amount authorized under section 508(e)(2)(F).

''(g) DELIVERY REQUIRED.—Notwithstanding any other provision of law, each insurance company that is reinsured under the Standard Reinsurance Agreement shall offer a whole farm revenue insurance policy described in this section.

''(h) REINSURANCE YEARS.—This section shall apply to each of the 2003 through 2006 reinsurance years.''.

(b) CONFORMING AMENDMENT.—Section 508(e)(2)(F) of the Federal Crop Insurance Act (7 U.S.C. 1508(e)(2)(F)) is amended by inserting ''(including whole farm revenue insurance)'' after ''not based on individual yield''.

SEC. 1114. RISK MANAGEMENT STABILIZATION ACCOUNTS.

(a) DEFINITION OF ACCOUNT.—In this section, the term ''Account'' means a Risk Management Stabilization Account that is established in the name of a participating producer in a bank or financial institution that is selected by the producer and approved by the Secretary, consisting of—

(1) contributions of the producer; and

(2) matching contributions of the Secretary.

(b) ESTABLISHMENT.—If a producer elects to use a voucher in accordance with section 1112(d)(1)(B), the producer shall establish an Account under which—

(1) the producer shall provide monetary contributions to the Account;

(2) the Secretary shall provide a matching contribution to the Account not to exceed an amount equal to the amount of the voucher of the producer; and

(3) the producer may withdraw accumulated funds from the Account.

(c) DEPOSITS.—

(1) PRODUCER CONTRIBUTION.—A producer shall deposit an amount that is at least equal to the amount of the voucher determined under section 1112(b).

(2) MATCHING CONTRIBUTION.—

(A) IN GENERAL.—Subject to subparagraph (C), the Secretary shall provide a matching contribution that is equal to, and may not exceed, the amount deposited by the producer into the Account.

(B) VALUE.—Before a voucher is deposited into an Account under subparagraph (A), the voucher shall have no value during the applicable year.

(C) CONTRIBUTIONS EXCEEDING VOUCHER.—The amount of any producer contributions into the Account that exceed the amount of the voucher shall not be eligible for matching contributions.

(3) INTEREST.—Funds deposited into the Account may earn interest at the commercial rates provided by the bank or financial institution in which the Account is established.

(d) MAXIMUM ACCOUNT BALANCE.—The balance of an Account of a producer may not exceed 150 percent of the average adjusted gross revenue of the producer.

(e) USE.—Funds credited to the Account—

(1) shall be available for withdrawal by a producer, in accordance with subsection (f); and

(2) may be used for purposes determined by the producer.

(f) WITHDRAWAL.—

(1) IN GENERAL.—Subject to paragraphs (2) and (3), a producer may withdraw funds from the Account if the estimated net income for an applicable year from the agricultural enterprises of the producer is less than the average adjusted gross revenue of the producer.

(2) AMOUNT.—The amount of a withdrawal by a producer from an Account may not exceed the difference between (as determined by the Secretary)—

(A) the average adjusted gross revenue of the producer; and

(B) the estimated net income for the agricultural enterprises of the producer for the year for which a withdrawal occurs.

(3) RETIREMENT.—A producer that ceases to be actively engaged in farming, as determined by the Secretary—

(A) may withdraw the full balance from, and close, the Account; and

(B) may not establish another Account.

(g) ADMINISTRATION.—The Secretary shall administer this section through the Farm Service Agency and local and county offices of the Department of Agriculture.

(h) COMMODITY CREDIT CORPORATION.—The Secretary shall use the funds, facilities, and authorities of the Commodity Credit Corporation to carry out this section.

SEC. 1115. RISK MANAGEMENT OPTIONS AVAILABLE IN MARKETPLACE.

(a) DEFINITION OF REGULATED EXCHANGE.—The term ''regulated exchange'' means a board of trade (as defined in section 1a of the Commodity Exchange Act (7 U.S.C. 1a)) that is designated as a contract market under section 2(a)(1)(C) of that Act (7 U.S.C. 2a(a)(1)(C)).

(b) FARM PRICE PROTECTION.—If a producer elects to use a voucher in accordance with section 1112(d)(1)(C), the producer shall redeem the voucher for a cash payment and use the payment to carry out 1 or more risk management strategies for the farm described in subsection (c) during the applicable year that are sufficient to guarantee a net income from all agricultural enterprises of the producer for the applicable year that is at least 80 percent of the average adjusted gross revenue of the producer.

(c) RISK MANAGEMENT STRATEGIES.—A producer may use a cash payment obtained under subsection (b) to purchase—

(1) crop or revenue insurance available under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) (other than whole farm revenue insurance under section 525 of that Act) or private insurance (such as hail coverage);

(2) a future or option on a regulated exchange, as determined by the Secretary;

(3) an agricultural trade option, purchased other than on a regulated exchange, for an agricultural commodity produced by the producer that is—

(A) an equity option (as defined in section 1256(g) of the Internal Revenue Code of 1986); or

(B) a hedging transaction (as defined in section 1256(e)(2) of that Code);

(4) a cash forward or other marketing contract;

(5) a trust that is authorized by Federal law for eligible farming businesses that may be established to accept tax deductible contributions; or

(6) other type of farm price protection that is available in the private sector and approved by the Secretary.

SEC. 1116. CONFORMING AMENDMENTS.

Section 506(m) of the Federal Crop Insurance Act (7 U.S.C. 1506(m)) is amended—

(1) in paragraph (1), by striking ''participation in the multiple peril crop insurance program'' and inserting ''a covered person to participate in the multiple peril crop insurance program (including whole farm revenue insurance under section 525) or entering into a risk management contract under section 1112 of the Farm Financial Protection Act'';

(2) by striking ''policyholder'' each place it appears and inserting ''covered person''; and

(3) in paragraph (2), by striking ''POLICYHOLDERS'' and inserting ''COVERED PERSONS''.

Subtitle B—Phase Out of Commodity Programs

SEC. 1121. PROHIBITION ON AGRICULTURAL PRICE SUPPORT AND PRODUCTION ADJUSTMENT.

(a) IN GENERAL.—Notwithstanding any other provision of law, except as otherwise provided in this subtitle and effective beginning with the 2003 crop or the 2003 marketing, reinsurance, fiscal, or calendar year (as applicable) for each agricultural commodity, the Secretary of Agriculture and the Commodity Credit Corporation may not provide loans, purchases, payments, or other operations or take any other action to support the price, or adjust or control the production, of an agricultural commodity by using the funds, facilities, and authorities of the Commodity Credit Corporation or under the authority of any law.

(b) EXCEPTIONS.—Subsection (a) shall not apply to—

(1) any activities under the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Act of 1937;

(2) section 32 of the Act of August 24, 1935 (7 U.S.C. 612c; 49 Stat. 774, chapter 641);

(3) part I of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1311 et seq.); and

(4) sections 106, 106A, and 106B of the Agricultural Act of 1949 (7 U.S.C. 1445, 1445–1, 1445–2).

SEC. 1122. AGRICULTURAL MARKET TRANSITION ACT.

(a) REPEALS.—

(1) 2003 AND SUBSEQUENT CROPS.—Effective beginning with the 2003 crop, the Agricultural Market Transition Act (7 U.S.C. 7201 et seq.) is repealed, other than the following:

(A) Subtitle A (7 U.S.C. 7201 et seq.).

(B) Sections 131, 132, and 133 (7 U.S.C. 7231, 7232, 7233).

(C) Subsections (a) through (d) of section 134 (7 U.S.C. 7234).

(D) Section 135 (7 U.S.C. 7235).

(E) Sections 141 and 142 (7 U.S.C. 7251, 7252).

(F) Chapter 2 of subtitle D (7 U.S.C. 7271 et seq.).

(G) Sections 161 through 165 (7 U.S.C. 7281 et seq.).

(H) Subtitle H (7 U.S.C. 7331 et seq.).

(2) 2003 AND SUBSEQUENT CALENDAR YEARS.—Effective January 1, 2003, sections 141 and 142 of the Agricultural Market Transition Act (7 U.S.C. 7251, 7252) are repealed.

(3) 2006 AND SUBSEQUENT CROPS.—Effective beginning with the 2006 crop, the following provisions of the Agricultural Market Transition Act (7 U.S.C. 7231 et seq.) are repealed:

(A) Subtitle C (7 U.S.C. 7231 et seq.), other than sections 131 through 134.

(B) Chapter 2 of subtitle D (7 U.S.C. 7271 et seq.), other than section 156(f) (7 U.S.C. 7272(f)).

(b) AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS.—Section 131 of the Agricultural Market Transition Act (7 U.S.C. 7231) is amended —

(1) in subsection (a) by striking ''2002'' and inserting ''2006''; and

(2) by striking subsection (b) and inserting the following:

''(b) ELIGIBLE PRODUCTION.—The producers on a farm shall be eligible for a marketing assistance loan under subsection (a) for any quantity of a loan commodity produced on the farm.''.

(c) LOAN RATES FOR MARKETING ASSISTANCE LOANS.—Section 132 of the Agricultural Market Transition Act (7 U.S.C. 7232) is amended to read as follows:

''SEC. 132. LOAN RATES FOR MARKETING ASSISTANCE LOANS.

''(a) WHEAT.—The loan rate for a marketing assistance loan under section 131 for wheat shall be 90 percent for the 2003 crop, 85 percent for the 2004 crop, 80 percent for the 2005 crop, and 1 percent for the 2006 crop, of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of wheat, excluding the year in which the average price

was the highest and the year in which the average price was the lowest in the period.

''(b) FEED GRAINS.—

''(1) CORN.—The loan rate for a marketing assistance loan under section 131 for corn shall be 90 percent for the 2003 crop, 85 percent for the 2004 crop, 80 percent for the 2005 crop, and 1 percent for the 2006 crop, of the simple average price received by producers of corn, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of corn, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

''(2) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan under section 131 for grain sorghum, barley, and oats, respectively, shall be established at such level as the Secretary determines is fair and reasonable in relation to the rate that loans are made available for corn, taking into consideration the feeding value of the commodity in relation to corn.

''(c) UPLAND COTTON.—The loan rate for a marketing assistance loan under section 131 for upland cotton shall be 90 percent for the 2003 crop, 85 percent for the 2004 crop, 80 percent for the 2005 crop, and 1 percent for the 2006 crop, of the simple average price received by producers of upland cotton, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of upland cotton, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

''(d) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan under section 131 for extra long staple cotton shall be 90 percent for the 2003 crop, 85 percent for the 2004 crop, 80 percent for the 2005 crop, and 1 percent for the 2006 crop, of the simple average price received by producers of extra long staple cotton, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of extra long staple cotton, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

''(e) RICE.—The loan rate for a marketing assistance loan under section 131 for rice shall be 90 percent for the 2003 crop, 85 percent for the 2004 crop, 80 percent for the 2005 crop, and 1 percent for the 2006 crop, of the simple average price received by producers of rice, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of rice, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

''(f) OILSEEDS.—

''(1) SOYBEANS.—The loan rate for a marketing assistance loan under section 131 for soybeans shall be 90 percent for the 2003 crop, 85 percent for the 2004 crop, 80 percent for the 2005 crop, and 1 percent for the 2006 crop, of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of soybeans, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

''(2) SUNFLOWER SEED, CANOLA, RAPESEED, SAFFLOWER, MUSTARD SEED, AND FLAXSEED.—The loan rate for a marketing assistance loan under section 131 for sunflower seed, canola, rapeseed, safflower, mustard seed, and flaxseed, individually, shall be 90 percent for the 2003 crop, 85 percent for the 2004 crop, 80 percent for the 2005 crop, and 1 percent for the 2006 crop, of the simple average price received by producers of sunflower seed, individually, as determined by the Secretary, during the marketing years for the immediately preceding 5 crops of sunflower seed, individually, excluding the year in which the average price was the highest and the year in which the average price was the lowest in the period.

''(3) OTHER OILSEEDS.—The loan rates for a marketing assistance loan under section 131 for other oilseeds shall be established at such level as the Secretary determines is fair and reasonable in relation to the loan rate available for soybeans, except in no event shall the rate for the oilseeds (other than cottonseed) be less than the rate established for soybeans on a per-pound basis for the same crop.''.

(d) PEANUT PROGRAM.—Section 155 of the Agricultural Market Transition Act (7 U.S.C. 7271) is amended by striking subsections (h) and (i) and inserting the following:

''(h) PHASED REDUCTION OF LOAN RATE.—

''(1) IN GENERAL.—For each of the 2003, 2004, and 2005 crops of quota and additional peanuts, the Secretary shall lower the loan rate for each succeeding crop in a manner that progressively and uniformly lowers the loan rate for quota and additional peanuts to $0 for the 2006 crop.

''(2) MARKETING ASSOCIATION COOPERATIVES.—The Secretary shall allow the marketing association cooperatives to set up type pools (specifically Valencia) for peanuts and, if loans are available, they will be able to provide loan storage for peanuts.

''(i) CROPS.—This section shall be effective only for the 1996 through 2005 crops.''.

(e) SUGAR PROGRAM.—Section 156 of the Agricultural Market Transition Act (7 U.S.C. 7272) is amended—

(1) in subsection (e), by striking paragraph (1) and inserting the following:

''(1) LOANS.—The Secretary shall carry out this section through the use of recourse loans.'';

(2) in subsection (f), by striking ''2003'' each place it appears and inserting ''2006'';

(3) by redesignating subsection (i) as subsection (j);

(4) by inserting after subsection (h) the following:

''(i) PHASED REDUCTION OF LOAN RATE.—For each of the 2003, 2004, and 2005 crops of sugar beets and sugarcane, the Secretary shall lower the loan rate for each succeeding crop in a manner that progressively and uniformly lowers the loan rate for sugar beets and sugarcane to $0 for the 2006 crop.''; and

(5) in subsection (j) (as redesignated), by striking ''2002'' and inserting ''2005''.

(f) CONFORMING AMENDMENT.—Section 1240M of the Food Security Act of 1985 (16 U.S.C. 3839bb) is repealed.

SEC. 1123. AGRICULTURAL ADJUSTMENT ACT OF 1938.

(a) REPEALS.—

(1) 2003 AND SUBSEQUENT MARKETING YEARS AND CROPS.—Effective beginning with the 2003 marketing or crop year (as applicable), the Agricultural Adjustment Act of 1938 (7 U.S.C. 1281 et seq.) is repealed, other than the following:

(A) The first section (7 U.S.C. 1281).

(B) Section 301 (7 U.S.C. 1301).

(C) Part I of subtitle B of title III (7 U.S.C. 1311 et seq.).

(D) Part VI of subtitle B of title III (7 U.S.C. 1357 et seq.).

(E) Subtitle C of title III (7 U.S.C. 1361 et seq.).

(F) Subtitle F of title III (7 U.S.C. 1381 et seq.).

(G) Title V (7 U.S.C. 1501 et seq.).

(2) 2006 AND SUBSEQUENT MARKETING YEARS AND CROPS.—Effective beginning with the 2006 marketing year or crop year (as applicable), part VI of subtitle B of title III (7 U.S.C. 1357 et seq.) is repealed.

(b) PEANUT QUOTA.—

(1) EXTENSION.—Sections 358–1, 358b(c), 358c(d), and 358e(i) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1, 1358b(c), 1358c(d), 1359a(i)) are amended by striking ''2002'' each place it appears and inserting ''2005''.

(2) PEANUT QUOTA.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357 et seq.) is amended by adding at the end the following:

"SEC. 358f. PHASED INCREASE IN QUOTA.

''For each of the 2003, 2004, and 2005 crops of quota peanuts, the Secretary shall increase the marketing quota and allotment for each succeeding marketing year in a manner that progressively and uniformly increases the marketing quota to anticipate the elimination of the marketing quota for the 2006 crop.''.

(c) CONFORMING AMENDMENTS.—

(1) REFERENCES TO PARITY PRICES.—Section 302 of the Agricultural Act of 1948 (7 U.S.C. 1301a) is amended by striking subsection (f).

(2) TRANSFER OF ACREAGE ALLOTMENTS.—Section 706 of the Food and Agriculture Act of 1965 (7 U.S.C. 1305) is repealed.

(3) PROJECTED YIELDS.—Section 708 of the Food and Agriculture Act of 1965 (7 U.S.C. 1306) is repealed.

(4) WHEAT DIVERSION PROGRAMS.—Section 327 of the Food and Agriculture Act of 1962 (7 U.S.C. 1339b) is repealed.

(5) FARM MARKETING QUOTAS.—The Joint Resolution entitled ''Joint Resolution relating to corn and wheat marketing quotas under the Agricultural Adjustment Act of 1938, as amended'', approved May 26, 1941 (7 U.S.C. 1330 and 1340), is repealed.

(6) COTTON ACREAGE ALLOTMENTS.—The Act of March 29, 1949 (63 Stat. 17, chapter 38; 7 U.S.C. 1344a), is repealed.

(7) RECONCENTRATION OF COTTON.—The Act of June 16, 1938 (52 Stat. 762, chapter 480; 7 U.S.C. 1383a), is repealed.

(8) REQUIREMENTS FOR CORN.—Section 308 of the Agricultural Act of 1956 (7 U.S.C. 1442) is repealed.

(9) FIELD MEASUREMENT.—Section 1112 of the Omnibus Budget Reconciliation Act of 1987 (101 Stat. 1330–8) is amended by striking subsection (c).

SEC. 1124. COMMODITY CREDIT CORPORATION CHARTER ACT.

(a) IN GENERAL.—Section 5 of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c) is amended—

(1) by striking subsection (a); and

(2) by redesignating subsections (b) through (g) as subsections (a) through (f), respectively.

(b) CONFORMING AMENDMENT.—Section 619 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1738r) is amended by striking ''section 5(f) of the Commodity Credit Corporation Charter Act'' and inserting ''section 5(e) of the Commodity Credit Corporation Charter Act (15 U.S.C. 714c(e))''.

(c) CROPS.—The amendments made by this section apply beginning with the 2006 crop.

SEC. 1125. AGRICULTURAL ACT OF 1949.

(a) IN GENERAL.—The Agricultural Act of 1949 (7 U.S.C. 1421 et seq.) is repealed, other than the following:

(1) The first section (7 U.S.C. 1421 note).

(2) Sections 106, 106A, and 106B (7 U.S.C. 1445, 1445–1, 1445–2).

(3) Section 416 (7 U.S.C. 1431)

(b) CONFORMING AMENDMENTS.—

(1) AMOUNT OF ASSESSMENTS.—Section 4609 of the Omnibus Trade and Competitiveness Act of 1988 (7 U.S.C. 624 note; Public Law 100–418) is repealed.

(2) AMERICAN AGRICULTURE PROTECTION PROGRAM.—Section 1002 of the Food and Agriculture Act of 1977 (7 U.S.C. 1310) is repealed.

(3) ADVANCE RECOURSE LOANS.—Section 13 of the Food Security Improvements Act of 1986 (7 U.S.C. 1433c–1) is repealed.

(4) CONVERSION INTO FUELS.—Section 2001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1435) is amended—

(A) by striking subsection (a); and

(B) in subsection (b)—

(i) by striking the subsection designation;

(ii) by redesignating paragraphs (1) through (4) as subsections (a) through (d), respectively;

(iii) in subsection (a) (as so redesignated), by striking ''During'' and all that follows through ''1949, the'' and inserting ''The''; and

(iv) by striking ''subsection'' each place it appears and inserting ''section''.

(5) REIMBURSEMENT OF CCC.—Section 412 of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1736f) is amended by striking subsection (d).

(6) HONEY ASSESSMENTS.—

(A) Section 9 of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4608) is amended—

(i) by striking subsection (d);

(ii) by redesignating subsections (e) through (i) as subsections (d) through (h), respectively;

(iii) in subsection (a), by striking ''(d), (e), and (i)'' and inserting ''(d) and (h)'';

(iv) in subsection (f) (as so redesignated), by striking ''(f)'' and inserting ''(e)''; and

(v) in subsection (g)(1) (as so redesignated)—

(I) in subparagraph (A), by striking ''(A)''; and

(II) by striking subparagraph (B).

(B) Section 13(b)(2) of the Honey Research, Promotion, and Consumer Information Act (7 U.S.C. 4612(b)(2)) is amended—

(i) in subparagraph (A)(ii), by striking ''4608(h)(1)'' and inserting ''4608(g)(1)''; and

(ii) in subparagraph (B)(ii), by striking ''4608(h)(1)'' and inserting ''4608(g)(1)''.

(7) ESSENTIAL AGRICULTURAL USE.—Section 273 of the Biomass Energy and Alcohol Fuels Act of 1980 (15 U.S.C. 3391a) is amended—

(A) by adding ''and'' at the end of paragraph (1);

(B) by striking paragraph (2); and

(C) by redesignating paragraph (3) as paragraph (2).

(8) INTEREST PENALTIES.—Section 3902(h) of title 31, United States Code, is amended—

(A) by striking paragraph (2); and

(B) by redesignating paragraphs (3) and (4) as paragraphs (2) and (3), respectively.

(9) COLORADO RIVER STORAGE PROJECT.—Section 4 of the Act of April 11, 1956 (70 Stat. 107, chapter 203; 43 U.S.C. 620c), is amended by striking '', as defined in the Agricultural Act of 1949, or any amendment thereof,''.

(10) SURPLUS CROPS.—Section 212 of the Reclamation Projects Authorization and Adjustment Act of 1992 (Public Law 102–575; 106 Stat. 4625) is repealed.

SEC. 1126. AGRICULTURAL ADJUSTMENT ACT.

Effective January 1, 2003, section 8c(5) of the Agricultural Adjustment Act (7 U.S.C. 608c(5)), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937, is amended by adding at the end the following:

''(M) MILK CLASSES.—

''(i) IN GENERAL.—Notwithstanding any other provision of this subsection, the Secretary shall establish—

''(I) 1 class of milk for fluid milk; and

''(II) 1 class of milk for other uses of milk.

''(ii) COMPONENT PRICES.—The classes of milk established under clause (i) shall be used to determine the prices of milk components.''.

SEC. 1127. AGRICULTURAL ACT OF 1970.

Section 813 of the Agricultural Act of 1970 (7 U.S.C. 1427a) is repealed.

SEC. 1128. GENERAL COMMODITY PROVISIONS.

(a) PAYMENT LIMITATIONS.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraph (1) and inserting the following:

''(1) LIMITATION ON VOUCHERS AND PAYMENTS.—

''(A) VOUCHERS.—The total amount of vouchers made under section 1112 of the Farm Financial Protection Act made directly or indirectly to an individual or entity during any applicable year may not exceed $30,000.

''(B) ENVIRONMENTAL QUALITY INCENTIVES PROGRAM.—The total amount of payments made under chapter 4 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3839aa et seq.) made directly or indirectly to an individual or entity during any applicable year may not exceed $50,000.

''(C) ADMINISTRATION.—Notwithstanding any other paragraph of this section, sections 1001A(b), 1001B, and 1001C shall apply to an individual or entity that receives a voucher or payment described in this paragraph.''.

(b) NORMALLY PLANTED ACREAGE.—Section 1001 of the Food and Agriculture Act of 1977 (7 U.S.C. 1309) is repealed.

(c) NORMAL SUPPLY.—Section 1019 of the Food Security Act of 1985 (7 U.S.C. 1310a) is repealed.

(d) DETERMINATIONS OF THE SECRETARY.—Section 1017 of the Food Security Act of 1985 (7 U.S.C. 1385 note; Public Law 99–198) is repealed.

(e) FINANCIAL IMPACT STUDY.—Section 1147 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1421a) is repealed.

(f) PLANTING ON SET-ASIDE ACREAGE.—Section 814 of the Agricultural Act of 1970 (7 U.S.C. 1434) is repealed.

(g) COST OF PRODUCTION STUDY.—Section 808 of the Agricultural Act of 1970 (7 U.S.C. 1441a) is repealed.

(h) STORAGE PAYMENTS.—Section 1124 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1445e note; Public Law 101–624) is repealed.

(i) COMPUTATION OF CARRYOVER.—Section 105 of the Agricultural Act of 1954 (7 U.S.C. 1745) is repealed.

(j) ADJUSTMENT OF LOANS.—Section 2(b) of the Act of December 20, 1944 (12 U.S.C. 1150a(b)), is amended—

(1) by striking ''Agricultural Adjustment Act (of 1933);''; and

(2) by striking ''sections 303'' and all that follows through ''adjustment payments;''.

