United States of America

# Congressional Record

PROCEEDINGS AND DEBATES OF THE 107th CONGRESS, FIRST SESSION

Vol. 147 WASHINGTON, WEDNESDAY, DECEMBER 19, 2001 No. 177

# Senate

*(Legislative day of Tuesday, December 18, 2001)*

The Senate met at 11:30 a.m. on the expiration of the recess and was called to order by the Honorable JOHN EDWARDS, a Senator from the State of North Carolina.

## PRAYER

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

Dear God, bless the Senators with the assurance that You are closer than their hands and feet and as available for inspiration as breathing. May this day be lived in companionship with You, so that they will enjoy the confidence of the promise You gave through Isaiah: ''It shall come to pass that before they call, I will answer; and while they are still speaking, I will hear.''—Isaiah 65:24.

Unite the parties in unity. When Your best for America is accomplished by creative compromise and cooperation, everybody wins, especially the American people. When this day closes, our deepest joy will be that we have worked together to achieve Your goals. You are our Lord and Saviour. Amen.

## PLEDGE OF ALLEGIANCE

The Honorable JOHN EDWARDS 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 19, 2001.*

*To the Senate:*

Under the provisions of rule I, paragraph 3, of the Standing Rules of the Senate, I hereby appoint the Honorable JOHN EDWARDS, a Senator from the State of North Carolina, to perform the duties of the Chair.

ROBERT C. BYRD,
*President pro tempore.*

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

## RESERVATION OF LEADER TIME

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

## AGRICULTURE, CONSERVATION AND RURAL ENHANCEMENT ACT OF 2001

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

The legislative clerk read as follows:

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

Pending:

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

Wellstone amendment No. 2602 (to amendment No. 2471), to insert in the environmental quality incentives program provisions relating to confined livestock feeding operations and to a payment limitation.

Harkin modified amendment No. 2604 (to amendment No. 2471), to apply the Packers and Stockyards Act, 1921, to livestock production contracts and to provide parties to the contract the right to discuss the contract with certain individuals.

Burns amendment No. 2607 (to amendment No. 2471), to establish a per-farm limitation on land enrolled in the conservation reserve program.

Burns amendment No. 2608 (to amendment No. 2471), to direct the Secretary of Agriculture to establish certain per-acre values for payments for different categories of land enrolled in the conservation reserve program.

The ACTING PRESIDENT pro tempore. The Senator from Nevada.

Mr. REID. Mr. President, for all Members of the Senate, we are very close to working out an arrangement this morning that should be good for everyone. I spoke to a number of farm State Senators last night and they thought it was very important that Senator HUTCHINSON of Arkansas be allowed to offer an amendment. We have worked throughout the night and the morning with Senator HUTCHINSON and worked out a time agreement on that,

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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.



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so as soon as Senator LUGAR arrives we will be ready to offer this unanimous consent agreement.

I suggest the absence of a quorum.

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

The legislative clerk proceeded to call the roll.

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

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

Mr. DASCHLE. Mr. President, it is our intention to go to the Hutchinson amendment. As I think our colleagues are aware, the Hutchinson amendment is largely the Agriculture farm bill passed by the House. It may not be exactly the same bill, but that is the intent. Certainly Senator HUTCHINSON can speak for himself, and will.

It is my intent after that, then, to go to the cloture motion.

So I ask unanimous consent the pending amendments also be laid aside; that Senator HUTCHINSON be recognized to offer his amendment, No. 2678; that there be 1 hour 15 minutes for debate with Senator HUTCHINSON in control of 60 minutes, Senator HARKIN or his designee in control of 15 minutes prior to a vote in relation to the amendment, with no second-degree amendments in order prior to the vote; further, that the vote in relation to the amendment occur at 12:50.

Immediately following disposition of the Hutchinson amendment, the Senate will proceed to the previously ordered cloture vote on the substitute amendment.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. NICKLES. Reserving the right to object.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. NICKLES. I want to cooperate in every way with the majority leader and the managers of the bill, but I wonder if the majority leader, trying to make a request to have the Hutchinson amendment—I have no objection to that portion. I do know that Senator GRASSLEY, Senator DORGAN, myself, and others have a lot of interest in the payment limitation. I am not positive whether or not it is germane postcloture.

I guess part of your request is that we go immediately to the cloture vote. I wonder if you are willing to delete that second paragraph or if you are willing to make sure that the Grassley amendment would be in order, regardless of which way the result of the cloture vote would occur.