(k) TARGETED OPTION PAYMENTS.—Section 121 of the Food, Agriculture, Conservation, and Trade Act Amendments of 1991 (105 Stat. 1843) is repealed.

SEC. 1129. SPECIFIC COMMODITY PROVISIONS.

(a) MILK.—Section 101 of the Agriculture and Food Act of 1981 (7 U.S.C. 608c note; Public Law 97–98) is amended by striking subsection (b).

(b) FEED GRAINS.—

(1) RECOURSE LOAN PROGRAM FOR SILAGE.—Section 403 of the Food Security Act of 1985 (7 U.S.C. 1444e–1) is repealed.

(2) CALCULATION OF REFUNDS.—Section 405 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 1445j note; Public Law 101–624) is repealed.

(3) ACREAGE DIVERSION PROGRAMS.—Section 328 of the Food and Agriculture Act of 1962 (7 U.S.C. 1339c) is repealed.

SEC. 1130. EFFECT OF AMENDMENTS.

(a) IN GENERAL.—Except as otherwise specifically provided in this title and notwithstanding any other provision of law, this subtitle and the amendments made by this subtitle shall not affect the authority of the Secretary of Agriculture to carry out an agricultural market transition, price support, or production adjustment program for any of the 1996 through 2002 crops, or for any of the 1996 through 2002 marketing, reinsurance, fiscal, or calendar years, as applicable, under a provision of law in effect immediately before the enactment of this subtitle.

(b) LIABILITY.—A provision of this title or an amendment made by this subtitle shall not affect the liability of any person under any provision of law as in effect immediately before of enactment of this subtitle.

SEC. 1131. CROP.

This subtitle and the amendments made by this subtitle apply beginning with the 2003 crop of each agricultural commodity or the 2003 marketing, reinsurance, fiscal, or calendar year, as applicable.

SEC. 1132. EFFECTIVENESS OF OTHER COMMODITY TITLE.

Title I and the amendments made by title I shall have no effect.

TITLE XII—NUTRITION PROGRAMS

SEC. 1201. SHORT TITLE.

This title may be cited as the ''Food Stamp Simplification Act of 2001''.

Subtitle A—Food Stamp Program

SEC. 1211. CATEGORICAL ELIGIBILITY FOR RECIPIENTS OF CASH ASSISTANCE.

Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended—

(1) in the second sentence, by striking ''receives benefits'' and inserting ''receives cash assistance''; and

(2) in the third sentence, by striking ''receives benefits'' and inserting ''receives cash assistance''.

SEC. 1212. DISREGARDING OF INFREQUENT AND UNANTICIPATED INCOME.

Section 5(d)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(2)) is amended by striking ''$30'' and inserting ''$100''.

SEC. 1213. SIMPLIFIED TREATMENT OF INDIVIDUALS COMPLYING WITH CHILD SUPPORT ORDERS.

(a) EXCLUSION.—Section 5(d)(6) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)(6)) is amended by adding at the end the following: ''including child support payments made by a household member to or for an individual who is not a member of the household if the household member is legally obligated to make the payments,''.

(b) SIMPLIFIED PROCEDURE.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e), by striking paragraph (4) and inserting the following:

''(4) DEDUCTION FOR CHILD SUPPORT PAYMENTS.—

''(A) IN GENERAL.—In lieu of providing an exclusion for legally obligated child support payments made by a household member under subsection (d)(6), a State agency may elect to provide a deduction for the amount of the payments.

''(B) ORDER OF DETERMINING DEDUCTIONS.—A deduction under this paragraph shall be determined before the computation of the excess shelter expense deduction under paragraph (6).''; and

(2) by adding at the end the following:

''(n) STATE OPTIONS TO SIMPLIFY DETERMINATION OF CHILD SUPPORT PAYMENTS MADE BY HOUSEHOLD MEMBERS.—

''(1) IN GENERAL.—Regardless of whether a State agency elects to provide a deduction under subsection (e)(4), the Secretary shall establish simplified procedures to allow State agencies to determine the amount of the legally obligated child support payments made, including procedures to allow the State agency to rely on information from the agency responsible for implementing the program under part D of title IV of the Social Security Act (42 U.S.C. 661 et seq.) concerning payments made in prior months in lieu of obtaining current information from the household.

''(2) DURATION OF DETERMINATION OF AMOUNT OF SUPPORT PAYMENTS.—If a State agency makes a determination of the amount of support payments of a household under paragraph (1), the State agency may provide that the amount of the exclusion or deduction for the household shall not change until the eligibility of the household is next redetermined under section 11(e)(4).''.

SEC. 1214. COORDINATED AND SIMPLIFIED DEFINITION OF INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) by striking ''and (15)'' and inserting ''(15)''; and

(2) by inserting before the period at the end the following: '', (16) at the option of the State agency, any educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like (other than loans, grants, scholarships, fellowships, veterans' educational benefits, and the like excluded under paragraph (3)), to the extent that they are required to be excluded under title XIX of the Social Security Act (42 U.S.C. 1396 et seq.), (17) at the option of the State agency, any State complementary assistance program payments that are excluded for the purpose of determining eligibility for medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), (18) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for, or the amount of, cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.) or medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1), except that this paragraph does not authorize a State agency to exclude wages or salaries, benefits under title I, II, IV, X, XIV, or XVI of the Social Security Act (42 U.S.C. 1381 et seq.), regular payments from a government source (such as unemployment benefits and general assistance), worker's compensation, child support payments made to a household member by an individual who is legally obligated to make the payments, or such other types of income the consideration of which the Secretary determines by regulation to be essential to equitable determinations of eligibility and benefit levels''.

SEC. 1215. EXCLUSION OF INTEREST AND DIVIDEND INCOME.

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) (as amended by section 1214(2)) is amended by inserting before the period at the end the following: '', and (19) any interest or dividend income received by a member of the household''.

SEC. 1216. ALIGNMENT OF STANDARD DEDUCTION WITH POVERTY LINE.

Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

''(1) STANDARD DEDUCTION.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall allow a standard deduction for each household that is—

''(i) equal to the applicable percentage specified in subparagraph (D) of the income standard of eligibility established under subsection (c)(1); but

''(ii) not less than the minimum deduction specified in subparagraph (E).

''(B) GUAM.—The Secretary shall allow a standard deduction for each household in Guam that is—

''(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

''(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

''(C) HOUSEHOLDS OF 6 OR MORE MEMBERS.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

''(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

''(i) 8 percent for fiscal year 2002;

''(ii) 8.5 percent for each of fiscal years 2003 through 2005;

''(iii) 9 percent for each of fiscal years 2006 through 2008;

''(iv) 9.5 percent for each of fiscal years 2009 and 2010; and

''(v) 10 percent for each fiscal year thereafter.

''(E) MINIMUM DEDUCTION.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.''.

SEC. 1217. SIMPLIFIED DEPENDENT CARE DEDUCTION.

Section 5(e)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(3)) is amended by adding at the end the following:

''(C) STANDARD DEPENDENT CARE ALLOWANCES.—

''(i) ESTABLISHMENT OF ALLOWANCES.—

''(I) IN GENERAL.—In determining the dependent care deduction under this paragraph, in lieu of requiring the household to establish the actual dependent care costs of the household, a State agency may use standard dependent care allowances established under subclause (II) for each dependent for whom the household incurs costs for care.

''(II) AMENDMENT TO STATE PLAN.—A State agency that elects to use standard dependent care allowances under subclause (I) shall submit for approval by the Secretary an amendment to the State plan of operation under section 11(d) that—

''(aa) describes the allowances that the State agency will use; and

''(bb) includes supporting documentation.

''(ii) HOUSEHOLD ELECTION.—

''(I) IN GENERAL.—Except as provided in clause (iii), a household may elect to have the dependent care deduction of the household based on actual dependent care costs rather that the allowances established under clause (i).

''(II) FREQUENCY.—The Secretary may by regulation limit the frequency with which households may make the election described in subclause (I) or reverse the election.

''(iii) MANDATORY DEPENDENT CARE ALLOWANCES.—The State agency may make the use of standard dependent care allowances established under clause (i) mandatory for all households that incur dependent care costs.''.

SEC. 1218. SIMPLIFIED DETERMINATION OF HOUSING COSTS.

(a) IN GENERAL.—Section 5(e)(7) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(7)) is amended—

(1) in subparagraph (A)—

(A) by striking ''A household'' and inserting the following:

''(i) IN GENERAL.—A household''; and

(B) by adding at the end the following:

''(ii) INCLUSION OF CERTAIN PAYMENTS.—In determining the shelter expenses of a household under this paragraph, the State agency shall include any required payment to the landlord of the household without regard to whether the required payment is designated to pay specific charges.''; and

(2) by adding at the end the following:

''(D) HOMELESS HOUSEHOLDS.—

''(i) ALTERNATIVE DEDUCTION.—In lieu of the deduction provided under subparagraph (A), a State agency may elect to allow a household in which all members are homeless individuals, but that is not receiving free shelter throughout the month, to receive a deduction of $143 per month.

''(ii) INELIGIBILITY.—The State agency may make a household with extremely low shelter costs ineligible for the alternative deduction under clause (i).''.

(b) CONFORMING AMENDMENTS.—Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(1) in subsection (e)—

(A) by striking paragraph (5); and

(B) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively; and

(2) in subsection (k)(4)(B), by striking ''subsection (e)(7)'' and inserting ''subsection (e)(6)''.

SEC. 1219. SIMPLIFIED DETERMINATION OF UTILITY COSTS.

Section 5(e)(6)(C)(iii) of the Food Stamp Act of 1977 (as amended by section 1218(b)(1)(B)) is amended—

(1) in subclause (I)(bb), by inserting ''(without regard to subclause (III))'' after ''Secretary finds''; and

(2) by adding at the end the following:

''(III) INAPPLICABILITY OF CERTAIN RESTRICTIONS.—Clauses (ii)(II) and (ii)(III) shall not apply in the case of a State agency that has made the use of a standard utility allowance mandatory under subclause (I).''.

SEC. 1220. SIMPLIFIED DETERMINATION OF EARNED INCOME.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) is amended by adding at the end the following:

''(C) SIMPLIFIED DETERMINATION OF EARNED INCOME.—

''(i) IN GENERAL.—A State agency may elect to determine monthly earned income by multiplying weekly income by 4 and biweekly income by 2.

''(ii) ADJUSTMENT OF EARNED INCOME DEDUCTION.—A State agency that makes an election described in clause (i) shall adjust the earned income deduction under subsection (e)(2)(B) to the extent necessary to prevent the election from resulting in increased costs to the food stamp program, as determined consistent with standards promulgated by the Secretary.''.

SEC. 1221. SIMPLIFIED DETERMINATION OF DEDUCTIONS.

Section 5(f)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(f)(1)) (as amended by section 1220) is amended by adding at the end the following:

''(D) SIMPLIFIED DETERMINATION OF DEDUCTIONS.—

''(i) IN GENERAL.—Except as provided in clause (ii), for the purposes of subsection (e), a State agency may elect to disregard until the next redetermination of eligibility under section 11(e)(4) 1 or more types of changes in the circumstances of a household that affect the amount of deductions the household may claim under subsection (e).

''(ii) CHANGES THAT MAY NOT BE DISREGARDED.—Under clause (i), a State agency may not disregard—

''(I) any reported change of residence; or

''(II) under standards prescribed by the Secretary, any change in earned income.''.

SEC. 1222. SIMPLIFIED RESOURCE ELIGIBILITY LIMIT.

Section 5(g)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(1)) is amended by striking ''a member who is 60 years of age or older'' and inserting ''an elderly or disabled member''.

SEC. 1223. EXCLUSION OF LICENSED VEHICLES FROM FINANCIAL RESOURCES.

(a) IN GENERAL.—Section 5(g)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)) is amended—

(1) in subparagraph (B)—

(A) in clause (iii), by adding ''and'' at the end;

(B) by striking clause (iv); and

(C) by redesignating clause (v) as clause (iv);

(2) by striking subparagraph (C) and inserting the following:

''(C) EXCLUDED VEHICLES.—The Secretary shall exclude from financial resources any licensed vehicle used for household transportation.''; and

(3) by striking subparagraph (D).

(b) CONFORMING AMENDMENT.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h).

SEC. 1224. EXCLUSION OF RETIREMENT ACCOUNTS FROM FINANCIAL RESOURCES.

Section 5(g)(2)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)(2)(B)) (as amended by section 1223(a)(1)) is amended by striking clause (iv) and inserting the following:

''(iv) any savings account (other than a retirement account (including an individual account)).''.

SEC. 1225. COORDINATED AND SIMPLIFIED DEFINITION OF RESOURCES.

Section 5(g) of the Food Stamp Act of 1977 (7 U.S.C. 2014(g)) is amended by adding at the end the following:

''(6) EXCLUSION OF TYPES OF FINANCIAL RESOURCES NOT CONSIDERED UNDER CERTAIN OTHER FEDERAL PROGRAMS.—

''(A) IN GENERAL.—Subject to subparagraph (B), the Secretary shall promulgate regulations under which a State agency may, at the option of the State agency, exclude from financial resources under this subsection any types of financial resources that the State agency does not consider when determining eligibility for—

''(i) cash assistance under a program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.); or

''(ii) medical assistance under section 1931 of the Social Security Act (42 U.S.C. 1396u–1).

''(B) LIMITATIONS.—Subparagraph (A) does not authorize a State agency to exclude—

''(i) cash;

''(ii) amounts in any account in a financial institution that are readily available to the household; or

''(iii) any other similar type of resource the inclusion in financial resources of which the Secretary determines by regulation to be essential to equitable determinations of eligibility under the food stamp program, except to the extent that any of those types of resources are excluded under another paragraph of this subsection.''.

SEC. 1226. ALTERNATIVE ISSUANCE SYSTEMS IN DISASTERS.

Section 5(h)(3)(B) of the Food Stamp Act of 1977 (7 U.S.C. 2014(h)(3)(B)) is amended—

(1) in the first sentence, by inserting ''issuance methods and'' after ''shall adjust''; and

(2) in the second sentence, by inserting '', any conditions that make reliance on electronic benefit transfer systems described in section 7(i) impracticable,'' after ''personnel''.

SEC. 1227. SIMPLIFIED REPORTING SYSTEMS.

Section 6(c)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)(1)) is amended—

(1) in subparagraph (B), by striking ''on a monthly basis''; and

(2) by adding at the end the following:

''(D) FREQUENCY OF REPORTING.—

''(i) IN GENERAL.—Except as provided in subparagraphs (A) and (C), a State agency may require households that report on a periodic basis to submit reports—

''(I) not less often than once each 6 months; but

''(II) not more often than once each month.

''(ii) REPORTING BY HOUSEHOLDS WITH EXCESS INCOME.—A household required to report less often than once each 3 months shall, notwithstanding subparagraph (B), report in a manner prescribed by the Secretary if the income of the household for any month exceeds the standard established under section 5(c)(2).''.

SEC. 1228. SIMPLIFIED TIME LIMIT.

(a) IN GENERAL.—Section 6(o) of the Food Stamp Act of 1977 (7 U.S.C. 2015(o)) is amended—

(1) in paragraph (2)—

(A) by striking ''36-month'' and inserting ''12-month'';

(B) by striking ''3'' and inserting ''6''; and

(C) in subparagraph (D), by striking ''(4), (5), or (6)'' and inserting ''(4), or (5)'';

(2) by striking paragraph (5);

(3) in paragraph (6)(A)(ii)—

(A) in subclause (III), by adding ''and'' at the end;

(B) in subclause (IV), by striking ''; and'' and inserting a period; and

(C) by striking subclause (V); and

(4) by redesignating paragraphs (6) and (7) as paragraphs (5) and (6), respectively.

(b) IMPLEMENTATION OF AMENDMENTS.—For the purpose of implementing the amendments made by subsection (a), a State agency shall disregard any period during which an individual received food stamp benefits before the effective date of this title.

SEC. 1229. PRESERVATION OF ACCESS TO ELECTRONIC BENEFITS.

(a) IN GENERAL.—Section 7(i)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(1)) is amended by adding at the end the following:

''(E) ACCESS TO ELECTRONIC BENEFIT TRANSFER SYSTEMS.—

''(i) IN GENERAL.—No benefits shall be taken off-line or otherwise made inaccessible because of inactivity until at least 180 days have elapsed since a household last accessed the account of the household.

''(ii) NOTICE TO HOUSEHOLD.—In a case in which benefits are taken off-line or otherwise made inaccessible, the household shall be sent a notice that—

''(I) explains how to reactivate the benefits; and

''(II) offers assistance if the household is having difficulty accessing the benefits of the household.''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply with respect to each State agency beginning on the date on which the State agency, after the date of enactment of this Act, enters into a contract to operate an electronic benefit transfer system.

SEC. 1230. COST-NEUTRALITY FOR ELECTRONIC BENEFIT TRANSFER SYSTEMS.

Section 7(i)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2016(i)(2)) is amended—

(1) by striking subparagraph (A); and

(2) by redesignating subparagraphs (B) through (I) as subparagraphs (A) through (H), respectively.

SEC. 1231. SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.

(a) IN GENERAL.—Section 8 of the Food Stamp Act of 1977 (7 U.S.C. 2017) is amended by adding at the end the following:

''(f) SIMPLIFIED PROCEDURES FOR RESIDENTS OF CERTAIN GROUP FACILITIES.—

''(1) IN GENERAL.—At the option of the State agency, allotments for residents of facilities described in subparagraph (B), (C), (D), or (E) of section 3(i)(5) may be determined and issued under this subsection in lieu of subsection (a).

''(2) AMOUNT OF ALLOTMENT.—The allotment for each eligible resident described in paragraph (1) shall be calculated in accordance with standardized procedures established by the Secretary that take into account the allotments typically received by residents of facilities described in paragraph (1).

''(3) ISSUANCE OF ALLOTMENT.—

''(A) IN GENERAL.—The State agency shall issue an allotment determined under this subsection to the administration of a facility described in paragraph (1) as the authorized representative of the residents of the facility.

''(B) ADJUSTMENT.—The Secretary shall establish procedures to ensure that a facility described in paragraph (1) does not receive a greater proportion of a resident's monthly allotment than the proportion of the month during which the resident lived in the facility.

''(4) DEPARTURES OF COVERED RESIDENTS.—

''(A) NOTIFICATION.—Any facility described in paragraph (1) that receives an allotment for a resident under this subsection shall—

''(i) notify the State agency promptly on the departure of the resident; and

''(ii) notify the resident, before the departure of the resident, that the resident—

''(I) is eligible for continued benefits under the food stamp program; and

''(II) should contact the State agency concerning continuation of the benefits.

''(B) ISSUANCE TO DEPARTED RESIDENTS.—On receiving a notification under subparagraph (A)(i) concerning the departure of a resident, the State agency—

''(i) shall promptly issue the departed resident an allotment for the days of the month after the departure of the resident (calculated in a manner prescribed by the Secretary) unless the departed resident reapplies to participate in the food stamp program; and

''(ii) may issue an allotment for the month following the month of the departure (but not any subsequent month) based on this subsection unless the departed resident reapplies to participate in the food stamp program.

''(C) STATE OPTION.—The State agency may elect not to issue an allotment under subparagraph (B)(i) if the State agency lacks sufficient information on the location of the departed resident to provide the allotment.

''(D) EFFECT OF REAPPLICATION.—If the departed resident reapplies to participate in the food stamp program, the allotment of the departed resident shall be determined without regard to this subsection.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(i) of the Food Stamp Act of 1977 (7 U.S.C. 2012(i)) is amended—

(A) by striking ''(i) 'Household' means (1) an'' and inserting the following:

''(i)(1) 'Household' means—

''(A) an'';

(B) in the first sentence, by striking ''others, or (2) a group'' and inserting the following: ''others; or

''(B) a group'';

(C) in the second sentence, by striking ''Spouses'' and inserting the following:

''(2) Spouses'';

(D) in the third sentence, by striking ''Notwithstanding'' and inserting the following:

''(3) Notwithstanding'';

(E) in paragraph (3) (as designated by subparagraph (D)), by striking ''the preceding sentences'' and inserting ''paragraphs (1) and (2)'';

(F) in the fourth sentence, by striking ''In no event'' and inserting the following:

''(4) In no event'';

(G) in the fifth sentence, by striking ''For the purposes of this subsection, residents'' and inserting the following:

''(5) For the purposes of this subsection, the following persons shall not be considered to be residents of institutions and shall be considered to be individual households:

''(A) Residents''; and

(H) in paragraph (5) (as designated by subparagraph (G))—

(i) by striking ''Act, or are individuals'' and inserting the following: ''Act.

''(B) Individuals'';

(ii) by striking ''such section, temporary'' and inserting the following: ''that section.

''(C) Temporary'';

(iii) by striking ''children, residents'' and inserting the following: ''children.

''(D) Residents'';

(iv) by striking ''coupons, and narcotics'' and inserting the following: ''coupons.

''(E) Narcotics''; and

(v) by striking ''shall not'' and all that follows and inserting a period.

(2) Section 5(a) of the Food Stamp Act of 1977 (7 U.S.C. 2014(a)) is amended by striking ''the third sentence of section 3(i)'' each place it appears and inserting ''section 3(i)(4)''.

(3) Section 8(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2017(e)(1)) is amended by striking ''the last sentence of section 3(i)'' and inserting ''section 3(i)(5)''.

(4) Section 17(b)(1)(B)(iv)(III)(aa) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(aa)) is amended by striking ''the last 2 sentences of section 3(i)'' and inserting ''paragraphs (4) and (5) of section 3(i)''.

SEC. 1232. REDEMPTION OF BENEFITS THROUGH GROUP LIVING ARRANGEMENTS.

Section 10 of the Food Stamp Act of 1977 (7 U.S.C. 2019) is amended by inserting after the first sentence the following: ''Notwithstanding the preceding sentence, a center, organization, institution, shelter, group living arrangement, or establishment described in that sentence may be authorized to redeem coupons through a financial institution described in that sentence if the center, organization, institution, shelter, group living arrangement, or establishment is equipped with 1 or more point-of-sale devices and is operating in an area in which an electronic benefit transfer system described in section 7(i) has been implemented.''.

SEC. 1233. SIMPLIFIED DETERMINATIONS OF CONTINUING ELIGIBILITY.

(a) IN GENERAL.—Section 11(e) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)) is amended—

(1) by striking paragraph (4) and inserting the following:

''(4)(A) that the State agency shall periodically require each household to cooperate in a redetermination of the eligibility of the household.

''(B) A redetermination under subparagraph (A) shall—

''(i) be based on information supplied by the household; and

''(ii) conform to standards established by the Secretary.

''(C) The interval between redeterminations of eligibility under subparagraph (A) shall not exceed the eligibility review period;'' and

(2) in paragraph (10)—

(A) by striking ''within the household's certification period''; and

(B) by striking ''or until'' and all that follows through ''occurs earlier''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended—

(A) by striking ''Certification period'' and inserting ''Eligibility review period''; and

(B) by striking ''certification period'' each place it appears and inserting ''eligibility review period''.

(2) Section 5 of the Food Stamp Act of 1977 (7 U.S.C. 2014) is amended—

(A) in subsection (d)(2), by striking ''in the certification period which'' and inserting ''that''; and

(B) in subsection (e) (as amended by section 1218(b)(1)(B))—

(i) in paragraph (5)(B)(ii)—

(I) in subclause (II), by striking ''certification period'' and inserting ''eligibility review period''; and

(II) in subclause (III), by striking ''has been anticipated for the certification period'' and inserting ''was anticipated when the household applied or at the most recent redetermination of eligibility for the household''; and

(ii) in paragraph (6)(C)(iii)(II), by striking ''the end of a certification period'' and inserting ''each redetermination of the eligibility of the household''.

(3) Section 6 of the Food Stamp Act of 1977 (7 U.S.C. 2015) is amended—

(A) in subsection (c)(1)(C)(iv), by striking ''certification period'' each place it appears and inserting ''interval between required redeterminations of eligibility''; and

(B) in subsection (d)(1)(D)(v)(II), by striking ''a certification period'' and inserting ''an eligibility review period''.

(4) Section 8(c) of the Food Stamp Act of 1977 (7 U.S.C. 2017(c)) is amended—

(A) in the second sentence of paragraph (1), by striking ''within a certification period''; and

(B) in paragraph (2)(B), by striking ''expiration of'' and all that follows through ''during a certification period,'' and inserting ''termination of benefits to the household,''.