Mr. DASCHLE. I would want to consult with the Parliamentarian and Senator HARKIN and others. We have attempted, as the Senator knows, to accommodate a number of Senators who have asked to be exempted from cloture limitations following the time when cloture is invoked. I am not enthusiastic about expanding.

Again, it would be my understanding that these amendments would be available to us postcloture, with clarification of the Parliamentarian, and we will offer this at another time.

Mr. NICKLES. Mr. President, if I might inquire, at a previous time I asked the majority leader if this amendment would be in order, or part of the unanimous consent that this amendment would be in order postcloture, and we agreed to that. Does that agreement still carry? There were four or five amendments, if I remember correctly, or one or two, and a couple of others. If they were agreed to, there were two additional ones. If that still applies, that is fine with this Senator.

Mr. DASCHLE. Mr. President, I intended this as a new unanimous consent request. Therefore, the other ones—because of the old unanimous consent request—have already expired. Technically, it would not carry.

I think the best thing to do would be to consult with the Parliamentarian in terms of germaneness and make a decision at a later time.

I wonder if we might proceed. The cloture vote, by rules of the Senate, takes place within 1 hour after we come in. We do not need the second portion of the unanimous consent request in order to proceed with cloture. But I would like to accommodate Senator HUTCHINSON. I would make that request.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. NICKLES. Reserving the right to object, I want to make sure what we are doing. First, the leader said we would like to inquire whether or not Senator GRASSLEY and others want to offer their amendments. I want to protect their rights to offer their amendments.

There is an amendment dealing with payment limitation. Some of us are kind of concerned about the underlying Harkin bill that has payment limitations of 250. That can be expanded to 500 per family. The Grassley amendment that Senator DORGAN and others have supported would reduce that. I want to make sure that amendment is going to be debated before we conclude the agriculture bill. I don't want that amendment to be ruled nongermane postcloture. That is what I am trying to find out before we make an agreement.

Parliamentary inquiry: Is the Grassley amendment germane postcloture?

Mr. REID. Mr. President, will the Senator from Oklahoma yield for a question?

Mr. NICKLES. I would be happy to yield.

Mr. REID. Is that the same as the original Dorgan amendment?

Mr. NICKLES. That is correct.

The ACTING PRESIDENT pro tempore. The amendment has not yet been reviewed for germaneness.

Mr. NICKLES. I didn't catch that.

The ACTING PRESIDENT pro tempore. The amendment has not been reviewed for germaneness.

Mr. NICKLES. That wasn't my understanding. Regardless, I will vigorously oppose cloture if that is what the majority leader's intention is. I urge him to ask consent to postpone the cloture vote until we determine what the outcome of some of these amendments is. Some of us are going to continue to oppose cloture until we have a chance to have our amendments heard, debated, and voted on in the Senate.

If you insist—and I am sure the majority leader is correct most of the time—cloture will expire after so many hours. But I will just tell him that some of us are going to be opposing cloture vigorously until the Senator from Iowa and others have a chance to have their amendments heard and voted on.

Mr. DASCHLE. Mr. President, I am very sympathetic to the Senator from Oklahoma. We have been on this bill for an awfully long time. I think we are almost at a point where we have broken the record now for the length of time we have been on a farm bill. Senators had many opportunities to offer amendments at night and during the day. I am not really sympathetic to those who suggest that somehow we have not accorded enough time to some of these amendments.

I also say we have come to the conclusion that we are going to have to make a decision about the farm bill. If we are unable to invoke cloture, it is my intention to put it back on the calendar, regrettably, and then move to other issues. We have conference reports that have to be done before we leave. There are other pieces of business that are required of us. This will be the third cloture vote. There will be no more cloture votes in this session of Congress on the farm bill.

Senators are going to have to make up their minds: Do they want to indefinitely postpone and thereby kill our chances for completing work on the farm bill this year or not? If they want to kill it, they will vote against cloture. If they want to support completing our work, they will vote for cloture this afternoon and we will complete our work. That still requires 30 hours of debate on the bill prior to the time we complete our work. That means that relevant amendments will be entertained, will be accepted, or voted upon and considered as germane amendments. That is the prerogative of every Senator even after cloture. Perhaps amendments can be designed to be germane. I certainly think a payment limit amendment is germane to the bill.

We ought to find the language that accommodates the Senator from Oklahoma, if that is his intent.