(5) Section 11(e)(16) of the Food Stamp Act of 1977 (7 U.S.C. 2020(e)(16)) is amended by striking ''the certification or recertification'' and inserting ''determining the eligibility''.

SEC. 1234. SIMPLIFIED APPLICATION PROCEDURES FOR THE ELDERLY AND DISABLED.

(a) IN GENERAL.—Section 11(i) of the Food Stamp Act of 1977 (7 U.S.C. 2020(i)) is amended—

(1) in paragraph (1)—

(A) by striking ''income shall be informed'' and inserting the following: ''income shall be—

''(A) informed'';

(B) by striking ''program and be assisted'' and inserting the following: ''program;

''(B) assisted''; and

(C) by striking ''office and be certified'' and inserting the following: ''office; and

''(C) certified''; and

(2) by adding at the end the following:

''(3) DUAL-PURPOSE APPLICATIONS.—

''(A) IN GENERAL.—Under regulations promulgated by the Secretary after consultation with the Commissioner of Social Security, a State agency may enter into a memorandum of understanding with the Commissioner under which an application for supplemental security income benefits under title XVI of the Social Security Act (42 U.S.C. 1381 et seq.) from a household composed entirely of applicants for or recipients of those benefits shall also be considered to be an application for benefits under the food stamp program.

''(B) CERTIFICATION; REPORTING REQUIREMENTS.—A household covered by a memorandum of understanding under subparagraph (A)—

''(i) shall be certified based exclusively on information provided to the Commissioner, including such information as the Secretary shall require to be collected under the terms of any memorandum of understanding under this paragraph; and

''(ii) shall not be subject to any reporting requirement under section 6(c).

''(C) EXCEPTIONS TO VALUE OF ALLOTMENT.—The Secretary shall provide by regulation for such exceptions to section 8(a) as are necessary because a household covered by a memorandum of understanding under subparagraph (A) did not complete an application under subsection (e)(2).

''(D) COVERAGE.—In accordance with standards promulgated by the Secretary, a memorandum of understanding under subparagraph (A) need not cover all classes of applicants and recipients referred to in subparagraph (A).

''(E) EXEMPTION FROM CERTAIN APPLICATION PROCEDURES.—In the case of any member of a household covered by a memorandum of understanding under subparagraph (A), the Commissioner shall not be required to comply with—

''(i) subparagraph (B) or (C) of paragraph (1); or

''(ii) subsection (j)(1)(B).

''(F) RIGHT TO APPLY UNDER REGULAR PROGRAM.—The Secretary shall ensure that each household covered by a memorandum of understanding under subparagraph (A) is informed that the household may—

''(i)(I) submit an application under subsection (e)(2); and

''(II) have the eligibility and value of the allotment of the household under the food stamp program determined without regard to this paragraph; or

''(ii) decline to participate in the food stamp program.

''(G) TRANSITION PROVISION.—Notwithstanding the requirement for the promulgation of regulations under subparagraph (A), the Secretary may approve a request from a State agency to enter into a memorandum of understanding in accordance with this paragraph during the period—

''(i) beginning on the date of enactment of this paragraph; and

''(ii) ending on the earlier of—

''(I) the date of promulgation of the regulations; or

''(II) the date that is 3 years after the date of enactment of this paragraph.''.

(b) CONFORMING AMENDMENTS.—Section 11(j)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2020(j)(1)) is amended—

(1) by striking ''shall be informed'' and inserting the following: ''shall be—

''(A) informed''; and

(2) by striking ''program and informed'' and inserting the following: ''program; and

''(B) informed''.

SEC. 1235. TRANSITIONAL FOOD STAMPS FOR FAMILIES MOVING FROM WELFARE.

(a) IN GENERAL.—Section 11 of the Food Stamp Act of 1977 (7 U.S.C. 2020) is amended by adding at the end the following:

''(s) TRANSITIONAL BENEFITS OPTION.—

''(1) IN GENERAL.—A State agency may provide transitional food stamp benefits to a household that ceases to receive cash assistance under a State program funded under part A of title IV of the Social Security Act (42 U.S.C. 601 et seq.).

''(2) TRANSITIONAL BENEFITS PERIOD.—Under paragraph (1), a household may continue to receive food stamp benefits for a period of not more than 6 months after the date on which cash assistance is terminated.

''(3) AMOUNT OF BENEFITS.—During the transitional benefits period under paragraph (2), a household shall receive an amount of food stamp benefits equal to the allotment received in the month immediately preceding the date on which cash assistance was terminated, adjusted for—

''(A) the change in household income as a result of the termination of cash assistance; and

''(B) any changes in circumstances that may result in an increase in the food stamp allotment of the household and that the household elects to report.

''(4) DETERMINATION OF FUTURE ELIGIBILITY.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

''(A) require the household to cooperate in a redetermination of eligibility; and

''(B) initiate a new eligibility review period for the household without regard to whether the preceding eligibility review period has expired.

''(5) LIMITATION.—A household shall not be eligible for transitional benefits under this subsection if the household—

''(A) loses eligibility under section 6;

''(B) is sanctioned for a failure to perform an action required by Federal, State, or local law relating to a cash assistance program described in paragraph (1); or

''(C) is a member of any other category of households designated by the State agency as ineligible for transitional benefits.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 3(c) of the Food Stamp Act of 1977 (7 U.S.C. 2012(c)) is amended by adding at the end the following: ''The limits specified in this section may be extended until the end of any transitional benefit period established under section 11(s).''.

(2) Section 6(c) of the Food Stamp Act of 1977 (7 U.S.C. 2015(c)) is amended by striking ''No household'' and inserting ''Except in a case in which a household is receiving transitional benefits during the transitional benefits period under section 11(s), no household''.

SEC. 1236. QUALITY CONTROL.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1), by striking ''enhances payment accuracy'' and all that follows through ''(A) the Secretary'' and inserting the following: ''enhances payment accuracy and that has the following elements:

''(A) CORRECTIVE ACTION PLANS.—The Secretary shall foster management improvements by the States by requiring State agencies to develop and implement corrective action plans to reduce payment errors.

''(B) INVESTIGATION AND INITIAL SANCTIONS.—

''(i) INVESTIGATION.—Except as provided under subparagraph (C), for any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, the Secretary shall investigate the administration by the State agency of the food stamp program unless the Secretary determines that sufficient information is already available to review the administration by the State agency.

''(ii) INITIAL SANCTIONS.—If an investigation under clause (i) results in a determination that the State agency has been seriously negligent (as determined under standards promulgated by the Secretary), the State agency shall pay the Secretary an amount that reflects the extent of such negligence (as determined under standards promulgated by the Secretary), not to exceed 5 percent of the amount provided to the State agency under subsection (a) for the fiscal year.

''(C) ADDITIONAL SANCTIONS.—If, for any fiscal year, the Secretary determines that a 95 percent statistical probability exists that the payment error rate of a State agency exceeds the national performance measure for payment error rates announced under paragraph (6) by more than 1 percentage point, other than for good cause shown, and that the State agency was sanctioned under this paragraph or was the subject of an investigation or review under subparagraph (B)(i) for each of the 2 immediately preceding fiscal years, the State agency shall pay to the Secretary an amount equal to the product obtained by multiplying—

''(i) the value of all allotments issued by the State agency in the fiscal year;

''(ii) the lesser of—

''(I) the ratio that—

''(aa) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year; bears to

''(bb) 10 percent; or

''(II) 1; and

''(iii) the amount by which the payment error rate of the State agency for the fiscal year exceeds by more than 1 percentage point the national performance measure for the fiscal year.'';

(2) in paragraph (2)(A), by inserting before the semicolon the following: '', as adjusted downward as appropriate under paragraph (10)'';

(3) in the first sentence of paragraph (4), by striking '', enhanced administrative funding,'' and all that follows and inserting ''under this subsection, high performance bonus payment under paragraph (11), or claim for payment error under paragraph (1).'';

(4) in the first sentence of paragraph (5), by striking ''to establish'' and all that follows and inserting the following: ''to establish the payment error rate for the State agency for the fiscal year, to comply with paragraph (10), and to determine the amount of any high performance bonus payment of the State agency under paragraph (11) or claim under paragraph (1).'';

(5) in the first sentence of paragraph (6), by striking ''incentive payments or claims pursuant to paragraphs (1)(A) and (1)(C),'' and inserting ''claims under paragraph (1),''; and

(6) by adding at the end the following:

''(10) ADJUSTMENTS OF PAYMENT ERROR RATE.—

''(A) IN GENERAL.—

''(i) FISCAL YEAR 2002.—Subject to clause (ii), for fiscal year 2002, in applying paragraph (1), the Secretary shall adjust the payment error rate determined under paragraph (2)(A) as necessary to eliminate any increases in errors that result from the State agency's serving a higher percentage of households with earned income, households with 1 or more members who are not United States citizens, or both, than the lesser of, as the case may be—

''(I) the percentage of households of the corresponding type that receive food stamps nationally; or

''(II) the percentage of—

''(aa) households with earned income that received food stamps in the State in fiscal year 1992; or

''(bb) households with members who are not United States citizens that received food stamps in the State in fiscal year 1998.

''(ii) EXPANDED APPLICABILITY TO STATE AGENCIES SUBJECT TO SANCTIONS.—In the case of a State agency subject to sanctions for fiscal year 2001 or any fiscal year thereafter under paragraph (1), the adjustments described in clause (i) shall apply to the State agency for the fiscal year.

''(B) CONTINUATION OR MODIFICATION OF ADJUSTMENTS.—For fiscal year 2003 and each fiscal year thereafter, the Secretary may determine whether the continuation or modification of the adjustments described in subparagraph (A)(i) or the substitution of other adjustments is most consistent with achieving the purposes of this Act.''.

(b) CONFORMING AMENDMENT.—Section 22(h) of the Food Stamp Act of 1977 (7 U.S.C. 2031(h)) is amended by striking the last sentence.

(c) APPLICABILITY.—Except as otherwise provided in the amendments made by subsection (a), the amendments made by subsection (a) shall apply to fiscal year 2001 and each fiscal year thereafter.

SEC. 1237. IMPROVEMENT OF CALCULATION OF STATE PERFORMANCE MEASURES.

(a) IN GENERAL.—Section 16(c)(8) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)(8)) is amended—

(1) in subparagraph (B), by striking ''180 days after the end of the fiscal year'' and inserting ''the first May 31 after the end of the fiscal year referred to in subparagraph (A)''; and

(2) in subparagraph (C), by striking ''30 days thereafter'' and inserting ''the first June 30 after the end of the fiscal year referred to in subparagraph (A)''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 1238. BONUSES FOR STATES THAT DEMONSTRATE HIGH PERFORMANCE.

(a) IN GENERAL.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) (as amended by section 1236(a)(6)) is amended—

(1) in the first sentence of paragraph (1), by striking ''enhanced administrative funding to States with the lowest error rates.'' and inserting ''bonus payments to States that demonstrate high levels of performance.''; and

(2) by adding at the end the following:

''(11) HIGH PERFORMANCE BONUS PAYMENTS.—

''(A) IN GENERAL.—For each fiscal year, the Secretary shall—

''(i) measure the performance of each State agency with respect to each of the performance measures specified in subparagraph (B); and

''(ii) subject to subparagraph (D), make high performance bonus payments to the State agencies with the highest achievement with respect to those performance measures.

''(B) PERFORMANCE MEASURES.—The performance measures specified in this subparagraph are—

''(i)(I) the greatest dollar amount of total claims collected in the fiscal year as a proportion of the overpayment dollar amount in the previous fiscal year; and

''(II) the greatest percentage point improvement under clause (i)(I) from the previous fiscal year to the fiscal year;

''(ii) the greatest improvement from the previous fiscal year to the fiscal year in the ratio, expressed as a percentage, that—

''(I) the number of households in the State that—

''(aa) have incomes less than 130 percent of the poverty line (as defined in section 673 of the Community Services Block Grant Act (42 U.S.C. 9902));

''(bb) are eligible for food stamp benefits; and

''(cc) receive food stamps benefits; bears to

''(II) the number of households in the State that—

''(aa) have incomes less than 130 percent of the poverty line (as so defined); and

''(bb) are eligible for food stamp benefits;

''(iii) the lowest overpayment error rate;

''(iv) the greatest percentage point improvement from the previous fiscal year to the fiscal year in the overpayment error rate;

''(v) the lowest negative error rate;

''(vi) the greatest percentage point improvement from the previous year to the fiscal year in the negative error rate;

''(vii) the lowest underpayment error rate;

''(viii) the greatest percentage point improvement from the previous year to the fiscal year in the underpayment error rate;

''(ix) the greatest percentage of new applications processed within the deadlines established under paragraphs (3) and (9) of section 11(e); and

''(x) the least average period of time needed to process applications under paragraphs (3) and (9) of section 11(e).

''(C) HIGH PERFORMANCE BONUS PAYMENTS.—

''(i) DEFINITION OF CASELOAD.—In this subparagraph, the term 'caseload' has the meaning given the term in section 6(o)(5)(A).

''(ii) AMOUNT OF PAYMENTS.—

''(I) IN GENERAL.—For each fiscal year, the Secretary shall—

''(aa) make 1 high performance bonus payment of $10,000,000 for each of the 10 performance measures under subparagraph (B); and

''(bb) allocate the high performance bonus payment with respect to each performance measure in accordance with subclauses (II) and (III).

''(II) PAYMENT FOR PERFORMANCE MEASURE CONCERNING CLAIMS COLLECTED.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under subparagraph (B)(i) among the 20 State agencies with the highest performance in the performance measure in the ratio that—

''(aa) the caseload of each such State agency; bears to

''(bb) the caseloads of all such State agencies.

''(III) PAYMENTS FOR OTHER PERFORMANCE MEASURES.—For each fiscal year, the Secretary shall allocate the high performance bonus payment made for the performance measure under each of clauses (ii) through (x) of subparagraph (B) among the 10 State agencies with the highest performance in the performance measure in the ratio that—

''(aa) the caseload of each such State agency; bears to

''(bb) the caseloads of all such State agencies.

''(iii) DETERMINATION OF HIGHEST PERFORMERS.—

''(I) IN GENERAL.—In determining the highest performers under clause (ii), the Secretary shall calculate applicable percentages to 2 decimal places.

''(II) DETERMINATION IN EVENT OF A TIE.—If, under subclause (I), 2 or more State agencies have the same percentage with respect to a performance measure, the Secretary shall calculate the percentage for the performance measure to as many decimal places as are necessary to determine which State agency has the greatest percentage.

''(D) LIMITATIONS FOR STATE AGENCIES SUBJECT TO SANCTIONS.—If, for any fiscal year, a State agency is subject to a sanction under paragraph (1)—

''(i) the State agency shall not be eligible for a high performance bonus payment under clause (iii), (iv), (vii), or (viii) of subparagraph (B) for the fiscal year; and

''(ii) the State agency shall not receive a high performance bonus payment for which the State agency is otherwise eligible under this paragraph for the fiscal year until the obligation of the State agency under the sanction has been satisfied (as determined by the Secretary).

''(E) PAYMENTS NOT SUBJECT TO JUDICIAL REVIEW.—A determination by the Secretary whether, and in what amount, to make a high performance bonus payment under this paragraph shall not be subject to judicial review.''.

(b) APPLICABILITY.—The amendment made by subsection (a) shall apply to fiscal year 2003 and each fiscal year thereafter.

SEC. 1239. SIMPLIFIED FUNDING RULES FOR EMPLOYMENT AND TRAINING PROGRAMS.

(a) LEVELS OF FUNDING.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking '', to remain available until expended,''; and

(B) by striking clause (vii) and inserting the following:

''(vii) to remain available until expended—

''(I) for fiscal year 2002, $122,000,000;

''(II) for fiscal year 2003, $129,000,000;

''(III) for fiscal year 2004, $135,000,000;

''(IV) for fiscal year 2005, $142,000,000; and

''(V) for fiscal year 2006, $149,000,000.'';

(2) by striking subparagraph (B) and inserting the following:

''(B) ALLOCATION.—Funds made available under subparagraph (A) shall be made available to and reallocated among State agencies under a reasonable formula that—

''(i) is determined and adjusted by the Secretary; and

''(ii) takes into account the number of individuals who are not exempt from the work requirement under section 6(o).''; and

(3) by striking subparagraphs (E) through (G).

(b) RESCISSION OF CARRYOVER FUNDS.—Notwithstanding any other provision of law, funds provided under section 16(h)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)(A)) for any fiscal year before fiscal year 2002 shall cease to be available on the date of enactment of this Act, unless obligated by a State agency before that date.

(c) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking ''$25 per month'' and inserting ''an amount not less than $25 per month''.

(d) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking ''$25'' and inserting ''the limit established by the State agency under section 6(d)(4)(I)(i)(I)''.

SEC. 1240. REAUTHORIZATION OF FOOD STAMP PROGRAM.

(a) REDUCTIONS IN PAYMENTS FOR ADMINISTRATIVE COSTS.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in the first sentence of subparagraph (A), by striking ''2002'' and inserting ''2006''; and

(2) in subparagraph (B)(ii), by striking ''2002'' and inserting ''2006''.

(b) CASH PAYMENT PILOT PROJECTS.—Section 17(b)(1)(B)(vi) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(vi)) is amended by striking ''2002'' and inserting ''2006''.

(c) GRANTS TO IMPROVE FOOD STAMP PARTICIPATION.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

(d) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

SEC. 1241. EXPANDED GRANT AUTHORITY.

Section 17(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(a)(1)) is amended—

(1) by striking '', by way of making contracts with or grants to public or private organizations or agencies,'' and inserting ''enter into contracts with or make grants to public or private organizations or agencies under this section to''; and

(2) by adding at the end the following: ''The waiver authority of the Secretary under subsection (b) shall extend to all contracts and grants under this section.''.

SEC. 1242. EXEMPTION OF WAIVERS FROM COST-NEUTRALITY REQUIREMENT.

Section 17(b)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)) is amended by adding at the end the following:

''(E) COST NEUTRALITY.—

''(i) REQUIREMENTS FOR WAIVERS.—

''(I) ESTIMATION OF COSTS AND SAVINGS OF WAIVERS.—Before approving a waiver for any demonstration project proposed under this subsection, the Secretary shall estimate the costs or savings likely to result from the waiver.

''(II) APPROVAL OF WAIVERS.—The Secretary shall not approve any waiver that the Secretary estimates will increase costs to the Federal Government unless—

''(aa) exigent circumstances require the approval of the waiver;

''(bb) the increase in costs is insignificant; or

''(cc) the increase in costs is necessary for a designated research demonstration project under clause (ii).

''(III) MULTIYEAR COST NEUTRALITY.—A waiver shall not be considered to increase costs to the Federal Government based on the impact of the waiver in any 1 fiscal year if the waiver is not expected to increase costs to the Federal Government over any 3-fiscal year period that includes the fiscal year.

''(ii) EXEMPTION FROM COST-NEUTRALITY REQUIREMENT FOR CERTAIN PROJECTS.—

''(I) IN GENERAL.—For each fiscal year, the Secretary may designate research demonstration projects that—

''(aa) have a substantial likelihood of producing information on important issues of food stamp program design or operation; and

''(bb) the Secretary estimates are likely to increase costs to the Federal Government by a total of not more than $50,000,000 during the period of fiscal years 2002 through 2006.

''(II) EXEMPTION.—A project described in subclause (I) shall be exempt from clause (i).

''(iii) OFFSETS IN OTHER PROGRAMS.—In making determinations of costs to the Federal Government under this subparagraph, the Secretary shall estimate and consider savings to the Federal Government in other programs in such a manner as the Secretary determines to be appropriate.

''(iv) NO LOOK-BACK.—The Secretary shall not be required to adjust any estimate made under this subparagraph to reflect the actual costs of a demonstration project as implemented by a State agency.''.

SEC. 1243. PROGRAM SIMPLIFICATION DEMONSTRATION PROJECTS.

(a) ENHANCED WAIVER AUTHORITY.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (e) and inserting the following:

''(e) PROGRAM SIMPLIFICATION DEMONSTRATION PROJECTS.—

''(1) IN GENERAL.—With the approval of the Secretary, not more than 5 State agencies may carry out demonstration projects to test, for a period of not more than 3 years, promising approaches to simplifying the food stamp program.

''(2) TYPES OF DEMONSTRATION PROJECTS.—Each demonstration project under paragraph (1) shall test changes in food stamp program rules in not more than 1 of the following 2 areas:

''(A)(i) Reporting requirements under section 6(c).

''(ii) Verification methods under section 11(e)(3) (including reliance on data from preceding periods that can be obtained or verified electronically).

''(iii) A combination of reporting requirements and verification methods.

''(B) The income standard of eligibility established under section 5(c)(1), deductions under section 5(e), and income budgeting procedures under section 5(f).

''(3) SELECTION OF DEMONSTRATION PROJECTS.—

''(A) IN GENERAL.—The Secretary shall establish a competitive process to select, from all projects proposed by State agencies, the demonstration projects to be carried out under this subsection based on which

projects have the greatest likelihood of producing useful information on important issues of food stamp program design or operation, as determined by the Secretary.

''(B) GOALS.—In selecting demonstration projects, the Secretary shall seek, at a minimum, to achieve a balance between—

''(i) simplifying the food stamp program;

''(ii) reducing administrative burdens on State agencies, households, and other individuals and entities;

''(iii) providing nutrition assistance to individuals most in need; and

''(iv) improving access to nutrition assistance.

''(C) PROJECTS NOT ELIGIBLE FOR SELECTION.—The Secretary shall not select any demonstration project under this subsection that the Secretary determines does not have a strong likelihood of producing useful information on important issues of food stamp program design or operation.

''(D) DIVERSITY OF APPROACHES AND AREAS.—In selecting demonstration projects to be carried out under this subsection, the Secretary shall seek to include—

''(i) projects that take diverse approaches;

''(ii) at least 1 project that will operate in an urban area; and

''(ii) at least 1 project that will operate in a rural area.

''(E) MAXIMUM AGGREGATE COST OF PROJECTS.—The estimated aggregate cost of projects selected by the Secretary under this subsection shall not exceed $90,000,000.

''(4) SIZE OF AREA.—Each demonstration project selected under this subsection shall be carried out in an area that contains not more than the greater of—

''(A) one-third of the total households receiving allotments in the State; or

''(B) the minimum number of households needed to measure the effects of the demonstration projects.

''(5) EVALUATIONS.—

''(A) IN GENERAL.—The Secretary shall provide, through contract or other means, for detailed, statistically valid evaluations to be conducted of each demonstration project carried out under this subsection.

''(B) MINIMUM REQUIREMENTS.—Each evaluation under subparagraph (A)—

''(i) shall include the study of control groups or areas; and

''(ii) shall analyze, at a minimum, the effects of the project design on—

''(I) costs of the food stamp program;

''(II) State administrative costs;

''(III) the integrity of the food stamp program, including errors as measured under section 16(c);

''(IV) participation by households in need of nutrition assistance; and

''(V) changes in allotment levels experienced by—

''(aa) households of various income levels;

''(bb) households with elderly, disabled, and employed members;

''(cc) households with high shelter costs relative to the incomes of the households; and

''(dd) households receiving subsidized housing, child care, or health insurance.

''(C) FUNDING.—From funds made available to carry out this Act, the Secretary shall reserve not more than $6,000,000 to conduct evaluations under this paragraph.

''(6) REPORT TO CONGRESS.—Not later than January 1, 2006, the Secretary shall submit to Congress a report on the impact of the demonstration projects carried out under this subsection on the food stamp program, including the effectiveness of the demonstration projects in—

''(A) delivering nutrition assistance to households most at risk; and

''(B) reducing administrative burdens.''.

(b) CONFORMING AMENDMENT.—Section 17(b)(1)(B)(iv)(III)(ii) of the Food Stamp Act of 1977 (7 U.S.C. 2026(b)(1)(B)(iv)(III)(ii)) is amended by striking ''paragraph'' and inserting ''section''.

SEC. 1244. CONSOLIDATED BLOCK GRANTS.

(a) CONSOLIDATED FUNDING.—Section 19(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2028(a)(1)) is amended—

(1) in subparagraph (A)—

(A) by striking ''the Commonwealth of Puerto Rico'' and inserting ''governmental entities specified in subparagraph (D)'';

(B) in clause (ii), by striking ''and'' at the end; and

(C) by striking clause (iii) and all that follows and inserting the following:

''(iii) for fiscal year 2002, $1,356,000,000; and

''(iv) for each of fiscal years 2003 through 2006, the amount provided in clause (iii), as adjusted by the percentage by which the thrifty food plan has been adjusted under section 3(o)(4) between June 30, 2001, and June 30 of the immediately preceding fiscal year;

to pay the expenditures for nutrition assistance programs for needy persons as described in subparagraphs (B) and (C).'';

(2) in subparagraph (B), by inserting ''of Puerto Rico'' after ''Commonwealth'' each place it appears; and

(3) by adding at the end the following:

''(C) AMERICAN SAMOA.—For each fiscal year, the Secretary shall reserve 0.4 percent of the funds made available under subparagraph (A) for payment to American Samoa to pay the expenditures for a nutrition assistance program extended under section 601(c) of Public Law 96–597 (48 U.S.C. 1469d(c)).

''(D) GOVERNMENTAL ENTITY.—A governmental entity specified in this subparagraph is—

''(i) the Commonwealth of Puerto Rico; and

''(ii) for fiscal year 2003 and each fiscal year thereafter, American Samoa.''.

(b) CONFORMING AMENDMENT.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is repealed.

(c) EFFECTIVE DATE.—The amendments made by this section take effect on October 1, 2002.

SEC. 1245. EXPANDED AVAILABILITY OF COMMODITIES.

(a) IN GENERAL.—Section 27 of the Food Stamp Act of 1977 (7 U.S.C. 2036) is amended—

(1) in subsection (a)—

(A) by striking ''From amounts'' and inserting the following:

''(1) IN GENERAL.—From amounts'';

(B) by striking ''for each of fiscal years 1997 through 2002, the Secretary shall purchase $100,000,000 of'' and inserting ''the Secretary shall use the amount specified in paragraph (2) to purchase''; and

(C) by adding at the end the following:

''(2) AMOUNTS.—The amounts specified in this paragraph are—

''(A) for each of fiscal years 1997 through 2001, $100,000,000; and

''(B) for each of fiscal years 2002 through 2006, $140,000,000.''; and

(2) by adding at the end the following:

''(c) USE OF FUNDS FOR RELATED COSTS.—

''(1) IN GENERAL.—For each of fiscal years 2002 through 2006, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay the direct and indirect costs of States relating to the processing, storing, transporting, and distributing to eligible recipient agencies of—

''(A) commodities purchased by the Secretary under subsection (a); and

''(B) commodities acquired from other sources, including commodities acquired by gleaning (as defined in section 111(a) of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note; Public Law 100–435)).

''(2) ALLOCATION OF FUNDS.—The amount required to be used in accordance with paragraph (1) shall be allocated in accordance with section 204(a) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)).''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

Subtitle B—Miscellaneous Provisions

SEC. 1251. REAUTHORIZATION OF COMMODITY PROGRAMS.

(a) COMMODITY DISTRIBUTION PROGRAM.—Section 4(a) of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

(b) COMMODITY SUPPLEMENTAL FOOD PROGRAM.—Section 5 of the Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note; Public Law 93–86) is amended—

(1) by striking subsection (a) and inserting the following:

''(a) GRANTS PER ASSIGNED CASELOAD SLOT.—

''(1) IN GENERAL.—In carrying out the program under section 4 (referred to in this section as the 'commodity supplemental food program'), for each of fiscal years 2003 through 2006, the Secretary shall provide to each State agency from funds made available to carry out that section (including any such funds remaining available from the preceding fiscal year), a grant per assigned caseload slot for administrative costs incurred by the State agency and local agencies in the State in operating the commodity supplemental food program.

''(2) AMOUNT OF GRANTS.—For each of fiscal years 2003 through 2006, the amount of each grant per caseload slot shall be equal to $50, adjusted by the percentage change between—

''(A) the value of the State and local government price index, as published by the Bureau of Economic Analysis of the Department of Commerce, for the 12-month period ending June 30 of the second preceding fiscal year; and

''(B) the value of that index for the 12-month period ending June 30 of the preceding fiscal year.''; and

(2) in subsection (d)(2), by striking ''2002'' each place it appears and inserting ''2006''.

(c) DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.—Section 1114(a)(2)(A) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e(2)(A)) is amended in the first sentence by striking ''2002'' and inserting ''2006''.

(d) EMERGENCY FOOD ASSISTANCE.—Section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended in the first sentence—

(1) by striking ''2002'' and inserting ''2006'';

(2) by striking ''administrative''; and

(3) by inserting ''storage,'' after ''processing,''.

SEC. 1252. WORK REQUIREMENT FOR LEGAL IMMIGRANTS.

(a) WORKING IMMIGRANT FAMILIES.—Section 402(a)(2)(B)(ii)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(B)(ii)(I)) is amended by striking ''40'' and inserting ''40 (or, in the case of the specified Federal program described in paragraph (3)(B), 16)''.

(b) CONFORMING AMENDMENTS.—

(1) Section 213A(a)(3)(A) of the Immigration and Nationality Act (8 U.S.C. 1183a(a)(3)(A)) is amended by striking ''40'' and inserting ''40 (or, in the case of the specified Federal program described in section 402(a)(3)(B) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(3)(B)), 16)''.

(2) Section 403(c)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1613(c)(2)) is amended by adding at the end the following:

''(L) Assistance or benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).''.

(3) Section 421(b)(2)(A) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(b)(2)(A)) is amended by striking ''40'' and inserting ''40 (or, in the case of the specified Federal program described in section 402(a)(3)(B), 16)''.

SEC. 1253. QUALIFIED ALIENS.

Section 402(a)(2) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)) is amended by adding at the end the following:

''(L) FOOD STAMP EXCEPTION FOR CERTAIN QUALIFIED ALIENS.—With respect to eligibility for benefits for the specified Federal program described in paragraph (3)(B), paragraph (1) shall not apply to any individual who has continuously resided in the United States as a qualified alien for a period of 5 years or more.''.

SEC. 1254. COMMODITIES FOR SCHOOL LUNCH PROGRAMS.

(a) IN GENERAL.—Section 6(e)(1)(B) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1755(e)(1)(B)) is amended by striking ''2001'' and inserting ''2003''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 1255. ELIGIBILITY FOR FREE AND REDUCED PRICE MEALS.

(a) IN GENERAL.—Section 9(b) of the Richard B. Russell National School Lunch Act (42 U.S.C. 1758(b)) is amended by adding at the end the following:

''(7) EXCLUSION OF CERTAIN MILITARY HOUSING ALLOWANCES.—For each of fiscal years 2002 and 2003, the amount of a basic allowance provided under section 403 of title 37, United States Code, on behalf of a member of a uniformed service for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law, shall not be considered to be income for the purpose of determining the eligibility of a child who is a member of the household of the member of a uniformed service for free or reduced price lunches under this Act.''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on the date of enactment of this Act.

SEC. 1256. SENIORS FARMERS' MARKET NUTRITION PROGRAM.

(a) ESTABLISHMENT.—The Secretary of Agriculture shall carry out and expand a seniors farmers' market nutrition program.

(b) PROGRAM PURPOSES.—The purposes of the seniors farmers' market nutrition program are—

(1) to provide to low-income seniors resources in the form of fresh, nutritious, unprepared, locally grown fruits, vegetables, and herbs from farmers' markets, roadside stands, and community-supported agriculture programs;

(2) to increase domestic consumption of agricultural commodities by expanding or assisting in the expansion of domestic farmers' markets, roadside stands, and community-supported agriculture programs; and

(3) to develop or aid in the development of new farmers' markets, roadside stands, and community-supported agriculture programs.

(c) REGULATIONS.—The Secretary of Agriculture may promulgate such regulations as the Secretary considers necessary to carry out the seniors farmers' market nutrition program under this section.

(d) FUNDING.—

(1) IN GENERAL.—Not later than 30 days after the date of enactment of this Act, and on October 1, 2002, and each October 1 thereafter through October 1, 2005, out of any funds in the Treasury not otherwise appropriated, the Secretary of the Treasury shall transfer to the Secretary of Agriculture to carry out this section $15,000,000.

(2) RECEIPT AND ACCEPTANCE.—The Secretary of Agriculture shall be entitled to receive, shall accept, and shall use to carry out this section the funds transferred under paragraph (1), without further appropriation.

SEC. 1257. ELIGIBILITY FOR ASSISTANCE UNDER THE SPECIAL SUPPLEMENTAL NUTRITION PROGRAM FOR WOMEN, INFANTS, AND CHILDREN.

(a) IN GENERAL.—Section 17(d)(2)(B)(i) of the Child Nutrition Act of 1966 (42 U.S.C. 1786(d)(2)(B)(i)) is amended—

(1) by striking ''basic allowance for housing'' and inserting the following: ''basic allowance—

''(I) for housing'';

(2) by striking ''and'' at the end and inserting ''or''; and

(3) by adding at the end the following:

''(II) provided under section 403 of title 37, United States Code, for housing that is acquired or constructed under subchapter IV of chapter 169 of title 10, United States Code, or any related provision of law; and''.

(b) EFFECTIVE DATE.—The amendments made by this section take effect on the date of enactment of this Act.

SEC. 1258. CONGRESSIONAL HUNGER FELLOWS PROGRAM.

(a) SHORT TITLE.—This section may be cited as the ''Congressional Hunger Fellows Act of 2001''.

(b) FINDINGS.—Congress finds that—

(1) there are—

(A) a critical need for compassionate individuals who are committed to assisting people who suffer from hunger; and

(B) a need for those individuals to initiate and administer solutions to the hunger problem;

(2) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated—

(A) his commitment to solving the problem of hunger in a bipartisan manner;

(B) his commitment to public service; and

(C) his great affection for the institution and the ideals of Congress;

(3) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated—

(A) his compassion for individuals in need;

(B) his high regard for public service; and

(C) his lively exercise of political talents;

(4) the special concern that Mr. Emerson and Mr. Leland demonstrated during their lives for the hungry and poor was an inspiration for others to work toward the goals of equality and justice for all; and

(5) since those 2 outstanding leaders maintained a special bond of friendship regardless of political affiliation and worked together to encourage future leaders to recognize and provide service to others, it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by establishing a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(c) DEFINITIONS.—In this section:

(1) APPROPRIATE CONGRESSIONAL COMMITTEES.—The term ''appropriate congressional committees'' means—

(A) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(B) the Committee on Agriculture, Nutrition, and Forestry and the Committee on Foreign Relations of the Senate.

(2) BOARD.—The term ''Board'' means the Board of Trustees of the Program.

(3) FUND.—The term ''Fund'' means the Congressional Hunger Fellows Trust Fund established by subsection (g).

(4) PROGRAM.—The term ''Program'' means the Congressional Hunger Fellows Program established by subsection (d).

(d) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government an entity to be known as the ''Congressional Hunger Fellows Program''.

(e) BOARD OF TRUSTEES.—

(1) IN GENERAL.—The Program shall be subject to the supervision and direction of a Board of Trustees.

(2) MEMBERS OF THE BOARD.—

(A) APPOINTMENT.—

(i) IN GENERAL.—The Board shall be composed of 6 voting members appointed under clause (ii) and 1 nonvoting ex-officio member designated by clause (iii).

(ii) VOTING MEMBERS.—The voting members of the Board shall be the following:

(I) 2 members appointed by the Speaker of the House of Representatives.

(II) 1 member appointed by the minority leader of the House of Representatives.

(III) 2 members appointed by the majority leader of the Senate.

(IV) 1 member appointed by the minority leader of the Senate.

(iii) NONVOTING MEMBER.—The Executive Director of the Program shall serve as a nonvoting ex-officio member of the Board.

(B) TERMS.—

(i) IN GENERAL.—Each member of the Board shall serve for a term of 4 years.

(ii) INCOMPLETE TERM.—If a member of the Board does not serve the full term of the member, the individual appointed to fill the resulting vacancy shall be appointed for the remainder of the term of the predecessor of the individual.

(C) VACANCY.—A vacancy on the Board—

(i) shall not affect the powers of the Board; and

(ii) shall be filled in the same manner as the original appointment was made.

(D) CHAIRPERSON.—As the first order of business of the first meeting of the Board, the members shall elect a Chairperson.

(E) COMPENSATION.—

(i) IN GENERAL.—Subject to clause (ii), a member of the Board shall not receive compensation for service on the Board.

(ii) TRAVEL.—A member of the Board shall be allowed travel expenses, including per diem in lieu of subsistence, at rates authorized for an employee of an agency under subchapter I of chapter 57 of title 5, United States Code, while away from the home or regular place of business of the member in the performance of the duties of the Board.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as are appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Bylaws and other regulations established under clause (i) shall include provisions—

(I) for appropriate fiscal control, accountability for funds, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in—

(aa) the procurement and employment actions taken by the Board or by any officer or employee of the Board; and

(bb) the selection and placement of individuals in the fellowships developed under the Program;

(III) for the resolution of a tie vote of the members of the Board; and

(IV) for authorization of travel for members of the Board.

(iii) SUBMISSION TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall submit to the appropriate congressional committees a copy of the bylaws established by the Board.

(B) BUDGET.—For each fiscal year in which the Program is in operation—

(i) the Board shall determine a budget for the Program for the fiscal year; and

(ii) all spending by the Program shall be in accordance with the budget unless a change is approved by the Board.

(C) PROCESS FOR SELECTION AND PLACEMENT OF FELLOWS.—The Board shall review and approve the process established by the Executive Director for the selection and placement of individuals in the fellowships developed under the Program.

(D) ALLOCATION OF FUNDS TO FELLOWSHIPS.—The Board shall determine—

(i) the priority of the programs to be carried out under this section; and

(ii) the amount of funds to be allocated for the fellowships established under subsection (f)(3)(A).

(f) PURPOSES; AUTHORITY OF PROGRAM.—

(1) PURPOSES.—The purposes of the Program are—

(A) to encourage future leaders of the United States to pursue careers in humanitarian service;

(B) to recognize the needs of people who are hungry and poor;

(C) to provide assistance and compassion for people in need;

(D) to increase awareness of the importance of public service; and

(E) to provide training and development opportunities for the leaders through placement in programs operated by appropriate entities.

(2) AUTHORITY.—The Program may develop fellowships to carry out the purposes of the Program, including the fellowships described in paragraph (3).

(3) FELLOWSHIPS.—

(A) IN GENERAL.—The Program shall establish and carry out the Bill Emerson Hunger Fellowship and the Mickey Leland Hunger Fellowship.

(B) CURRICULUM.—

(i) IN GENERAL.—The fellowships established under subparagraph (A) shall provide experience and training to develop the skills and understanding necessary to improve the humanitarian conditions and the lives of individuals who suffer from hunger, including—

(I) training in direct service to the hungry in conjunction with community-based organizations through a program of field placement; and

(II) experience in policy development through placement in a governmental entity or nonprofit organization.

(ii) FOCUS.—

(I) BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(II) MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iii) WORK PLAN.—To carry out clause (i) and to assist in the evaluation of the fellowships under paragraph (4), the Program shall, for each fellow, approve a work plan that identifies the target objectives for the fellow in the fellowship, including the specific duties and responsibilities relating to the objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOWSHIP.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for a period of not more than 1 year.

(ii) LELAND FELLOWSHIP.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for a period of not more than 2 years, of which not less than 1 year shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded through a nationwide competition established by the Program.

(ii) QUALIFICATION.—A successful applicant shall be an individual who has demonstrated—

(I) an intent to pursue a career in humanitarian service and outstanding potential for such a career;

(II) leadership potential or leadership experience;

(III) diverse life experience;

(IV) proficient writing and speaking skills;

(V) an ability to live in poor or diverse communities; and

(VI) such other attributes as the Board determines to be appropriate.

(iii) AMOUNT OF AWARD.—

(I) IN GENERAL.—Each individual awarded a fellowship under this paragraph shall receive a living allowance and, subject to subclause (II), an end-of-service award as determined by the Program.

(II) REQUIREMENT FOR SUCCESSFUL COMPLETION OF FELLOWSHIP.—Each individual awarded a fellowship under this paragraph shall be entitled to receive an end-of-service award at an appropriate rate for each month of satisfactory service as determined by the Executive Director.

(iv) RECOGNITION OF FELLOWSHIP AWARD.—

(I) EMERSON FELLOW.—An individual awarded a Bill Emerson Hunger Fellowship shall be known as an ''Emerson Fellow''.

(II) LELAND FELLOW.—An individual awarded a Mickey Leland Hunger Fellowship shall be known as a ''Leland Fellow''.

(4) EVALUATIONS.—

(A) IN GENERAL.—The Program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships.

(B) REQUIRED ELEMENTS.—Each evaluation shall include—

(i) an assessment of the successful completion of the work plan of each fellow;

(ii) an assessment of the impact of the fellowship on the fellows;

(iii) an assessment of the accomplishment of the purposes of the Program; and

(iv) an assessment of the impact of each fellow on the community.

(g) TRUST FUND.—

(1) ESTABLISHMENT.—There is established in the Treasury of the United States a fund to be known as the ''Congressional Hunger Fellows Trust Fund'', consisting of—

(A) amounts appropriated to the Fund under subsection (k);

(B) any amounts earned on investment of amounts in the Fund under paragraph (2); and

(C) amounts received under subsection (i)(3)(A).

(2) INVESTMENT OF AMOUNTS.—

(A) IN GENERAL.—

(i) AUTHORITY TO INVEST.—The Secretary of the Treasury shall invest such portion of the Fund as is not, in the judgment of the Secretary of the Treasury, required to meet current withdrawals.

(ii) TYPES OF INVESTMENTS.—Each investment may be made only in an interest-bearing obligation of the United States or an obligation guaranteed as to principal and interest by the United States that, as determined by the Secretary of the Treasury in consultation with the Board, has a maturity suitable for the Fund.

(B) ACQUISITION OF OBLIGATIONS.—For the purpose of investments under subparagraph (A), obligations may be acquired—

(i) on original issue at the issue price; or

(ii) by purchase of outstanding obligations at the market price.

(C) SALE OF OBLIGATIONS.—Any obligation acquired by the Fund may be sold by the Secretary of the Treasury at the market price.

(D) CREDITS TO FUND.—The interest on, and the proceeds from the sale or redemption of, any obligations held in the Fund shall be credited to and form a part of the Fund.

(3) TRANSFERS OF AMOUNTS.—

(A) IN GENERAL.—The amounts required to be transferred to the Fund under this subsection shall be transferred at least monthly from the general fund of the Treasury to the Fund on the basis of estimates made by the Secretary of the Treasury.

(B) ADJUSTMENTS.—Proper adjustment shall be made in amounts subsequently transferred to the extent prior estimates were in excess of or less than the amounts required to be transferred.

(h) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the Program from the amounts described in subsections (g)(2)(D) and (i)(3)(A) such sums as the Board determines to be necessary to enable the Program to carry out this section.

(2) LIMITATION.—The Secretary may not transfer to the Program the amounts appropriated to the Fund under subsection (k).

(3) USE OF FUNDS.—Funds transferred to the Program under paragraph (1) shall be used—

(A) to provide a living allowance for the fellows;

(B) to defray the costs of transportation of the fellows to the fellowship placement sites;

(C) to defray the costs of appropriate insurance of the fellows, the Program, and the Board;

(D) to defray the costs of preservice and midservice education and training of fellows;

(E) to pay staff described in subsection (i);

(F) to make end-of-service awards under subsection (f)(3)(D)(iii)(II); and

(G) for such other purposes as the Board determines to be appropriate to carry out the Program.

(4) AUDIT BY COMPTROLLER GENERAL.—

(A) IN GENERAL.—The Comptroller General of the United States shall conduct an annual audit of the accounts of the Program.

(B) BOOKS.—The Program shall make available to the Comptroller General all books, accounts, financial records, reports, files, and other papers, things, or property belonging to or in use by the Program and necessary to facilitate the audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit to the appropriate congressional committees a copy of the results of each audit under subparagraph (A).

(i) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the Program who shall—

(i) administer the Program; and

(ii) carry out such other functions consistent with this section as the Board shall prescribe.

(B) RESTRICTION.—The Executive Director may not serve as Chairperson of the Board.

(C) COMPENSATION.—The Executive Director shall be paid at a rate not to exceed the rate payable for level V of the Executive Schedule under section 5316 of title 5, United States Code.

(2) STAFF.—

(A) IN GENERAL.—With the approval of a majority of the Board, the Executive Director may appoint and fix the pay of such additional personnel as the Executive Director considers necessary to carry out this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate payable for level GS–15 of the General Schedule.

(3) POWERS.—

(A) GIFTS.—

(i) IN GENERAL.—The Program may solicit, accept, use, and dispose of gifts, bequests, or devises of services or property, both real and personal, for the purpose of aiding or facilitating the work of the Program.

(ii) USE OF GIFTS.—Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall—

(I) be deposited in the Fund; and

(II) be available for disbursement on order of the Board.

(B) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—To carry out this section, the Program may procure temporary and intermittent services in accordance with section 3109(b) of title 5, United States Code, at rates for individuals that do not exceed the daily equivalent of the annual rate of basic pay payable for level GS–15 of the General Schedule.

(C) CONTRACT AUTHORITY.—To carry out this section, the Program may, with the approval of a majority of the members of the Board, contract with and compensate Government and private agencies or persons without regard to section 3709 of the Revised Statutes (41 U.S.C. 5).

(D) OTHER NECESSARY EXPENDITURES.—

(i) IN GENERAL.—Subject to clause (ii), the Program may make such other expenditures as the Program considers necessary to carry out this section.

(ii) PROHIBITION.—The Program may not expend funds to develop new or expanded projects at which fellows may be placed.

(j) REPORT.—Not later than December 31 of each year, the Board shall submit to the appropriate congressional committees a report on the activities of the Program carried out during the preceding fiscal year that includes—

(1) an analysis of the evaluations conducted under subsection (f)(4) during the fiscal year; and

(2) a statement of—

(A) the total amount of funds attributable to gifts received by the Program in the fiscal year under subsection (i)(3)(A); and

(B) the total amount of funds described in subparagraph (A) that were expended to carry out the Program in the fiscal year.

(k) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $18,000,000.

(l) EFFECTIVE DATE.—This section takes effect on October 1, 2002.

SEC. 1259. EFFECTIVE DATE.

Except as otherwise provided in this title, the amendments made by this title take effect on July 1, 2002, except that a State agency may, at the option of the State agency, elect not to implement the amendments until October 1, 2002.

SEC. 1260. EFFECTIVENESS OF OTHER NUTRITION TITLE.

Title IV and the amendments made by title IV shall have no effect.

TITLE XIII—ADMINISTRATION

SEC. 1301. REGULATIONS.

(a) IN GENERAL.—The Secretary of Agriculture may promulgate such regulations as are necessary to implement this Act and the amendments made by this Act.

(b) PROCEDURE.—The promulgation of the regulations and administration of title XI and sections 508 and 1256 and the amendments made by title XI and sections 508 and 1256 shall be made without regard to—

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

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

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

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

SEC. 1302. EFFECT OF AMENDMENTS.

(a) IN GENERAL.—Except as otherwise specifically provided in this Act and notwithstanding any other provision of law, this Act and the amendments made by this Act shall not affect the authority of the Secretary of Agriculture to carry out an agricultural market transition, price support, or production adjustment program for any of the 1996 through 2001 crop, fiscal, or calendar years under a provision of law in effect immediately before the date of enactment of this Act.

(b) LIABILITY.—A provision of this Act or an amendment made by this Act shall not affect the liability of any person under any provision of law as in effect immediately before the date of enactment of this Act.

SA 2474. Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, add the following new section:

''SEC. . WILD FISH AND SHELLFISH.

''Section 2106 of the Organic Foods Production Act of 1990 (7 U.S.C. 6505) is amended by adding the following new subsection (c) and renumbering accordingly:

'''(c) Notwithstanding section 6506(a)(1)(A)), domestically produced wild fish and shellfish products may be labeled as organic if the secretary finds that they meet standards for wholesomeness that are equivalent to standards adopted for fish and shellfish produced from certified organic farms. In the event that standards do not exist for fish and shellfish produced from certified organic farms, the Secretary shall establish appropriate standards to allow labeling of wild fish and shellfish as organic. In establishing such standards for wild fish and shellfish, the Secretary shall consult with wild fish and shellfish producers, processors and sellers, as well as other interested members of the public.' ''

SA 2475. Mr. MURKOWSKI submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, add the following new section:

''SEC. . FOREIGN MARKET DEVELOPMENT AMENDMENT.

''Section 5 of the Act of June 29, 1948 (62 Stat. 1072, Ch. 704) is amended by inserting ', and fur animals and products without regard to whether such animals are harvested in agricultural operations' after the phrase 'aquacultural operations'; and

''Section 602 of the Agricultural Act of 1949 (7 U.S.C. 1471) is amended by striking 'fish used for food,' and inserting 'fish used for food, fur animals and products,'.''

SA 2476. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

S. 1731 is amended—

(1) on page 877, by inserting after line 5 the following:

''(9) WILD FISH.—The term wild fish includes naturally-born and hatchery-raised fish and shellfish harvested in the wild, including fillets, steaks, nuggets, and any other flesh from wild fish or shellfish, and does not include net-pen aquacultural or other farm-raised fish'';

(2) on page 877, line 22 by inserting ''(I)'' after ''(B)'';

(3) on page 877, by inserting after line 23 the following:

''(II) in the case of wild fish, is harvested in waters of the United States, its territories, or a State and is processed in the United States, its territories, or a State, including the waters thereof; and''; and

(4) on page 878, by inserting after line 3 the following:

''(3) WILD AND FARM-RAISED FISH.—The notice of country of origin for wild fish and farm-raised fish shall distinguish between wild fish and farm-raised fish, and in the case of wild salmon shall indicate State of origin.''.

SA 2477. Mr. STEVENS submitted an amendment intended to be proposed by him to the bill S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following new section:

SEC. . REPORT TO CONGRESS ON POUCHED AND CANNED SALMON.

Not later than 120 days from the date of enactment of this Act, the Secretary shall issue a report to Congress on efforts to expand the promotion, marketing and purchase of pouched and canned salmon harvested and processed in the United States within the food and nutrition programs under his jurisdiction. The report shall include: an analysis of existing pouched and canned salmon inventories in the United States available for purchase; an analysis of the demand for pouched and canned salmon as well as for value-added products such as salmon ''nuggets'' by the Department's partners, including other appropriate Federal agencies, and

customers; a marketing strategy to stimulate and increase that demand; and, a purchasing strategy to ensure that adequate supplies of pouched and canned salmon as well as other value-added salmon products are available to meet that demand.

SA 2478. Mr. REID (for Mr. LIEBERMAN (for himself and Mr. THOMPSON) proposed an amendment to the bill H.R. 2336, An act to extend for 4 years, through December 31, 2005, the authority to redact financial disclosure statements of judicial employees and judicial officers; as follows:

Strike all after the enacting clause and insert the following:

SECTION 1. EXTENSION OF SUNSET PROVISION.

Section 105(b)(3)(E) of the Ethics in Government Act of 1978 (5 U.S.C. App.) is amended by striking ''2001'' each place it appears and inserting ''2005''.

SA 2479. Mr. REID (for Mr. LIEBERMAN) proposed an amendment to the bill H.R. 2336, An act to extend for 4 years, through December 31, 2005, the authority to redact financial disclosure statements of judicial employees and judicial officers; as follows:

Amend the title so as to read: ''An Act to extend for 4 years, through December 31, 2005, the authority to redact financial disclosure statements of judicial employees and judicial officers.''.

SA 2480. Mr. REID (for Mr. LIEBERMAN) proposed an amendment to the bill H.R. 2199, to amend the National Capital Revitalization and Self-Government Improvement Act of 1997 to permit any Federal law enforcement agency to enter into a cooperative agreement with the Metropolitan Police Department of the District of Columbia to assist the Department in carrying out crime prevention and law enforcement activities in the District of Columbia if deemed appropriate by the Chief of the Department and the United States Attorney for the District of Columbia, and for other purposes; as follows:

On page 2, line 11, strike ''sec. 4–192(d)'' and insert ''sec. 5–133.17(d)''.

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ARMED SERVICES

Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate on Tuesday, December 11, 2001, at 10:30 a.m., in executive session to discuss the status of conference on S. 1438, the National Defense Authorization Act for Fiscal Year 2002.

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

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Banking, Housing, and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, December 11, 2001, immediately following the first rollcall vote, to conduct a markup on the nominations of Mr. Eduardo Aguirre, Jr., of Texas, to be First Vice President of the Export-Import Bank of the United States; Mr. J. Joseph Grandmaison, of New Hampshire, to be a member of the Board of Directors of the Export-Import Bank of the United States; and Mr. Kenneth M. Donohue, of Virginia, to be Inspector General of the Department of Housing and Urban Development.

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

COMMITTEE ON FOREIGN RELATIONS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, December 11, 2001, at 3 p.m., to hold a nomination hearing.

Agenda

Nominee: Francis Ricciardone, Jr., of New Hampshire, to be Ambassador to the Philippines and to serve concurrently and without additional compensation as Ambassador to the Republic of Palau.

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

COMMITTEE ON GOVERNMENTAL AFFAIRS

Mr. REID. Mr. President, I ask unanimous consent that the Committee on Governmental Affairs be authorized to meet on Tuesday, December 11, 2001, at 9 a.m., to hold a hearing entitled ''The Local Role in Homeland Security.''

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

SUBCOMMITTEE ON ADMINISTRATIVE OVERSIGHT AND THE COURTS

Mr. REID. I ask unanimous consent that the Committee on the Judiciary Subcommittee on Administrative Oversight and the Courts be authorized to meet to conduct a hearing on Tuesday, December 11, 2001, at 10 a.m., in Dirksen 226.

Tentative Witness List: Mr. Bernard B. Kerik, Police Commissioner, New York, New York; the Honorable Martin O'Malley, Mayor, Baltimore, MD; Mr. Chuck Canterbury, National Vice President, Fraternal Order of Police, Myrtle Beach, SC; and Mr. John Greiner, President, Utah Chief of Police Association, Ogden, Utah.

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

PRIVILEGE OF THE FLOOR

Mr. HARKIN. Mr. President, I ask unanimous consent that Kevin Brown, Jay Klug, Bill Burton, and Karl Hampton, all detailees on my staff, be allowed floor privileges during debate on S. 1731.

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

NATIONAL CIVIC PARTICIPATION WEEK

On December 10, 2001, the Senate passed S. Res. 140, as follows:

S. RES. 140

Whereas the United States embarks on this new millennium as the world's model of democratic ideals, economic enterprise, and technological innovation and discovery;

Whereas our Nation's preeminence is a tribute to our great 2-century-old experiment in representative government that nurtures those ideals, fosters economic vitality, and encourages innovation and discovery;

Whereas representative government is dependent on the exercise of the privileges and responsibilities of its citizens, and that has been in decline in recent years in both civic and political participation;

Whereas Alexis de Tocqueville, the 19th century French chronicler of our Nation's political behavior, observed that the people of the United States had successfully resisted democratic apathy and mild despotism by using what he called ''schools of freedom''—local institutions and associations where citizens learn to listen and trust each other;

Whereas civic and political participation remains the school in which citizens engage in the free, diverse, and positive political dialogue that guides our Nation toward common interests, consensus, and good governance;

Whereas it is in the public interest for our Nation's leaders to foster civic discourse, education, and participation in Federal, State, and local affairs;

Whereas the advent of revolutionary Internet technology offers new mechanisms for empowering our citizens and fostering greater civic engagement than at any time in our peacetime history; and

Whereas the use of new technologies can bring people together in civic forums, educate citizens on their roles and responsibilities, and promote citizen participation in the political process through volunteerism, voting, and the elevation of voices in public discourse: Now, therefore, be it

Resolved,

SECTION 1. DESIGNATION OF NATIONAL CIVIC PARTICIPATION WEEK.

The Senate—

(1) designates the week beginning September 15, 2002, as ''National Civic Participation Week'';

(2) proclaims National Civic Participation Week as a week of inauguration of programs and activities that will lead to greater participation in elections and the political process; and

(3) requests that the President issue a proclamation calling upon interested organizations and the people of the United States to promote programs and activities that take full advantage of the technological resources available in fostering civic participation through the dissemination of information.

CONGRATULATING BARRY BONDS

On December 10, 2001, the Senate amended and passed S. Res. 178, as follows:

S. RES. 178

Whereas Barry Bonds has brought distinction to Major League Baseball and excellence to the San Francisco Giants, following in the baseball footsteps of his father, Bobby Bonds, and his godfather, Willie Mays;

Whereas Barry Bonds has had an outstanding career that so far includes an unprecedented 4 Most Valuable Player awards, 10 All-Star Game appearances, 8 Rawlings Gold Glove awards, and the distinction of being named Player of the Decade for the 1990s by the Sporting News;

Whereas in 2001, Barry Bonds had 1 of the greatest seasons in Major League Baseball

history, achieving 73 home runs, a slugging average of .863, and an on-base percentage of .515;

Whereas Barry Bonds has established himself as the most prolific single-season home run hitter in Major League Baseball history, hitting his 73d home run on October 7, 2001, eclipsing the previous record of 70 home runs set by Mark McGwire in 1998;

Whereas Barry Bonds has attained the rank of 7th place on the all-time Major League Baseball home run list with 567;

Whereas Barry Bonds drove in 136 runs to set a Giants franchise record for runs batted in by a left fielder, and has recorded at least 100 RBI's in each of 10 different seasons;

Whereas of Barry Bonds's 73 home runs, 24 gave San Francisco the lead and 7 tied the game;

Whereas Barry Bonds also hit the 500th home run of his career during the 2001 season, a 2-run game-winning home run which landed in the waters of McCovey Cove, San Francisco;

Whereas Barry Bonds, at age 37, is the oldest player in Major League Baseball history to hit more than 50, 60, and 70 home runs in a single season;

Whereas Barry Bonds has recorded 484 stolen bases in his career, becoming the only Major League Baseball player to both hit more than 400 home runs and steal more than 400 bases;

Whereas Barry Bonds's 233 stolen bases achieved while playing for San Francisco place him 6th on the Giants franchise list behind his father, Bobby, who is 5th with 263 stolen bases;

Whereas Barry Bonds has proven himself to be an active leader not only in the Giants clubhouse but also in the community, donating approximately $100,000 to the September 11th Fund to aid the victims of the terrorist attacks in New York, Washington, D.C., and Pennsylvania; and

Whereas Barry Bonds has also devoted his time and money to support the Link & Learn Program of the United Way, and has been an active participant in numerous other San Francisco Bay area community efforts: Now, therefore, be it

Resolved, That the Senate—

(1) congratulates Barry Bonds on his spectacular record-breaking season in 2001 and outstanding career in Major League Baseball;

(2) wishes Barry Bonds continued success in the seasons to come; and

(3) thanks Barry Bonds for his contributions to baseball and to his community.

AUTHORIZATION OF SENATE CHAMBER PHOTOGRAPH

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to a resolution which is at the desk, submitted earlier today by the majority and Republican leaders.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 190) authorizing the taking of a photograph in the Chamber of the United States Senate.

There being no objection, the Senate proceeded to consider the resolution.

Mr. REID. Madam President, I ask unanimous consent that the resolution be agreed to and the motion to reconsider be laid upon the table, with no intervening action.

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

(The text of the resolution is printed in today's RECORD under "Resolutions Submitted.")

MAKING PERMANENT AUTHORITY TO REDACT FINANCIAL DISCLOSURE STATEMENTS

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to Calendar No. 263, H.R. 2336.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2336) to make permanent the authority to redact financial disclosure statements of judicial employees and judicial officers.

There being no objection, the Senate proceeded to consider the bill.

Mr. REID. Madam President, there is a Lieberman-Thompson amendment at the desk. I ask unanimous consent that the amendment be agreed to, that the bill as amended, be read a third time, passed, the title amendment be agreed to, 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 amendment (No. 2478) was agreed to, as follows:

AMENDMENT NO. 2478

(Purpose: To extend for 4 years the authority to redact financial disclosure statements of judicial employees and judicial officers)

Strike all after the enacting clause and insert the following:

SECTION 1. EXTENSION OF SUNSET PROVISION.

Section 105(b)(3)(E) of the Ethics in Government Act of 1978 (5 U.S.C. App.) is amended by striking "2001" each place it appears and inserting "2005".

The bill (H.R. 2336), as amended, was read the third time and passed.

The title amendment (No. 2479) was agreed to, as follows:

Amend the title so as to read: "An Act to extend for 4 years, through December 31, 2005, the authority to redact financial disclosure statements to judicial employees and judicial officers.".

HONORING 19 UNITED STATES SERVICEMEN WHO DIED IN TERRORIST BOMBING OF THE KHOBAR TOWERS IN SAUDI ARABIA

Mr. REID. Madam President, I ask unanimous consent that the Senate proceed to Calendar No. 261, S. Con. Res. 55.

The PRESIDING OFFICER. The clerk will report the concurrent resolution by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 55) honoring the 19 United States servicemen who died in the terrorist bombing of the Khobar Towers in Saudi Arabia, on June 25, 1996.

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

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

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

The concurrent resolution (S. Con. Res. 55) was agreed to.

The preamble was agreed to.

The concurrent resolution, with its preamble, reads as follows:

S. CON. RES. 55

Whereas June 25, 2001, marks the fifth anniversary of the tragic terrorist bombing of the Khobar Towers in Saudi Arabia;

Whereas this act of senseless violence took the lives of 19 brave United States servicemen, and wounded 500 others;

Whereas these nineteen men killed while serving their country were Captain Christopher Adams, Sergeant Daniel Cafourek, Sergeant Millard Campbell, Sergeant Earl Cartrette, Jr., Sergeant Patrick Fennig, Captain Leland Haun, Sergeant Michael Heiser, Sergeant Kevin Johnson, Sergeant Ronald King, Sergeant Kendall Kitson, Jr., Airman First Class Christopher Lester, Airman First Class Brent Marthaler, Airman First Class Brian McVeigh, Airman First Class Peter Morgera, Sergeant Thanh Nguyen, Airman First Class Joseph Rimkus, Senior Airman Jeremy Taylor, Airman First Class Justin Wood, and Airman First Class Joshua Woody;

Whereas those guilty of this attack have yet to be brought to justice;

Whereas the families of these brave servicemen still mourn their loss and await the day when those guilty of this act are brought to justice; and

Whereas terrorism remains a constant and ever-present threat around the world: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That the Congress, on the occasion of the fifth anniversary of the terrorist bombing of the Khobar Towers in Saudi Arabia, recognizes the sacrifice of the 19 servicemen who died in that attack, and calls upon every American to pause and pay tribute to these brave soldiers and to remain ever vigilant for signs which may warn of a terrorist attack.

ZIMBABWE DEMOCRACY AND ECONOMIC RECOVERY ACT OF 2001

Mr. REID. Madam President, I ask unanimous consent that the Chair lay before the Senate a message from the House on S. 494.

The PRESIDING OFFICER laid before the Senate a message from the House, as follows:

Resolved, That the bill from the Senate (S. 494) entitled "An Act to provide for a transition to democracy and to promote economic recovery in Zimbabwe", do pass with the following amendment:

Strike out all after the enacting clause and insert:

SECTION 1. SHORT TITLE.

This Act may be cited as the "Zimbabwe Democracy and Economic Recovery Act of 2001".

SEC. 2. STATEMENT OF POLICY.

It is the policy of the United States to support the people of Zimbabwe in their struggle to effect peaceful, democratic change, achieve broad-based and equitable economic growth, and restore the rule of law.

SEC. 3. DEFINITIONS.

In this Act:

(1) INTERNATIONAL FINANCIAL INSTITUTIONS.—The term ''international financial institutions'' means the multilateral development banks and the International Monetary Fund.

(2) MULTILATERAL DEVELOPMENT BANKS.—The term ''multilateral development banks'' means the International Bank for Reconstruction and Development, the International Development Association, the International Finance Corporation, the Inter-American Development Bank, the Asian Development Bank, the Inter-American Investment Corporation, the African Development Bank, the African Development Fund, the European Bank for Reconstruction and Development, and the Multilateral Investment Guaranty Agency.

SEC. 4. SUPPORT FOR DEMOCRATIC TRANSITION AND ECONOMIC RECOVERY.

(a) FINDINGS.—Congress makes the following findings:

(1) Through economic mismanagement, undemocratic practices, and the costly deployment of troops to the Democratic Republic of the Congo, the Government of Zimbabwe has rendered itself ineligible to participate in International Bank for Reconstruction and Development and International Monetary Fund programs, which would otherwise be providing substantial resources to assist in the recovery and modernization of Zimbabwe's economy. The people of Zimbabwe have thus been denied the economic and democratic benefits envisioned by the donors to such programs, including the United States.

(2) In September 1999 the IMF suspended its support under a ''Stand By Arrangement'', approved the previous month, for economic adjustment and reform in Zimbabwe.

(3) In October 1999, the International Development Association (in this section referred to as the ''IDA'') suspended all structural adjustment loans, credits, and guarantees to the Government of Zimbabwe.

(4) In May 2000, the IDA suspended all other new lending to the Government of Zimbabwe.

(5) In September 2000, the IDA suspended disbursement of funds for ongoing projects under previously-approved loans, credits, and guarantees to the Government of Zimbabwe.

(b) SUPPORT FOR DEMOCRATIC TRANSITION AND ECONOMIC RECOVERY.—

(1) BILATERAL DEBT RELIEF.—Upon receipt by the appropriate congressional committees of a certification described in subsection (d), the Secretary of the Treasury shall undertake a review of the feasibility of restructuring, rescheduling, or eliminating the sovereign debt of Zimbabwe held by any agency of the United States Government.

(2) MULTILATERAL DEBT RELIEF AND OTHER FINANCIAL ASSISTANCE.—It is the sense of Congress that, upon receipt by the appropriate congressional committees of a certification described in subsection (d), the Secretary of the Treasury should—

(A) direct the United States executive director of each multilateral development bank to propose that the bank should undertake a review of the feasibility of restructuring, rescheduling, or eliminating the sovereign debt of Zimbabwe held by that bank; and

(B) direct the United States executive director of each international financial institution to which the United States is a member to propose to undertake financial and technical support for Zimbabwe, especially support that is intended to promote Zimbabwe's economic recovery and development, the stabilization of the Zimbabwean dollar, and the viability of Zimbabwe's democratic institutions.

(c) MULTILATERAL FINANCING RESTRICTION.—Until the President makes the certification described in subsection (d), and except as may be required to meet basic human needs or for good governance, the Secretary of the Treasury shall instruct the United States executive director to each international financial institution to oppose and vote against—

(1) any extension by the respective institution of any loan, credit, or guarantee to the Government of Zimbabwe; or

(2) any cancellation or reduction of indebtedness owed by the Government of Zimbabwe to the United States or any international financial institution.

(d) PRESIDENTIAL CERTIFICATION THAT CERTAIN CONDITIONS ARE SATISFIED.—A certification under this subsection is a certification transmitted to the appropriate congressional committees of a determination made by the President that the following conditions are satisfied:

(1) RESTORATION OF THE RULE OF LAW.—The rule of law has been restored in Zimbabwe, including respect for ownership and title to property, freedom of speech and association, and an end to the lawlessness, violence, and intimidation sponsored, condoned, or tolerated by the Government of Zimbabwe, the ruling party, and their supporters or entities.

(2) ELECTION OR PRE-ELECTION CONDITIONS.—Either of the following two conditions is satisfied:

(A) PRESIDENTIAL ELECTION.—Zimbabwe has held a presidential election that is widely accepted as free and fair by independent international monitors, and the president-elect is free to assume the duties of the office.

(B) PRE-ELECTION CONDITIONS.—In the event the certification is made before the presidential election takes place, the Government of Zimbabwe has sufficiently improved the pre-election environment to a degree consistent with accepted international standards for security and freedom of movement and association.

(3) COMMITMENT TO EQUITABLE, LEGAL, AND TRANSPARENT LAND REFORM.—The Government of Zimbabwe has demonstrated a commitment to an equitable, legal, and transparent land reform program consistent with agreements reached at the International Donors' Conference on Land Reform and Resettlement in Zimbabwe held in Harare, Zimbabwe, in September 1998.

(4) FULFILLMENT OF AGREEMENT ENDING WAR IN DEMOCRATIC REPUBLIC OF CONGO.—The Government of Zimbabwe is making a good faith effort to fulfill the terms of the Lusaka, Zambia, agreement on ending the war in the Democratic Republic of Congo.

(5) MILITARY AND NATIONAL POLICE SUBORDINATE TO CIVILIAN GOVERNMENT.—The Zimbabwean Armed Forces, the National Police of Zimbabwe, and other state security forces are responsible to and serve the elected civilian government.

(e) WAIVER.—The President may waive the provisions of subsection (b)(1) or subsection (c), if the President determines that it is in the national interest of the United States to do so.

SEC. 5. SUPPORT FOR DEMOCRATIC INSTITUTIONS, THE FREE PRESS AND INDEPENDENT MEDIA, AND THE RULE OF LAW.

(a) IN GENERAL.—The President is authorized to provide assistance under part I and chapter 4 of part II of the Foreign Assistance Act of 1961 to—

(1) support an independent and free press and electronic media in Zimbabwe;

(2) support equitable, legal, and transparent mechanisms of land reform in Zimbabwe, including the payment of costs related to the acquisition of land and the resettlement of individuals, consistent with the International Donors' Conference on Land Reform and Resettlement in Zimbabwe held in Harare, Zimbabwe, in September 1998, or any subsequent agreement relating thereto; and

(3) provide for democracy and governance programs in Zimbabwe.

(b) FUNDING.—Of the funds authorized to be appropriated to carry out part I and chapter 4 of part II of the Foreign Assistance Act of 1961 for fiscal year 2002—

(1) $20,000,000 is authorized to be available to provide the assistance described in subsection (a)(2); and

(2) $6,000,000 is authorized to be available to provide the assistance described in subsection (a)(3).

(c) SUPERSEDES OTHER LAWS.—The authority in this section supersedes any other provision of law.

SEC. 6. SENSE OF CONGRESS ON THE ACTIONS TO BE TAKEN AGAINST INDIVIDUALS RESPONSIBLE FOR VIOLENCE AND THE BREAKDOWN OF THE RULE OF LAW IN ZIMBABWE.

It is the sense of Congress that the President should begin immediate consultation with the governments of European Union member states, Canada, and other appropriate foreign countries on ways in which to—

(1) identify and share information regarding individuals responsible for the deliberate breakdown of the rule of law, politically motivated violence, and intimidation in Zimbabwe;

(2) identify assets of those individuals held outside Zimbabwe;

(3) implement travel and economic sanctions against those individuals and their associates and families; and

(4) provide for the eventual removal or amendment of those sanctions.

Mr. REID. I ask unanimous consent that the Senate concur in the amendment of the House.

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

DISTRICT OF COLUMBIA POLICE COORDINATION AMENDMENT ACT OF 2001

Mr. REID. I ask consent that the Senate proceed to the consideration of Calendar No. 246, H.R. 2199.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (H.R. 2199) to amend the National Capital Revitalization and Self-Government Improvement Act of 1997 to permit any Federal law enforcement agency to enter into a cooperative agreement with the Metropolitan Police Department of the District of Columbia to assist the Department in carrying out crime prevention and law enforcement activities in the District of Columbia if deemed appropriate by the Chief of the Department and the United States Attorney for the District of Columbia, and for other purposes.

There being no objection, the Senate proceeded to the immediate consideration of the bill.

Mr. REID. I understand Senator LIEBERMAN has an amendment at the desk, and I therefore ask for its consideration, that the amendment be agreed to, and the motion to reconsider be laid upon the table.

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

The amendment (No. 2480) was agreed to, as follows:

AMENDMENT NO. 2480

(Purpose: To make a technical correction)

On page 2, line 13, strike ''sec. 4–192(d)'' and insert ''sec. 5–133.17(d)''.

Mr. REID. I ask consent that the bill, as amended, be read the third time, passed, the motion to reconsider be laid upon the table, with no intervening action or debate, and any statements related thereto be printed in the RECORD.

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

The bill (H.R. 2199), as amended, was read the third time and passed.

CONSOLIDATED FARM AND RURAL DEVELOPMENT ACT AMENDMENTS

Mr. REID. I ask consent that the Senate proceed to Calendar No. 260, S. 1519.

The PRESIDING OFFICER. The clerk will report the bill by title.

The assistant legislative clerk read as follows:

A bill (S. 1519) to amend the Consolidated Farm and Rural Development Act to provide farm credit assistance for activated reservists.

There being no objection, the Senate proceeded to the immediate consideration of the bill.

Mr. REID. I ask consent the bill be considered read the third time, passed, the motion to reconsider be laid upon the table, with no intervening action or debate, and any statements related thereto be printed in the RECORD.

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

The bill (S. 1519) was read the third time and passed, as follows:

S. 1519

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. FARM CREDIT ASSISTANCE FOR ACTIVATED RESERVISTS.

Subtitle D of the Consolidated Farm and Rural Development Act (7 U.S.C. 1981 et seq.) is amended by adding at the end the following:

"SEC. 376. FARM CREDIT ASSISTANCE FOR ACTIVATED RESERVISTS.

''(a) DEFINITIONS.—In this section:

''(1) ACTIVATED RESERVIST.—The term 'activated reservist' means—

''(A) a member of a reserve component of any of the Armed Forces of the United States who is serving on active duty in support of a contingency operation (as defined in section 101(a)(13) of title 10, United States Code) pursuant to a call or order issued on or after September 11, 2001, under a provision of law referred to in subparagraph (B) of that section; and

''(B) a member of the National Guard of a State not in Federal service who is ordered to duty under the laws of the State in support of any operation to protect persons or property from an act of terrorism or a threat of attack by a hostile force during the period of a national emergency declared by the President or Congress on or after September 11, 2001.

''(2) ELIGIBLE PERSON.—The term 'eligible person' means—

''(A) an activated reservist who owns or operates a farm or ranch;

''(B) an owner or operator of the farm or ranch who is a member of the family of the activated reservist; and

''(C) an owner or operator of a farm or ranch on which an activated reservist is employed.

''(b) PROGRAM.—The Secretary shall establish a program to provide assistance to any borrower of a farmer program loan who is an eligible person.

''(c) MODIFICATION OF LOAN TERMS.—The Secretary shall modify the terms and conditions of a farmer program loan (including a loan in which any participant in the loan is an eligible person) made to an eligible person for a farm or ranch under this title, or purchased under section 309B, to the extent necessary, as determined by the Secretary, to alleviate conditions of distress related to the activation of the activated reservist and to assist in maintaining the farm or ranch for such period of time as the Secretary determines is fair and equitable.

''(d) DEBT RESTRUCTURING.—The Secretary may modify farmer program loans, including delinquent loans, by deferring principal or interest scheduled payments, reducing interest rates or accumulated interest charges, reamortizing or consolidating loans, reducing the amount of scheduled principal or interest payments, releasing additional income, reducing collateral requirements, or taking any other restructuring actions determined appropriate by the Secretary, to alleviate conditions of distress related to the activation of the activated reservist and to assist in maintaining the farm or ranch for such period of time as the Secretary determines is fair and equitable.

''(e) EMERGENCY LOANS.—

''(1) IN GENERAL.—The Secretary shall make an emergency loan under subtitle C to an eligible person for a farm or ranch that has suffered, or that is likely to suffer, substantial economic injury as the result of the activation of an activated reservist, as determined by the Secretary.

''(2) ADMINISTRATION.—

''(A) IN GENERAL.—Except as provided in subparagraph (B), an emergency loan made under this subsection shall be made under the terms and conditions of subtitle C.

''(B) EXCEPTIONS.—An emergency loan made under this subsection shall not be subject to—

''(i) the requirements of section 321(a) for a finding by the Secretary that the applicants' farming, ranching, or aquaculture operations have been substantially affected by a natural disaster in the United States or by a major disaster or emergency designated by the President;

''(ii) section 321(b); or

''(iii) any other requirement of subtitle C that the Secretary waives to carry out this subsection.

''(3) PERIOD OF ELIGIBILITY.—To obtain an emergency loan under this subsection, an eligible person shall apply for the emergency loan during the period—

''(A) beginning on the date on which the activated reservist is activated; and

''(B) ending 180 days after the date on which the activated reservist is discharged or released from active duty.

''(f) NOTICE.—The Secretary shall develop a program to notify eligible persons of assistance that is available under this section.

''(g) SPOUSES OR RELATIVES.—

''(1) IN GENERAL.—The Secretary may provide for procedures under which the spouse or other close relative (as determined by the Secretary) of an activated reservist may participate in, or make decisions related to, a program administered by the Secretary under this title.

''(2) REPRESENTATION.—The Secretary may rely on the representation of the spouse or close relative (even in the absence of a power of attorney) made under the procedures described in paragraph (1) if the Secretary—

''(A) determines that the reliance is appropriate in order to prevent undue hardship and to provide equitable treatment for the activated reservist; and

''(B) has no reason to believe that the representation of the spouse or close relative is not in accordance with the intent and interests of the activated reservist.''.

SEC. 2. REGULATIONS.

(a) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall promulgate such regulations as are necessary to implement the amendment made by section 1.

(b) PROCEDURE.—The promulgation of the regulations and administration of the amendment made by section 1 shall be made without regard to—

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

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

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

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

ORDERS FOR WEDNESDAY, DECEMBER 12, 2001

Mr. REID. Madam President, I ask unanimous consent that when the Senate completes its business today, it adjourn until the hour of 9:30 a.m., Wednesday, December 12; that immediately following the prayer and pledge, the Journal of proceedings be approved, 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 bill.

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

PROGRAM

Mr. REID. Madam President, there will, as I have announced, be a recorded vote on the Lugar amendment at approximately 10:20 or 10:25 in the morning.

ADJOURNMENT UNTIL 9:30 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 6:58 p.m., adjourned until Wednesday, December 12, 2001, at 9:30 a.m.

NOMINATIONS

Executive nominations received by the Senate December 11, 2001:

DEPARTMENT OF ENERGY

RAYMOND L. ORBACH, OF CALIFORNIA, TO BE DIRECTOR OF THE OFFICE OF SCIENCE, DEPARTMENT OF ENERGY, VICE MILDRED SPIEWAK DRESSELHAUS.

DEPARTMENT OF JUSTICE

JAMES DUANE DAWSON, OF WEST VIRGINIA, TO BE UNITED STATES MARSHAL FOR THE SOUTHERN DISTRICT OF WEST VIRGINIA FOR THE TERM OF FOUR YEARS, VICE CHARLES M. ADKINS.

WILLIAM CAREY JENKINS, OF LOUISIANA, TO BE UNITED STATES MARSHAL FOR THE MIDDLE DISTRICT OF LOUISIANA FOR THE TERM OF FOUR YEARS, VICE RONALD JOSEPH BOUDREAUX, RESIGNED.

DWIGHT MACKAY, OF MONTANA, TO BE UNITED STATES MARSHAL FOR THE DISTRICT OF MONTANA FOR THE TERM OF FOUR YEARS, VICE WILLIAM STEPHEN STRIZICH, RESIGNED.

RONALD RICHARD MCCUBBIN, JR., OF KENTUCKY, TO BE UNITED STATES MARSHAL FOR THE WESTERN DISTRICT OF KENTUCKY FOR THE TERM OF FOUR YEARS, VICE E. DOUGLAS HAMILTON.

DAVID REID MURTAUGH, OF INDIANA, TO BE UNITED STATES MARSHAL FOR THE NORTHERN DISTRICT OF INDIANA FOR THE TERM OF FOUR YEARS, VICE MICHAEL D. CARRINGTON.

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN

THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be colonel

GERARD W. STALNAKER, 0000
EVERETT G. WILLARD JR., 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE AND FOR REGULAR APPOINTMENT (IDENTIFIED BY AN ASTERISK(*)) UNDER TITLE 10, U.S.C., SECTIONS 624 AND 531:

To be lieutenant colonel

JAMES A. BARLOW, 0000
MICHAEL J. BARNES, 0000
JUDY M. GIST, 0000
JEFFREY L.* HAMILTON, 0000
WILLIAM S. JONES, 0000
GLENN S. ROBERTS, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES AIR FORCE UNDER TITLE 10, U.S.C., SECTION 624:

To be major

CYNTHIA M. CADET, 0000
CHARLES L. CAMPBELL, 0000
YVONNE M. DIETRICH, 0000
WILLIAM A. RANDALL, 0000
JEFFREY H. SEDGEWICK, 0000
TEDDI J. STEIL, 0000
MARIA E. WHITE, 0000
DAVID G. YOUNG III, 0000

IN THE ARMY

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

JOSEPH L. CULVER, 0000
CHARLES R. JAMES JR., 0000

THE FOLLOWING NAMED ARMY NATIONAL GUARD OF THE UNITED STATES OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE RESERVE OF THE ARMY UNDER TITLE 10, U.S.C., SECTIONS 12203 AND 12211:

To be colonel

BARRY D. KEELING, 0000
ERNESTO E. MARRA, 0000

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY UNDER TITLE 10, U.S.C., SECTION 624:

To be lieutenant colonel

JAMES J. WALDECK III, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY IN THE NURSE CORPS UNDER TITLE 10, U.S.C., SECTIONS 624 AND 3064:

To be colonel

LAURA R BROSCH, 0000
MARIA T BRYANT, 0000
SUSANNE J CLARK, 0000
TIMOTHY A COFFEY, 0000
MICHAEL H CUSTER, 0000
ANGELIA E DURRANCE, 0000
GAIL E FORD, 0000
LEANA A FOXJOHNSON, 0000
VINCENT E GLIDDEN, 0000
ELIZABETH E HILL, 0000
PATRICIA D HOROHO, 0000
CHRISTOPHER A KRUPP, 0000
CAROL A MCNEILL, 0000
ALLISON L MIRAKIAN, 0000
ELIZABETH A MITTELSTAEDT, 0000
LU A PERALTA, 0000
CHRISTINE M PIPER, 0000
LINDA D ROBINETTE, 0000
GAIL J WILLIAMSON, 0000
CONNORS A WOLFORD, 0000

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT TO THE GRADE INDICATED IN THE UNITED STATES ARMY AND FOR REGULAR APPOINTMENT IN THE MEDICAL SERVICE CORPS (IDENTIFIED BY AN ASTERISK(*)) UNDER TITLE 10, U.S.C., SECTIONS 624, 531, AND 3064:

To be colonel

GARRY F ATKINS, 0000
THOMAS M BAILEY, 0000
LOUIE M * BANKS III, 0000
RICHARD L BOND, 0000
ZANKL D CARAWAY, 0000
JOHN J CIESLA, 0000
DAVID W CRAFT, 0000
DOUGLAS R DUDEVOIR, 0000
VICTOR C EILENFIELD, 0000
RONALD E ESKEW, 0000
DEBRA D FRANCO, 0000
SAMUEL D FRANCO, 0000
WILLIAM R FRY, 0000
FREDERICK J GARGIULO, 0000
ROBERT W GOMBESKI, 0000
JAMES E GORDON, 0000
JOHN D GRABENSTEIN, 0000
ISIAH M HARPER JR., 0000
CHARLES C HUME, 0000
LARRY C JAMES, 0000
DAVID E JONES, 0000
CHARLES S KELLER, 0000
PAULINE KNAPP, 0000
WALTER S * LORING, 0000
DENISE M MCCOLLUM, 0000
WENDELL A MOORE, 0000
THOMAS G MUNDIE, 0000
CARMEN L RINEHART, 0000
WILLIAM H RIVARD III, 0000
DARYL L SPENCER, 0000

CONFIRMATIONS

Executive nominations confirmed by the Senate December 11, 2001:

THE JUDICIARY

JOHN D. BATES, OF MARYLAND, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF COLUMBIA.

KURT D. ENGELHARDT, OF LOUISIANA, TO BE UNITED STATES DISTRICT JUDGE FOR THE EASTERN DISTRICT OF LOUISIANA.

JULIE A. ROBINSON, OF KANSAS, TO BE UNITED STATES DISTRICT JUDGE FOR THE DISTRICT OF KANSAS.

EXTENSIONS OF REMARKS

TRIBUTE TO ART VALENTI, PRESIDENT OF U.A.W. LOCAL 900 RETIREE CHAPTER

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. BONIOR. Mr. Speaker, today I rise to recognize a man who has dedicated more than 62 years to the United Automobile Workers, Art Valenti. As one of the original in-plant organizers who fought to bring the union to the Ford Motor Company, Art Valenti has dedicated his life the union movement. This year, as U.A.W. Local 900 members gathered to celebrate their 60th Anniversary, they recognized the Art ''Little Caesar'' Valenti for dedicating his life to Local 900 and the U.A.W. organization.

Beginning work at the old Ford-Lincoln plant on Livernois in 1939, Art was discharged just a year later on Friday, December 13, 1940. This marked the start of his long and laborious fight against the anti-labor programs in place at the Ford Service Department. Regardless of the many obstacles, Art began his efforts to organize workers in Detroit. Holding dances that raised countless funds to support union efforts, Art began organizing at his base, and was actively involved in many battles and a strike at the Ford Rouge Plant. When the U.A.W. Ford Agreement was signed in June of 1941, Art was reinstated to his job at the Ford Lincoln Plant and became an organizer and Charter member of Local 900, then a part of Local 600. Art ''Little Caesar'' Valenti continued as a union representative, and while Treasurer and activist continued his fight against unfair practices of the Ford-Lincoln supervision and Service Department. In the years following, Art served his local and cause as a trustee, guide, and Executive Board member to Local 900, as well as served as District Committeeman, Bargaining Committeeman, and finally President of Local 900. His hard work and tireless efforts established dinners for Retirees as appreciation for their years of service, won the largest individual back pay award at the time, and was one of only 25 American Trade Unionists to be sent to Denmark to visit with Danish Trade Unionists in 1952.

Art's dedication only continued with time, gaining appointment to the Vice President of the International Union's staff in 1957, where he remained until his retirement in June of 1980. Even after retirement, ''Little Caesar'' Valenti's commitment carried him to become elected as President of the U.A.W. Local 900 Retiree Chapter in 1981, where he has continued to bring the same fire and loyalty to his brothers and the union cause.

I applaud Art Valenti for his leadership, commitment, and service, and I urge my colleagues to join me in saluting him for his exemplary years of leadership and service.

TRIBUTE TO STEVEN E. HYMAN

HON. PATRICK J. KENNEDY

OF RHODE ISLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. KENNEDY of Rhode Island. Mr. Speaker, Dr. Steve Hyman, Director of the National Institute of Mental Health at NIH, recently left NIMH to become Provost of Harvard University. While I am very happy that he has chosen to take this important step, I very much regret that public service is losing such a significant figure working on behalf of patients and families affected by mental illness.

Steve is a very well known neuroscientist, and also a gifted communicator. We have worked together on several issues and events, most recently a briefing for Members and staff on the mental health effects of terrorism in the wake of the awful events of September 11, 2001. Steve has a remarkable ability to leave his audience—whether it is lay or scientific—with a more complete understanding of whatever complex issue he is addressing. This is critical to those of us who work to reduce and eliminate the entrenched stigma about mental illness that so unfairly plagues patients and families. As a scientist, Steve has many times asserted that science shows us absolutely no reason to treat those with mental illnesses as anything other than respected individuals affected by treatable illnesses who deserve health insurance coverage completely commensurate with the coverage provided for physical ailments. In fact, NIMH recently held a meeting in which I participated, focusing on the very real relationship between depression and physical disorders—something that is critical to understand.

For too long, those suffering from depression, bipolar disorder, schizophrenia, anxiety disorders, or any of the other diseases that affect our brain and behavior, have faced discrimination, shame, and even scorn. Leaders like Steve have given us the tools we need to argue forcefully and credibly for equal treatment and equal justice. I believe that his leadership, scientific expertise, and his active participation in trying to educate policymakers like us, as well as our constituents—the American public—have moved us far down the path to eliminating stigma. Steve and NIMH were very much involved in the development of the unprecedented Surgeon General's Report on Mental Health, a groundbreaking document that has had a major impact in this country. He also was a key participant in the equally groundbreaking White House Conference on Mental Health held in June of 1999, a public event that featured the President and First Lady, the Vice President and Mrs. Gore, and many, many Members of Congress.

While we will miss Steve Hyman, I am confident that the course he has set for NIMH, and the people he has left to steer it, will enable it to continue to move steadily forward. I know that Steve has left a strong institution, but he has also left a major challenge for his successor—to continue the momentum that he has built up over the five and one-half years he served us as NIMH Director. I haven't known him for a long number of years, but I do know Steve Hyman well enough to know that he will continue his role as champion of patients and their families, and that we are all better off for it.

TRIBUTE TO AMANDA JENKINS, SARAH GOSHMAN, AND MELISSA NUNNENKAMP

HON. STEVE ISRAEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. ISRAEL. Mr. Speaker, it is with great pride that I rise today to recognize three of New York's outstanding young students: Amanda Jenkins, Sarah Goshman and Melissa Nunnenkamp. In January, the young women of their troop will honor them by bestowing upon them the Girl Scouts Gold Medal.

Since the beginning of this century, the Girl Scouts of America have provided thousands of youngsters each year the opportunity to make friends, explore new ideas, and develop leadership skills while learning self-reliance and teamwork.

These awards are presented only to those who possess the qualities that make our nation great: commitment to excellence, hard work, and genuine love of community service. The Gold Awards represent the highest awards attainable by junior and high school Girl Scouts.

I ask my colleagues to join me in congratulating the recipients of these awards, as their activities are indeed worthy of praise. Their leadership benefits our community and they serve as role models for their peers.

Also, we must not forget the unsung heroes, who continue to devote a large part of their lives to make all this possible. Therefore, I salute the families, scout leaders, and countless others who have given generously of their time and energy in support of scouting.

It is with great pride that I recognize the achievements of Amanda, Sarah and Melissa and bring the attention of Congress to these successful young women on their day of recognition.

PERSONAL EXPLANATION

HON. LUIS V. GUTIERREZ

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. GUTIERREZ. Mr. Speaker, a previously scheduled commitment prevented me from being in Washington, D.C. and voting on H. Con. Res. 280 on December 4, 2001. Consistent with my record of strong support for

Israel, I would have voted yes on this important legislation. H. Con. Res. 280 expresses solidarity with the people of Israel in the fight against terrorism.

The horrific murders of 26 innocent people by Palestinian terrorists during the weekend of December 1–2 make clear the need for all Americans to show their support for the people and Israel during this dangerous and troubled time. Our nation has no more consistent friend and ally in the international struggle against terrorism than Israel. The people of Israel set an invaluable international example with their commitment to democracy and freedom and dedication to working for peace. The people of Israel continue to pay a high price for these ideals. Their nation remains a target of a deadly and unrelenting terror campaign that is often aimed directly at young people and families. Israel deserves and needs our unwavering support at this difficult time.

I strongly support the resolution's call for the Palestinian Authority to destroy the infrastructure of Palestinian terrorist groups and to pursue and arrest terrorist whose incarceration has been called for by Israel. I strongly urge President bush to take any and all steps to assure these goals are met, including suspending all relations with Yasir Arafat and the Palestinian Authority if necessary.

The safety and security of all people of the world who value freedom and respect the rule of law has never been more threatened. The United States and Israel must remain the closest of allies in our mutual quest to stop terrorism and work for peace. I am pleased to give H. Con. Res. 280 my unqualified support.

TRIBUTE TO ANNETTE M. RAINWATER, DEDICATED ACTIVIST AND COMMUNITY ORGANIZER

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. BONIOR. Mr. Speaker, I rise today to honor a woman who has given her life to the pursuit of justice and equality.

Annette M. Rainwater is one of Detroit's most committed activists. She came of age at a time when our country and our democracy were at a crossroads. When Dr. King called on Americans to join together to stand up for their rights, to register voters, to fulfill the promise of democracy, she answered that call. She answered it with passion, intelligence, and faith that we could shape a better future. Not only did Annette get involved, she stayed involved. Over the years, she has held leadership positions with such organizations as the Southern Christian Leadership Council, the NAACP, the Student Nonviolent Coordinating Committee, and the National Political Congress of Black Women, just to name a few. But in all of these roles, her capacity to inspire others and her determination shone through.

Annette also worked tirelessly in her community. As a precinct delegate, she knocked on countless doors and recruited many volunteers. When it came time to get out the vote, Annette was always ready to help. She has offered her skills as an organizer as well, through her roles as a Board member of the Fifteenth Democratic District Congressional Organization and Democratic Party State Central member. She has also been a dedicated public servant, serving as the chief of staff for Councilman Clyde Cleveland.

Although Annette is retiring, she will leave a legacy of activists and public servants to continue her work. She has been a mentor to many, including Llenda Jackson-Leslie, Vice President of the National Women's Political Caucus, Judge Greg Mathis, and Wayne County Commissioner Jewel Ware. These leaders and others will help keep the stories of the civil rights struggle alive—and help make sure that we move forward, and never forgot where we've been.

To paraphrase Dr. Martin Luther King, the measure of a person is not where she stands in moments of comfort and convenience, but where she stands at times of challenge and controversy. During one of the most difficult times in our history, Annette Rainwater stood for justice, equality, and a future that would allow all Americans the opportunity to reach our fullest potential.

Detroit is a better place because Annette Rainwater calls it home. She has earned our thanks for her half-century of selfless dedication to creating a more just city, state and nation.

BOOK DEVELOPED BY RON MORGAN

HON. DAVE WELDON

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. WELDON of Florida. Mr. Speaker, Ron Morgan of Cape Canaveral, Florida, is becoming a well known expert on the U.S. flag. He has developed a comprehensive book, The American Spirit in the New Millennium, that endeavors to renew pride in our flag and to present a fair case about its legal protections, effectively countering the arguments of those who would allow our flag to be desecrated. He wants to inspire further research and study of not just the history of the flag, but United States history, law and government. I am proud that Ron Morgan is my constituent on Florida's Space Coast, and I thank him for his hard work and dedication to promote the values represented in our flag. I wish to enter into the CONGRESSIONAL RECORD a chapter from his book that was updated since the September 11 attacks:

AMERICA UNITED—A CALL TO HONOR

On January 1 in the year 2000, the entire world was transfixed as a glowing ball of light descended above Times Square, amid the cheers and adulations of over one million New Yorkers. The amazing technology of the last century provided live pictures of this joyous event to every nation in the world, as the global celebration of Y2K signaled the grand commencement of this new millennium.

On September 11 in the year 2001, the entire world was transfixed as the symbol of this new millennium, the mighty twin towers of the World Trade Center, descended in a horrendous roar of fiery steel and concrete, with the unspeakable loss of thousands of innocent men, women and children from America and from 80 sovereign nations around the globe. The amazing technology of the last century provided live pictures of this insane crime against humanity, as the world reeled in terror.

As the immensity of the horror overcame the paralyzing visual shock, people from every nation on earth truly believed they were witnessing the beginning of the end of the civilized world—or as many describe it, the Apocalypse. The bright sunshine was instantly transformed into the pitch-blackness of a moonless night by billowing clouds of black carbon, grey concrete and white ash. Clouds that had not been seen in our nation for 70 years, since the towering clouds of brown dust swept relentlessly across the Great Plains in the 1930's and turned America's heartland into America's wasteland.

Fellow human beings began to emerge from those clouds, from the darkness into the light. Some walked, some ran, some carried each other—but all moved with dignity. The eerie, ash covered figures that stepped out of those clouds into the waiting arms of the rescuers, displayed no recognizable ethnic or racial characteristics visible to the naked eye.

We were one with them, and they were ours. New York City was truly united in a heroic display of courage, self-sacrifice, and compassion.

The mightiest city on the planet was brought to its knees in seconds by an act of barbarism unparalleled in history. But as the dust settled amid the raging fires that still burned, a wondrous transformation slowly enveloped that scene of mindless carnage.

The true American spirit began to rise higher than the tall towers that once dominated the skyline of New York. It gave vibrant notice that we have suffered a grievous wound, we have lost uncounted lives, but we will not be bowed, we will endure!

The spirit of courage that drove our fearless and tireless firefighters, police officers, medical personnel and scores of civilian volunteers, who offered their own lives to save others. The spirit of help that mobilized the entire city to aid and comfort the victims, their families and the rescuers who continued to brave unrelenting danger. The spirit of prayer that brought people of all faiths together, as never before in memory.

The spirit that galvanized the entire nation, with volunteers from every state and even foreign nations streaming in New York to help in the enormous effort of recovery. The United States Congress and the Administration were truly unified for the first time since World War II. Our nation spoke with one voice, with one purpose and with one message—This terror shall not endure. Our citizens and our freedoms shall be defended and preserved. Justice under law will prevail!

And the unyielding symbol of the American spirit began to appear on the helmets and the tunics of the incredible rescue personnel. It began to appear on cabs, buses, trucks, cars and subway trains. It appeared on apartments, shop windows, buildings, houses, street signs, light poles and trees. It was worn on lapels, shirts, jackets and hats. It was carried by hand and was waved on high. It was draped on the smoldering steel frames of a once mighty edifice, as a proud badge of honor and an unmistakable pledge of resolve and perseverance in the face of unconscionable evil. The Flag of the United States of America became our rallying cry and our inspiration, just as it has countless times before in the face of tragedy and adversity. it asked nothing in return, just the chance to serve us if we needed something beyond ourselves to remind us of our goal.

There is an incredible historical mosaic that blends and intertwines the past and the present in every city, town, and village in America. That mosaic was never more vividly displayed than in the streets of downtown New York on those fateful days in September 2001.

212 years ago President George Washington knelt down in St. Paul's Chapel, nestled near

the Battery on the island of Manhattan, New York. It was April 30, 1789. He had walked to St. Paul's from Federal Hall, where he had just been inaugurated as the first President of the United States. He prayed for guidance to lead a fledgling nation, with honor, into the unknown waters of a new concept of government.

On September 16, 2001 Mayor Rudy Giuliani knelt down in St. Paul's Chapel on the island of Manhattan in the area now known as Ground Zero. He prayed for guidance to lead his wounded city, with honor, in a humanitarian rescue and recovery effort of unparalleled proportions.

St. Paul's is a stone's throw from the World Trade Plaza. It was saved and preserved during the skyscraper construction that totally surrounds it, only because it was listed on the Historic Registry! The twin towers rained down million of tons of debris that rocked the ground with the force of an earthquake. Loose steel and concrete tore apart mightly buildings and filled the city streets around this hallowed site. But not one pane of stained glass in the chapel windows was broken.

At Washington's National Cathedral, President George W. Bush spoke for America to the clerics of all faiths, to our national leaders and to the United Nations representatives assembled in the pews of the cathedral. He humbly prayed for guidance to lead this country and indeed the civilized world, into a new age of freedom from terror and tyranny.

We now realize that the splendor of this new millennium cannot be achieved if we do not meet this worldwide challenge to our very way of life. A challenge that heretofore existed only in shadows and darkness, but now is clear and visible and formidable. The task that lies ahead is a daunting task that will require courage, judgment, patience and—above all—perseverance. The American people are up to the task!

Let us pledge to each other our will, our commitment, our strength and our steadfast unity. Working together as one people, we can strive to meet the three primary goals of this great nation that are so eloquently described in the Declaration of Independence: That personal security of life without fear; the cherished freedoms of our individual and societal liberty; and, the profound enjoyment inherent in the pursuit of happiness and prosperity.

Our nation has issued a Call to Honor. The American people and our noble leaders have stood up bravely and answered the call. They have answered the call with their sacrifice, their deeds and their generosity. They have proudly proclaimed their unity by gathering together with the one and only tangible object that truly represents each one of us individually and all of us collectively—the Flag of the United States.

America United is no longer a slogan. America United is now a reality!

SPEECH BY COUNTY COMMISSIONER RON RANKIN OF KOOTENAI COUNTY, IDAHO

HON. C.L. "BUTCH" OTTER

OF IDAHO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. OTTER. Mr. Speaker, I rise today to bring to the attention of the House a recent speech by County Commissioner Ron Rankin of Kootenai County, Idaho. Ron is a veteran of the United States Marines and is a tireless defender, like all Idahoans, of the rights our veterans preserved for us through their devotion. This speech was given by Commissioner Rankin on the occasion of the dedication of a new veteran's memorial. I urge my colleagues to read this speech and remember the sacrifices our veterans made for us and the continued sacrifices being made today by our men and women in uniform. With the consent of the House I would like to insert that speech for the record.

KOOTENAI COUNTY VETERANS MEMORIAL WALL DEDICATION, NOVEMBER 10, 2001

(By Commissioner Ronald D. Rankin)

Once there was a nation of patriots, men, women, and children who loved their country, their flag, and their freedom, and the independence guaranteed by their divinely inspired United States Constitution. They honored their soldiers who fought to preserve their freedom and independence.

Then came the Korean War, the first war our country fought that we were politically prohibited from winning. This was followed by the Viet Nam War where hoards of drug crazed traitors cursed and spat upon combat veterans returning from a war that cost over 50 thousand casualties. Our fighting men and women were pilloried for the treasonous political decisions that protracted that war far longer than any other in our history.

That ''hippie generation'' is now being replaced by a generation which has never witnessed a war like those of the 20th Century—a generation that will determine the future of our country, our United States constitution, and our freedom.

They must be taught and reminded what American veterans have sacrificed for them to be able to live in freedom.

To that end, and through most generous private contributions, Kootenai County citizens are carving highlights of history into stone. A remembrance of some of the great moments in history that have molded and formed our futures.

Each of the fourteen laser-etched stone photo panels on this wall will represent a major military mark in history.

On the inside of the foyer/gallery, will be found separate pamphlets each describing a great event of military history.

One will describe in detail the infamous attack on Pearl Harbor, not the entire World War II but only Pearl Harbor. Another will describe in detail the barbaric Bataan Death March, where American prisoners of war were tortured, murdered and taken to Japan to work as slaves in the mines; another, the turning point of World War II in the Pacific—the Battle of Midway, where the sinking of so many Japanese aircraft carriers effectively broke the back of the Japanese fleet.

Iwo Jima; how that well known flag photograph came to be, and at what terrible cost.

The Navajo Code Talkers; American Indian patriots who saved the lives of thousands of their fellow Marines, sending and receiving combat messages in their ancient tongue that was undecipherable by Japanese intelligence.

A detailed account of the Battle of the Chosin Reservoir in 1950 in North Korea—an epic in Marine Corps history.

The epic landing at Normandy on ''D'' Day—1944.

The heroic 2nd Rangers scaling a 100 ft. cliff to take a German pill box at the top of the coastal cliffs of Normandy.

The Battle of the Bulge. The hard fought heroic battles that were the turning point in the war in Europe.

The air war over Europe and the heroes of the B–17's.

The emergence of helicopters and river gun boats as weapons of choice in Vietnam. These and more to be added, will be a source of unrevised history for our youth of future generations as well as some of our adults of today who have little knowledge of the sacrifice of our combat veterans past and present.

It is our resolve here today in dedicating this memorial wall, that our veterans will retake their places of honor and respect in the minds of those so blessed by the freedom they enjoy. A legacy of the sacrifices of the generations of patriots past and present who have worn the uniform of our country with pride and dedication to the principles we all hold dear.

May God Continue to Bless America in all of her righteous endeavors.

This I ask humbly in the name of Jesus Christ—Amen.

BIPARTISAN TRADE PROMOTION AUTHORITY ACT OF 2001

SPEECH OF

HON. LYNN C. WOOLSEY

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 6, 2001

Ms. WOOLSEY. Mr. Speaker, I rise in strong opposition to H.R. 3005, the Trade Promotion Authority Act.

I certainly recognize the value of trade, but contrary to the claims of the GOP leadership and Administration, passing fast track is not just about trade and the economy. It's about health, human rights, consumer and environmental standards. Unfortunately, the Thomas ''fast track'' bill is a roadmap to undermining these standards globally.

As members of Congress, we have an important role in shaping future trade agreements. As the influence of trade extends to other areas including health, education, and the environment, we must ensure that trade agreements reflect the values and standards that we have worked so hard to uphold. If we pass H.R. 3005, we give up our authority to influence the content of future trade agreements, and we erode the government's ability to guard against direct attacks on the progress we have made. Even more important, we eliminate a crucial piece of the constitutional process by limiting democratic debate and stifling the voice of the people. That's undemocratic and it's not smart public policy.

The GOP leadership argues that passing H.R. 3005 is the patriotic thing to do. Make no mistake, ''fast track'' does not rebuild, it does not restore, it does not heal and it will not bring America together. Instead, by pushing this divisive issue forward, we are driving America and its government apart when what America needs is unity.

H.R. 3005 will not advance fair trade policies, but policies that are harmful to our nation and the world. We CAN foster trade while ensuring that American jobs, civil rights, and our natural resources are protected. We just can't accomplish this goal through the enactment of H.R. 3005. With its lack of enforcement measures, H.R. 3005 jeopardizes international environmental agreements, compromises job security for American workers and curbs economic growth. That's why I will continue to urge my colleagues to support free trade, but only when it's *fair* trade.

TRIBUTE TO JOSEPH M. CARKENORD OF THE L'ANSE CREUSE PUBLIC SCHOOLS

HON. DAVID E. BONIOR

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. BONIOR. Mr. Speaker, today I rise to recognize Mr. Joseph Carkenord as he retires from nearly 50 years of service to the L'Anse Creuse Public Schools. Mr. Carkenord has been a teacher, administrator, and Board of Education Member in the L'Anse Creuse Public Schools for nearly 50 years, and today marks the end of an era of dedication to the school district.

Raised in Indiana, Mr. Carkenord attended Ball State University, where he completed a Bachelor of Science degree in 1950. It was then that his teaching career began. Soon thereafter, Mr. Carkenord accepted a position at South River Elementary School in the L'Anse Creuse School District. This began a remarkable career of devotion to education and public service in Michigan. By 1955, Mr. Carkenord had earned a Master's degree and was appointed Principal of the elementary school.

In 1959, while still Principal at South River Elementary, Mr. Carkenord became the Director for Special Education in the district until 1969. At the same time, he served as Director of the L'Anse Creuse Summer Program. He also served as Principal of the Neil E. Reid Elementary School.

During his tenure, Mr. Carkenord has had the pleasure of serving as President of the Macomb County Elementary Principal's Association, on the Michigan Principal's Board of Directors, and on the L'Anse Creuse Board of Education, as President and Treasurer. Although Mr. Carkenord has exhibited tireless support for public education, his commitment is just as strong. He and his wife Joann have resided in the L'Anse Creuse community for over 35 years. Their daughter and son, Barbara and Dr. David Carkenord are graduates of L'Anse Creuse High School North. We all expect his retirement not to diminish in way his continued commitment to the L'Anse Creuse Public Schools and its school board on which he serves.

It has been a privilege to our community to have Mr. Carkenord demonstrate leadership and commitment to public education and the L'Anse Creuse School District. I ask that my colleagues join me in celebrating Mr. Carkenord's retirement after nearly 50 years of public service to his community.

BIPARTISAN TRADE PROMOTION AUTHORITY ACT OF 2001

SPEECH OF

HON. JIM NUSSLE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, December 6, 2001

Mr. NUSSLE. Mr. Speaker, earlier this year the President submitted to Congress his legislative agenda for international trade. I believe this agenda benefits America's consumers, farmers, and workers. Beyond that, I believe it will successfully advance a strategy for promoting freedom, economic development and increased living standards abroad. The keystone of the President's agenda is Trade Promotion Authority or ''TPA''. TPA provides the President with a powerful tool to promote U.S. agriculture and manufactured goods abroad.

As I travel through Iowa, farmers have expressed to me their support for opening world markets for U.S. farm goods. According to U.S. Trade Representative Robert Zoellick, the President's primary trade negotiator, agriculture will be a primary factor in future trade negotiations. Indeed, agriculture currently accounts for more than 30% of all U.S. exports. On a national level, agricultural exports create 750,000 jobs, both on and off the farm.

Expanded trade opportunities very clearly benefit Iowa farms and the commodities that are raised on them. In my home district, approximately 35% of farm products are sold abroad. One in every five rows of corn are exported. This includes not just the unprocessed corn but value-added goods that create jobs including: meat, dairy and poultry products, corn feed, biodegradable plastics, and corn syrup. Soybean producers benefit from free and open trade as well. In the year 2000, U.S. exports of soybeans, soybean meal, and soybean oil totaled more than $7 billion. Farmers want to earn a living from the land and with the free market without dependence on the government for financial assistance. TPA is essential to reach that goal. Congress is currently in the process of creating a new Farm Bill. However, any farm program devised would be fruitless without opening markets for farmers to sell their goods.

Agriculture is not the only business in my district that would benefit from opening international markets. According to the U.S. Department of Commerce, 217 manufacturers in northeast Iowa export goods on a regular basis. The track record for business exports in Dubuque and the Waterloo-Cedar Falls area since the North American Free Trade Agreement (NAFTA) has been impressive to say the least. Since 1993, when NAFTA was signed into law, Dubuque has seen a 75% increase in export sales. Waterloo and Cedar Falls together have posted an impressive 95% increase in export sales during that time period!

Deere & Company, a Quad Cities-based company, has several facilities throughout Iowa, including facilities in both Dubuque and Waterloo. This company's stake in opening foreign markets is very high. Deere exported $1.8 billion in U.S.-made products in 2000. This reflects 16% of its total sales and 35,000 jobs that are export dependent. Deere has a stated mission of increasing its sales overseas. This mission is of great benefit to Iowa's working families. Deere's Waterloo Works is the company's largest exporting plant. One in four of the green tractors produced in Waterloo is headed overseas. TPA is important to companies like Deere because it will help stabilize our domestic farm economy, and gives the President more latitude in negotiating tariffs with countries that are seeking to modernize their agricultural development.

Waterloo Industries is much smaller than Deere, but also has a very large stake in the global marketplace. Approximately 10% of is products are sold abroad. Waterloo Industries produces high quality tool boxes and cabinets for both home and industrial use. On average, this company ships 3 semi-truckloads of these products abroad every day. This reflects $105,000 per day in sales and 1450 export dependent jobs, 10% of the company's workforce. Currently a third of Waterloo Industry's products to Canada. the remaining two-thirds are sold, among other places, in Europe, Australia, and Japan. It is my understanding that Waterloo Industries would like to expand its market in Asia and the Pacific. Tariffs for toolboxes in some Pacific rim countries are as high as 30%. I am hopeful that TPA can aid the President in negotiating a decrease of these high tariffs.

For some 60 years, Presidents have used a TPA-like system to open markets abroad. Congress allowed trade negotiating authority for the President to lapse in 1995. While our economy has continued to grow and our exports have increased since that time, we can and should still do more. The European Union currently has 27 preferential agreements with other countries, Japan has 130, and the United States is a party to only three of them.

This summer House Ways and Means Committee Chairman Thomas worked extensively with pro-trade Democrats to forge legislation to grant TPA while allowing Congress to retain its right to oversee the process. H.R. 3005 establishes a special trade oversight committee in Congress to consider environmental, labor, and human rights aspects of trade negotiations, and mandates the U.S. trade Representative to consult this committee on a regular basis. In addition, this legislation complies with rules established by the World Trade Organization and our other trading partners.

Mr. Speaker, as we begin the 21st Century, it is becoming increasingly apparent that the world is becoming a smaller place. More efficient means of transportation and communication have connected countries and regions of the world in ways that were unimaginable just a decade ago. Given these unprecedented changes and the United States' role in the world economy, it is critical that the United States be able to negotiate fair trade agreements with overseas nations. TPA offers the tools we need to face the challenges of our changing world economy. I urge my colleagues to vote in support of the H.R. 3005.

NATIONAL PEARL HARBOR REMEMBRANCE DAY

HON. TIM ROEMER

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. ROEMER. Mr. Speaker, I rise today in recognition of the Sixtieth Anniversary of the attack on Pearl Harbor. This day allows Americans of all ages to honor and remember those who lost their lives in the attack on Pearl Harbor.

Early on the morning of Sunday, December 7, 1941, the Empire of Japan launched a brutal and unprovoked attack on the U.S. Navy, Army, Air Force, and Marine Corps bases at Pearl Harbor, Hawaii. Over 2,400 Americans were killed and 1,200 wounded on that fateful day—the day that President Roosevelt said ''will life in infamy.''

It was not until after World War II ended that the American people were fully apprised of what a severe, crippling blow the attack on Pearl Harbor inflicted on our defenses. The best of our Navy and our Army in the Pacific

was virtually wiped out in a single devastating blow. But the Japanese empire did not count on the galvanizing effect that this dastardly attack would have on the American people. In the wake of the events of September 11, 2001, we have once again witnessed how this powerful effect unites our country against evil.

Prior to December 7, 1941, the role of the United States in world affairs was the topic of intense debate. That debate ended as the bombs fell on Pearl Harbor. All Americans became united in the effort for victory with a vigor and determination unknown in any American conflict, before or since, perhaps with the exception of the resolve demonstrated by the American people since September 11th. The ultimate tragedy of Pearl Harbor was the fact that it could have been predicted and prevented. Candidates for graduation at the Japanese military academies had been asked to plan an attack on Pearl Harbor as part of their final examinations each year since 1931. The Japanese secret code had been broken, and the State Department was aware that an attack was imminent. However, the location was not known, and so our commanders were not notified in a timely fashion.

Mr. Speaker, this does not mean, however, that our 3,600 casualties were killed or wounded in vain. The heroism demonstrated that fateful Sunday morning did much to inspire millions of Americans to greater sacrifice and heroism which was necessary for our ultimate victory. This year will mark the 60th Anniversary of Pearl Harbor and our thoughts and prayers will be those survivors and their families as well as the families who have lost sons and daughters in the war that followed.

RETIREMENT OF JOSEPH THOMPSON

HON. JACK QUINN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, December 11, 2001

Mr. QUINN. Mr. Speaker, the Department of Veterans Affairs, and the Veterans Benefits Administration (VBA) in particular, is losing a remarkable leader. Joseph Thompson, former Under Secretary for Benefits, is retiring after 26 years of service to veterans.

I met Joe at the start of my tenure as chairman of the Subcommittee on Benefits of the Veterans' Affairs Committee. I had a lot of detail to learn about the VA's claims process, and Joe's knowledge of the VBA was vast. A Vietnam veteran, Joe began his career with VA as a claims examiner in 1975, and through the years he worked in the Education Service, VA's Regional Office and Insurance Center in Philadelphia as Assistant Director, and spent seven years as the Director of the Regional Office in New York. It was in this position that Joe reengineered the regional office's business processes and former Vice President Gore awarded the first ''Hammer Award'' for reinventing government to the New York Regional Office. Joe asked his coworkers personally to accept the award from the Vice President, which they did in Joe's presence. It was only natural that Joe Thompson would take the helm of the VBA. While managing almost 13,000 equally dedicated employees, Joe was responsible for administering the service-related disability compensation programs, needs-based pension programs, home loan guarantees, GI Bill education assistance, vocational rehabilitation and job placement services, and life insurance programs—and he rose to the task.

Joe Thompson is indeed a visionary person. Under his direction, VBA developed the Roadmap to Excellence in an effort to improve service delivery, the Balanced Scorecard, which measured performance by each regional office, and established a system to improve the integrity of performance data in order to greatly reduce false or erroneous reporting of outcome measures. These were seen at the time by some as unorthodox ideas, but veterans and VA's stakeholders are better off today because Joe challenged the status quo. Joe laid the bench mark for future VBA employees, and he set the bar rather high, in my opinion. He is one of the most creative and innovative public servants I have known. And the well-spring of growth and change that Joe inspired is Joe's legacy to his fellow veterans.

I have enjoyed a strong working relationship with Joe Thompson and consider him a friend. He is the epitome of the federal employee who reports to work each day because he wants to make a difference, especially for disabled veterans. And I can say without reservation that Joseph Thompson has met the challenge of leadership in public service. I wish Joe and his family all the best following retirement. I am sure Joe's family is proud of him; I know I am.

Daily Digest

Senate

Chamber Action

Routine Proceedings, pages S12817–S12988

Measures Introduced: Thirteen bills and three resolutions were introduced, as follows: S. 1795–1807, S. Res. 189–190, and S. Con. Res. 92. **Pages S12858–59**

Measures Reported:

S. 1803, to authorize appropriations under the Arms Export Control Act and the Foreign Assistance Act of 1961 for security assistance for fiscal years 2002 and 2003. (S. Rept. No. 107–122) **Page S12858**

Measures Passed:

Chamber Photograph Authorization: Senate agreed to S. Res. 190, authorizing the taking of a photograph in the Chamber of the United States Senate. **Page S12985**

Judicial Financial Disclosure Authority: Senate passed H.R. 2336, to extend for 4 years, through December 31, 2005, the authority to redact financial disclosure statements of judicial employees and judicial officers, after agreeing to the following amendments proposed thereto: **Page S12985**

Reid (for Lieberman/Thompson) Amendment No. 2478, to extend for 4 years the authority to redact financial disclosure statements of judicial employees and judicial officers. **Page S12985**

Reid (for Lieberman) Amendment No. 2479, to amend the title. **Page S12985**

Honoring U.S. Servicemen Slain in Saudi Arabia: Senate agreed to S. Con. Res. 55, honoring the 19 United States servicemen who died in the terrorist bombing of the Khobar Towers in Saudi Arabia on June 25, 1996. **Page S12985**

District of Columbia Police Coordination Amendment Act: Senate passed H.R. 2199, to amend the National Capital Revitalization and Self-Government Improvement Act of 1997 to permit any Federal law enforcement agency to enter into a cooperative agreement with the Metropolitan Police Department of the District of Columbia to assist the Department in carrying out crime prevention and law enforcement activities in the District of Columbia if deemed appropriate by the Chief of the Department and the United States Attorney for the District of Columbia, after agreeing to the following amendment proposed thereto: **Pages S12986–87**

Reid (for Lieberman) Amendment No. 2480, to make a certain technical correction. **Pages S12986–87**

Farm Credit Assistance: Senate passed S. 1519, to amend the Consolidated Farm and Rural Development Act to provide farm credit assistance for activated reservists. **Page S12987**

Federal Farm Bill: Senate continued consideration of S. 1731, to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, taking action on the following amendments proposed thereto: **Pages S12826–36, S12837–53**

Rejected:

Crapo Amendment No. 2472 (to Amendment No. 2471), to replace the provision relating to the national dairy program with the provision from the bill passed by the House of Representatives. (By 51 yeas to 47 nays (Vote No. 362), Senate tabled the amendment) **Pages S12834–36, S12837–42**

Pending:

Daschle (for Harkin) Amendment No. 2471, in the nature of a substitute. **Pages S12829–34**

Lugar/Domenici Amendment No. 2473 (to Amendment No. 2471), of a perfecting nature. **Pages S12845–53**

A unanimous-consent agreement was reached providing for further consideration of the bill at 9:30 a.m., on Wednesday, December 12, 2001, with a vote in relation to Lugar/Domenici Amendment No. 2473 (to Amendment No. 2471) (listed above), to occur at approximately 10:20 a.m. **Page S12853**

Zimbabwe Democracy and Economic Recovery Act: Senate concurred in the amendment of the House to S. 494, to provide for a transition to democracy and to promote economic recovery in Zimbabwe. **Page S12985–86**

Nominations Confirmed: Senate confirmed the following nominations:

By unanimous vote of 97 yeas (Vote No. EX. 361), John D. Bates, of Maryland, to be United States District Judge for the District of Columbia.

Kurt D. Engelhardt, of Louisiana, to be United States District Judge for the Eastern District of Louisiana.

Julie A. Robinson, of Kansas, to be United States District Judge for the District of Kansas.

Pages S12817–21, S12988

Nominations Received: Senate received the following nominations:

Raymond L. Orbach, of California, to be Director of the Office of Science, Department of Energy.

James Duane Dawson, of West Virginia, to be United States Marshal for the Southern District of West Virginia for the term of four years.

William Carey Jenkins, of Louisiana, to be United States Marshal for the Middle District of Louisiana for the term of four years.

Dwight MacKay, of Montana, to be United States Marshal for the District of Montana for the term of four years.

Ronald Richard McCubbin, Jr., of Kentucky, to be United States Marshal for the Western District of Kentucky for the term of four years.

David Reid Murtaugh, of Indiana, to be United States Marshal for the Northern District of Indiana for the term of four years.

Routine lists in the Air Force, Army.

Pages S12987–88

Executive Reports of Committees: **Page S12858**

Additional Cosponsors: **Page S12859**

Statements on Introduced Bills/Resolutions: **Pages S12859–70**

Additional Statements: **Page S12858**

Amendments Submitted: **Pages S12870–S12984**

Authority for Committees to Meet: **Page S12984**

Privilege of the Floor: **Page S12984**

Record Votes: Two record votes were taken today. (Total—362) **Pages S12818, S12842**

Adjournment: Senate met at 9:30 a.m., and adjourned at 6:58 p.m., until 9:30 a.m., on Wednesday, December 12, 2001. (For Senate's program, see the remarks of the Acting Majority Leader in today's Record on page S12987.)

Committee Meetings

(Committees not listed did not meet)

BUSINESS MEETING

Committee on Armed Services: Committee met to discuss the status of the conference on S. 1438, National Defense Authorization Act for Fiscal Year 2002, but made no announcements, and recessed subject to call.

NOMINATIONS

Committee on Banking, Housing, and Urban Affairs: Committee ordered favorably reported the nominations of Eduardo Aguirre, Jr., of Texas, to be First Vice President, and J. Joseph Grandmaison, of New Hampshire, to be a Member of the Board of Directors, both of the Export-Import Bank of the United States, and Kenneth M. Donohue, Sr., of Virginia, to be Inspector General, Department of Housing and Urban Development.

NOMINATION

Committee on Foreign Relations: Committee concluded hearings on the nomination of Francis Joseph Ricciardone, Jr., of New Hampshire, to be Ambassador to the Republic of the Philippines and to serve concurrently and without additional compensation as Ambassador to the Republic of Palau, after the nominee testified and answered questions in his own behalf.

HOMELAND SECURITY

Committee on Governmental Affairs: Committee concluded hearings to examine the local role in homeland security, focusing on the federal government's role in preparedness assessment and planning, and in providing resources necessary to local areas for terrorism defense, after receiving testimony from Mayor Marc H. Morial, New Orleans, Louisiana, on behalf of the United States Conference of Mayors; Joseph E. Tinkham II, Maine Department of Defense Veterans and Emergency Management, Augusta; Jay Fisette, Arlington County Board, Arlington, Virginia; Javier Gonzales, Santa Fe County Commission, Santa Fe, New Mexico, on behalf of the National Association of Counties; Michael C. Caldwell, Dutchess County Department of Health, Dutchess County, New York, on behalf of the National Association of County and City Health Officials; Richard J. Sheirer, New York City Mayor's Office of Emergency Management, New York, New York; John D. White, Jr., Tennessee Emergency Management Agency, Nashville, on behalf of the State Government of Tennessee; William B. Berger, International Association of Chiefs of Police, Alexandria, Virginia; and Michael J. Crouse, International Association of Fire Fighters, Washington, D.C.

HOMELAND DEFENSE—LOCAL LAW ENFORCEMENT

Committee on the Judiciary: Subcommittee on Administrative Oversight and the Courts concluded hearings on S. 1615, to provide for the sharing of certain

foreign intelligence information with local law enforcement personnel, after receiving testimony from Mayor Martin O'Malley, Baltimore, Maryland; Chuck Canterbury, Horry County Police Department, Myrtle Beach, South Carolina, on behalf of the Fraternal Order of Police; Jon J. Greiner, Utah Chief's of Police Association, Ogden; and Bernard B. Kerik, New York, New York.

House of Representatives

Chamber Action

Reports Filed: Reports were filed today as follows:

H.R. 2440, to rename Wolf Trap Farm Park as "Wolf Trap National Park for the Performing Arts", amended (H. Rept. 107–330);

H. Res. 311 providing for consideration of H.R. 3295, to establish a program to provide funds to States to replace punch card voting systems, to establish the Election Assistance Commission to assist in the administration of Federal elections and to otherwise provide assistance with the administration of certain Federal election laws and programs, to establish minimum election administration standards for States and units of local government with responsibility for the administration of Federal elections, amended (H. Rept. 107–331); and

H. Res. 312, waiving points of order against the conference report on H.R. 2883, to authorize appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Government, the Community Management Account and the Central Intelligence Agency Retirement and Disability System (H. Rept. 107–332). **Pages H9234–35**

Speaker Pro Tempore: Read a letter from the Speaker wherein he appointed Representative Otter to act as Speaker pro tempore for today. **Page H9083**

Guest Chaplain: The prayer was offered by Dr. Lloyd John Ogilvie, Chaplain of the Senate. **Page H9087**

Recess: The House recessed at 1:02 p.m. and reconvened at 2:00 p.m. **Page H9087**

Suspensions: The House agreed to suspend the rules and pass the following measures:

Eligibility for Meals under the Richard B. Russell National School Lunch Act for Children of Armed Forces Members: H.R. 3216, to amend the Richard B. Russell National School Lunch Act to exclude certain basic allowances for housing of an individual who is a member of the uniformed services from the determination of eligibility for free and reduced price meals of a child of the individual; **Pages H9087–89**

Global Access to HIV/AIDS Prevention, Awareness, Education, and Treatment: H.R. 2069, amended, to amend the Foreign Assistance Act of 1961 to authorize assistance to prevent, treat, and monitor HIV/AIDS in sub-Saharan African and other developing countries. Agreed to amend the title so as to read: "A bill to amend the Foreign Assistance Act of 1961 and the Global AIDS and Tuberculosis Relief Act of 2000 to authorize assistance to prevent, treat, and monitor HIV/AIDS in sub-Saharan African and other developing countries." **Pages H9089–H9106**

Support for the Tenth Annual Meeting of the Asia Pacific Parliamentary Forum: S. Con. Res. 58, expressing support for the tenth annual meeting of the Asia Pacific Parliamentary Forum; **Pages H9106–08**

Russia Democracy Act: H.R. 2121, amended, to make available funds under the Foreign Assistance Act of 1961 to expand democracy, good governance, and anti-corruption programs in the Russian Federation in order to promote and strengthen democratic government and civil society in that country and to support independent media; **Pages H9108–12**

Homeless Veterans Comprehensive Assistance Act: Agreed to the Senate amendment to H.R. 2716, to amend title 38, United States Code, to revise, improve, and consolidate provisions of law providing benefits and services for homeless veterans—clearing the measure for the President; **Pages H9112–21**

Veterans' Compensation Rate Amendments Act of 2001: Agreed to the Senate amendments to H.R. 2540, to amend title 38, United States Code, to make various improvements to veterans' benefits programs under laws administered by the Secretary of Veterans Affairs (the Senate amended the title so as to read: An act to amend title 38, United States Code, to provide a cost-of-living adjustment in the rates of disability compensation for veterans with service-connected disabilities and the rates of dependency and indemnity compensation for survivors of such veterans)—clearing the measure for the President; **Pages H9121–24**

Appointment of Patricia Q. Stonesifer to the Smithsonian Institution Board of Regents: S.J.

Res. 26, providing for the appointment of Patricia Q. Stonesifer as a citizen regent of the Board of Regents of the Smithsonian Institution; **Page H9124**

Honoring the United States Capitol Police: H. Res. 309, Honoring the United States Capitol Police for their commitment to security at the Capitol; **Pages H9125–27**

Traverse City School District, Michigan Property Conveyance for Recreational Facility: H.R. 3370, to amend the Coast Guard Authorization Act of 1996 to modify the reversionary interest of the United States in a parcel of property conveyed to the Traverse City Area School District in Traverse City, Michigan; **Pages H9127–28**

21st Century Montgomery GI Bill Enhancement Act: H. Res. 310, providing for the concurrence by the House with an amendment in the amendments of the Senate to H.R. 1291, to amend title 38, United States Code, to increase the amount of educational benefits for veterans under the Montgomery GI Bill (the Senate amended the title so as to read: A bill to amend title 38, United States Code, to modify and improve authorities relating to education benefits, burial benefits, and vocational rehabilitation benefits for veterans, to modify certain authorities relating to the United States Court of Appeals for Veterans Claims, and for other purposes); **Pages H9128–49**

Honoring Johnny Micheal Spann: H. Con. Res. 281, honoring the ultimate sacrifice made by Johnny Micheal Spann, the first American killed in combat during the war against terrorism in Afghanistan, and pledging continued support for members of the Armed Forces. Agreed to by a yea-and-nay vote of 401 yeas with none voting "nay," Roll No. 483; **Pages H9149–52, H9166–67**

Mike Mansfield Federal Building and United States Courthouse, Butte, Montana: H.R. 3282, to designate the Federal building and United States courthouse located at 400 North Main Street in Butte, Montana, as the "Mike Mansfield Federal Building and United States Courthouse." Agreed to by a yea-and-nay vote of 401 yeas with none voting "nay," Roll No. 484; **Pages H9152–54, H9167**

Wolf Trap National Park for the Performing Arts: H.R. 2440, amended, to rename Wolf Trap Farm Park as "Wolf Trap National Park for the Performing Arts;" **Pages H9154–56**

Fishery Conservation Management Programs: H.R. 1989, amended, to reauthorize various fishery conservation management programs. Agreed to amend the title so as to read: A bill to reauthorize various fishing conservation management programs, and for other purposes; **Pages H9156–57**

Chatham County, Georgia Land Conveyance: H.R. 2595, amended, to direct the Secretary of the Army to convey a parcel of land to Chatham County, Georgia; **Pages H9157–58**

Commending Charitable Efforts and Generosity in the Aftermath of September 11 Terrorist Attacks: H. Con. Res. 259, expressing the sense of Congress regarding the relief efforts undertaken by charitable organizations and the people of the United States in the aftermath of the terrorist attacks against the United States that occurred on September 11, 2001; **Pages H9158–60**

Railroad Retirement and Survivors' Improvement Act: Agreed to the Senate amendments H.R. 10, to provide for pension reform. Agreed to by a yea-and-nay vote of 369 yeas to 33 nays, Roll No. 485. (The Senate amended the title so as to read: An Act to modernize the financing of the railroad retirement system and to provide enhanced benefits to employees and beneficiaries)—clearing the measure for the President; **Pages H9160–66, H9167–68**

Department of Transportation Policy Responsibility Realignment: H.R. 3441, to amend title 49, United States Code, to realign the policy responsibility in the Department of Transportation; **Pages H9168–70**

National Museum of African American History and Culture in Washington, D.C.: H.R. 3442, to establish the National Museum of African American History and Culture Plan for Action Presidential Commission to develop a plan of action for the establishment and maintenance of the National Museum of African American History and Culture in Washington, D.C. **Pages H9170–73**

Additions to Nebraska Homestead National Monument of America: H.R. 38, amended, to provide for additional lands to be included within the boundaries of the Homestead National Monument of America in the State of Nebraska; **Pages H9179–80**

James Peak, Colorado Wilderness and Protection Area: H.R. 1576, amended, to designate the James Peak Wilderness and Protection Area in the Arapaho and Roosevelt National Forests in the State of Colorado; **Pages H9180–84**

Native American Cultural Center and Museum, Oklahoma City, Oklahoma: H.R. 2742, amended, to authorize the construction of a Native American Cultural Center and Museum in Oklahoma City, Oklahoma; **Pages H9184–87**

Basic Pilot Program for Employment Eligibility Verification: H.R. 3030, amended, to extend the "Basic Pilot" employment verification system. Agreed to amend the title so as to read: A bill to

extend the basic pilot program for employment eligibility verification, and for other purposes;

Pages H9187–89

Small Business Investment Company Amendments: Agreed to the Senate amendment to the House amendment to S. 1196, to amend the Small Business Investment Act of 1958—clearing the measure for the President; and **Pages H9193–95**

Enhancement of Authorities of the Secretary of Veterans Affairs: H.R. 3447, to amend title 38, United States Code, to enhance the authority of the Secretary of Veterans Affairs to recruit and retain qualified nurses for the Veterans Health Administration, to provide an additional basis for establishing the inability of veterans to defray expenses of necessary medical care, to enhance certain health care programs of the Department of Veterans Affairs.

Pages H9217–25

Suspensions—Further Proceedings Postponed: The House completed debate on the following motions to suspend the rules upon which further proceedings were postponed until Wednesday, Dec. 12:

Keeping the Social Security Promise Initiative: H. Con. Res. 282, expressing the sense of Congress that the Social Security promise should be kept;

Pages H9173–78

Anti-Hoax Terrorism Act: H.R. 3209, amended, to amend title 18, United States Code, with respect to false communications about certain criminal violations; and **Pages H9189–92**

Public Health Service and Bioterrorism Response Act: H.R. 3448, to improve the ability of the United States to prevent, prepare for, and respond to bioterrorism and other public health emergencies.

Pages H9195–H9217

Community Recognition Act of 2001—Corrections Calendar: On the call of the corrections calendar, the House completed debate on H.R. 1022, to amend title 4, United States Code, to make sure the rules of etiquette for flying the flag of the United States do not preclude the flying of flags at half mast when ordered by city and local officials. Further proceedings were postponed until Wednesday, Dec. 12. Earlier, the House agreed to the Committee on the Judiciary amendment to the bill.

Pages H9192–93

Recess: At 11:47 p.m. the House stands in recess subject to the call of the Chair. **Page H9234**

Senate Message: Message received from the Senate appears on page H9083.

Referrals: S. Con. Res. 91 was referred to the Committee on International Relations and S. Con. Res. 73 and S. Con. Res. 87 were held at the desk.

Quorum Calls—Votes: Three yea-and-nay votes developed during the proceedings of the House today and appear on pages H9166–67, H9167, and H9168. There were no quorum calls.

Adjournment: The House met at 12:30 p.m. and at 11:47 p.m. stands in recess subject to the call of the Chair.

Committee Meetings

PAINKILLER OXYCONTIN

Committee on Appropriations: Subcommittee on Commerce, Justice, State and Judiciary held a hearing on OxyContin. Testimony was heard from Asa Hutchinson, Administrator, DEA, Department of Justice; and public witnesses.

U.S. GOVERNMENT AND NEXTWAVE, INC. SETTLEMENT

Committee on Energy and Commerce: Subcommittee on Telecommunications and the Internet held a hearing on the settlement between the U.S. Government and Nextwave, Inc., to resolve disputed spectrum licenses. Testimony was heard from Michael K. Powell, Chairman, FCC; Joseph H. Hunt, Counsel to the Deputy Attorney General, Department of Justice; and public witnesses.

HELP AMERICA VOTE ACT

Committee on Rules: Granted, by voice vote, a closed rule on H.R. 3295, Help America Vote Act of 2001. providing one hour of debate in the House equally divided and controlled by the chairman and ranking minority member of the Committee on House Administration. The rule waives all points of order against consideration of the bill. The rule provides that the amendment recommended by the Committee on House Administration now printed in the bill, modified by the amendment printed in the report of the Committee on Rules accompanying the resolution, shall be considered as adopted. Finally, the rule provides one motion to recommit with or without instructions. Testimony was heard from Chairman Ney and Representatives Putnam, Goodlatte, Upton, Vitter, Hoyer, Davis of Illinois, Maloney of New York, Hastings of Florida, and Menendez.

CONFERENCE REPORT—INTELLIGENCE AUTHORIZATION ACT

Committee on Rules: Granted by voice vote a rule waiving points of order against the conference report to accompany H.R. 2883, Intelligence Authorization Act for Fiscal Year 2002, and against its consideration. Testimony was heard from Chairman Goss and Representative Nancy Pelosi.

Joint Meetings

EDUCATION REFORM

Conferees agreed to file a conference report on the differences between the Senate and House passed versions of H.R. 1, to close the achievement gap with accountability, flexibility, and choice, so that no child is left behind.

COMMITTEE MEETINGS FOR WEDNESDAY, DECEMBER 12, 2001

(Committee meetings are open unless otherwise indicated)

Senate

Committee on Armed Services: to hold hearings to examine the Department of Defense implementation of the President's Military Order on the detention, treatment, and trial by military commissions of certain non-citizens in the war on terrorism, 9:30 a.m., SR–325.

Committee on Energy and Natural Resources: business meeting to consider the nomination of Harold Craig Manson, of California, to be Assistant Secretary for Fish and Wildlife, the nomination of Kathleen Burton Clarke, of Utah, to be Director of the Bureau of Land Management, the nomination of Jeffrey D. Jarrett, of Pennsylvania, to be Director of the Office of Surface Mining Reclamation and Enforcement, and the nomination of Rebecca W. Watson, of Montana, to be Assistant Secretary for Land and Minerals Management, all of the Department of the Interior; and the nomination of Michael Smith, of Oklahoma, to be Assistant Secretary for Fossil Energy, the nomination of Margaret S.Y. Chu, of New Mexico, to be Director of the Office of Civilian Radioactive Waste Management, and the nomination of Beverly Cook, of Idaho, to be Assistant Secretary for Environment, Safety and Health, all of the Department of Energy, Time to be announced, S–216, Capitol.

Committee on Finance: business meeting to mark up H. R. 3005, to extend trade authorities procedures with respect to reciprocal trade agreements; and to consider the nomination of Richard Clarida, of Connecticut, to be Assistant Secretary for Economic Policy, the nomination of Kenneth Lawson, of Florida, to be Assistant Secretary for Enforcement, and the nomination of B. John Williams, Jr., of Virginia, to be Chief Counsel for the Internal Revenue Service and Assistant General Counsel, all of the Department of the Treasury; the nomination of Janet Hale, of Virginia, to be Assistant Secretary for Management and Budget, and the nomination of Joan E. Ohl, of West Virginia, to be Commissioner on Children, Youth, and Families, both of the Department of Health and Human Services; and the nomination of James B. Lockhart III, of Connecticut, to be Deputy Commissioner of Social Security, and the nomination of Harold Daub, of Nebraska, to be a Member of the Social Security Advisory Board, both of the Social Security Administration, 10 a.m., SD–215.

Committee on Foreign Relations: business meeting to consider S. 1779, to authorize the establishment of "Radio Free Afghanistan"; H.R. 3167, 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; S. Con. Res. 86, expressing the sense of Congress that women from all ethnic groups in Afghanistan should participate in the economic and political reconstruction of Afghanistan; H. Con. Res. 77, expressing the sense of the Congress regarding the efforts of people of the United States of Korean ancestry to reunite with their family members in North Korea; and H. Con. Res. 211, commending Daw Aung San Suu Kyi on the 10th anniversary of her receiving the Nobel Peace Prize and expressing the sense of the Congress with respect to the Government of Burma; and pending nominations, 2:30 p.m., SD–419.

Select Committee on Intelligence: closed business meeting to consider pending calendar business, 2:30 p.m., S–407, Capitol.

Committee on the Judiciary: to hold hearings to examine the future of the Microsoft settlement, 10 a.m., SD–106.

House

Committee on Energy and Commerce, to mark up H.R. 3343, to amend title X of the Energy Policy Act of 1992, 10:30 a.m., 2123 Rayburn.

Subcommittee on Energy and Air Quality, hearing on H.R. 3406, Electric Supply and Transmission Act of 2001, 1 p.m., 2123 Rayburn.

Committee on Financial Services, Subcommittee on Capital Markets, Insurance, and Government Sponsored Enterprises and the Subcommittee on Oversight and Investigations, joint hearing entitled "The Enron Collapse: Impact on Investors and Financial Markets," 10 a.m., 2128 Rayburn.

Committee on Government Reform, hearing on "The National Vaccine Injury Compensation Program: Is It Working as Congress Intended?—Part II," 1 p.m., 2154 Rayburn.

Committee on International Relations, to mark up the following measures: H.J. Res. 75, regarding the monitoring of weapons development in Iraq, as required by United Nations Security Council Resolution 687 (April 3, 1991); and H. Con. Res. 273, reaffirming the special relationship between the United States and the Republic of the Philippines, 2 p.m., 2167 Rayburn.

Subcommittee on East Asia and the Pacific, hearing on Southeast Asia after 9/11: Regional Trends and U.S. Interests, 10 a.m., 2200 Rayburn.

Committee on the Judiciary, Subcommittee on Courts, the Internet and Intellectual Property, oversight hearing on "The Digital Millennium Copyright Act Section 104 Report," 2 p.m., 2141 Rayburn.

Committee on Rules, to consider the following Conference Reports: H.R. 1, No Child Left Behind Act of 2001; S. 1438, National Defense Authorization Act for Fiscal Year 2002; and H.R. 3061, making appropriations for the Departments of Labor, Health and Human Services, and Education, and related agencies for the fiscal year ending September 30, 2002, 4 p.m., H–313 Capitol.

Committee on Science, Subcommittee on Environment, Technology and Standards, to mark up the following

bills: H.R. 2733, Enterprise Integration Act of 2001; and H.R. 2486, Tropical Cyclone Inland Forecasting Improvement and Warning System Development Act of 2001, 11 a.m., 2325 Rayburn,

Subcommittee on Research, to mark up H.R. 2051, to provide for the establishment of regional plant genome and gene expression research and development center, 10 a.m., 2318 Rayburn.

Committee on Transportation and Infrastructure, Subcommittee on Water Resources and Environment, hearing on Addressing Sewage Treatment in the San Diego-Tijuana Border Region: Implementation or Title VIII of Public Law 106–457, 10 a.m., 2167 Rayburn.

Joint Meetings

Commission on Security and Cooperation in Europe: to hold hearings to examine the state of human rights, democracy and security concerns in Kyrgyzstan, focusing on human rights and democracy in the Central Asian region, 2 p.m., 334, Cannon Building.

Next Meeting of the SENATE

9:30 a.m., Wednesday, December 12

Senate Chamber

Program for Wednesday: Senate will continue consideration of S. 1731, Federal Farm Bill, with a vote in relation to Lugar/Domenici Amendment No. 2473 (to Amendment No. 2471), to occur at approximately 10:20 a.m.

Next Meeting of the HOUSE OF REPRESENTATIVES

10 a.m., Wednesday, December 12

House Chamber

Program for Wednesday: Consideration of the conference report on H.R. 2883, Intelligence Authorization Act for Fiscal Year 2002 (Rule waives all points of order);

Consideration of H.R. 3295, Help America Vote Act (closed rule, one hour of general debate); and

Consideration of a motion to go to conference on H.R. 3338, Department of Defense Appropriations Act for Fiscal Year 2002.

Extensions of Remarks, as inserted in this issue

HOUSE

Bonior, David E., Mich., E2249, E2250, E2252
Gutierrez, Luis V., Ill., E2249
Israel, Steve, N.Y., E2249
Kennedy, Patrick J., R.I., E2249
Nussle, Jim, Iowa, E2252
Otter, C.L. ''Butch'', Idaho, E2251
Quinn, Jack, N.Y., E2253
Roemer, Tim, Ind., E2252
Weldon, Dave, Fla., E2250
Woolsey, Lynn C., Calif., E2251

Congressional Record The public proceedings of each House of Congress, as reported by the Official Reporters thereof, are printed pursuant to directions of the Joint Committee on Printing as authorized by appropriate provisions of Title 44, United States Code, and published for each day that one or both Houses are in session, excepting very infrequent instances when two or more unusually small consecutive issues are printed at one time. ¶Public access to the Congressional Record is available online through *GPO Access,* a service of the Government Printing Office, free of charge to the user. The online database is updated each day the Congressional Record is published. The database includes both text and graphics from the beginning of the 103d Congress, 2d session (January 1994) forward. It is available through GPO Access at www.gpo.gov/gpoaccess. Customers can also access this information with WAIS client software, via telnet at swais.access.gpo.gov, or dial-in using communications software and a modem at (202) 512–1661. Questions or comments regarding this database or GPO Access can be directed to the GPO Access User Support Team at: E-Mail: gpoaccess@gpo.gov; Phone 1–888–293–6498 (toll-free), 202–512–1530 (D.C. area); Fax: 202–512–1262. The Team's hours of availability are Monday through Friday, 7:00 a.m. to 5:30 p.m., Eastern Standard Time, except Federal holidays. ¶The Congressional Record paper and 24x microfiche will be furnished by mail to subscribers, free of postage, at the following prices: paper edition, $197.00 for six months, $393.00 per year, or purchased for $4.00 per issue, payable in advance; microfiche edition, $141.00 per year, or purchased for $1.50 per issue payable in advance. The semimonthly Congressional Record Index may be purchased for the same per issue prices. To place an order for any of these products, visit the U.S. Government Online Bookstore at: bookstore.gpo.gov. Mail orders to: Superintendent of Documents, P.O. Box 371954, Pittsburgh, PA 15250–7954, or phone orders to (202) 512–1800, or fax to (202) 512–2250. Remit check or money order, made payable to the Superintendent of Documents, or use VISA, MasterCard, Discover, or GPO Deposit Account. ¶Following each session of Congress, the daily Congressional Record is revised, printed, permanently bound and sold by the Superintendent of Documents in individual parts or by sets. ¶With the exception of copyrighted articles, there are no restrictions on the republication of material from the Congressional Record.