But I will say we have been on this bill for a record amount of time. It will be virtually a record if we complete our 30 hours. We do have other very important matters pending.

I want to make sure all Senators are put on notice. Three times, and we are out in terms of cloture. And three times, it seems to me, ought to be adequate time for everybody to have had

their amendments considered. As we have noted, a number of other colleagues have asked for special consideration for their amendments. We are attempting to do that. We have to move on.

Mr. REID. Mr. President, will the majority leader yield?

Mr. DASCHLE. Yes.

Mr. REID. I say to the distinguished majority leader that I have received two notes from the cloakroom that they want to put out a list if in fact there is a postcloture list of amendments.

I also say that last night I had a conversation with a number of farm State Senators who have been voting against cloture. They said if we would allow Hutchinson a vote, they would be willing to vote for cloture.

We worked last night and all morning trying to work out an arrangement where there could be a vote on Hutchinson. We have given the Hutchinson forces 1 hour. We have taken 15 minutes to show that we are serious about moving this bill forward. It appears that no matter what we do, it isn't quite enough.

I hope my counterpart, the distinguished assistant minority leader, will allow us to go forward. This is an opportunity, in my opinion, to pass a farm bill. We will live by whatever the rules are.

I was informed, obviously incorrectly, yesterday that the Parliamentarian thought Dorgan would be in order postcloture. I hope it is. I think it is something we should debate.

But the fact of the matter is we have gone a long way this morning in working this out. I applaud the Senator from Arkansas. He wanted more time than the hour—an hour and 15 minutes. He believed, I guess, that was fair.

I think we should go forward and then have a fair third and final vote on cloture.

Mr. DASCHLE. Mr. President, as the Senator from Nevada noted, our colleague for good reason wanted to be able to offer the so-called Cochran-Roberts alternative. We have done that. We have had very good debates on a number of other questions over the last couple of weeks. In order to accommodate the Senator from Arkansas and others who believe we ought to at least have a chance to vote on the House-passed bill, we are now going to do that.

I honestly think we have been as fair and responsible as we can be to the request made by our colleagues. I hope now that we can get this agreement.

I renew my request.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. NICKLES. Mr. President, reserving the right to object, parliamentary inquiry: Is the Grassley amendment germane postcloture?

The ACTING PRESIDENT pro tempore. The amendment is being reviewed at this time.

Mr. NICKLES. I ask the majority leader to modify his unanimous consent request so that the Grassley amendment be considered germane postcloture in the event cloture is invoked.

Mr. GRASSLEY. Reserving the right to object, I think I have something better than being part of the unanimous consent agreement, or something better than even a veto to do this. I had the word of the Senate majority whip that I was going to be able to bring my amendment up right after the Durbin amendment this morning after 11:30. It seems to me, if I have the word of a fellow Senator that I have a chance to bring my amendment up, I don't even have to be included in a unanimous consent. If you want to nail it down that way, nail it down; it is OK with me. But it seems to me I was told by the majority leader that I was going to be able to bring my amendment up, and that word is better than anything else that can go on in this body.

Mr. REID. Mr. President, will my friend from Oklahoma yield?

Mr. NICKLES. I am happy to yield.

Mr. REID. There is nobody for whom I have more respect than the Senator from Iowa. We serve together on select committees. He is absolutely right. We thought when we came here this morning we were going to go to the Durbin amendment and then a Republican amendment. He had been standing around waiting for a while, and we did say that. But the fact is, there have been intervening things. I am not going back on my word. We thought we were going to do a totally different thing. And I am sorry there has been some misunderstanding. But I would never intentionally mislead the Senator from Iowa.

The ACTING PRESIDENT pro tempore. The majority leader.

Mr. DASCHLE. Mr. President, if I can regain my right to the floor, let me simply say that we moved the cloture vote to 1:30 to accommodate some of our colleagues on the other side of the aisle. That has been locked in at 1:30. We also attempted to accommodate the Senator from Arkansas with this unanimous consent.

The ACTING PRESIDENT pro tempore. The time is 1:15, not 1:30.

Mr. DASCHLE. The UC was 1:15?

The ACTING PRESIDENT pro tempore. Yes.

Mr. DASCHLE. OK. We hoped we could accommodate the Senator from Arkansas with a vote on his amendment so that it could be taken before the cloture vote. That is all this unanimous consent request is designed to do. So if we cannot get it, we will just proceed, the Senator from Arkansas can offer his amendment, and we can do it without a UC. So if I cannot get that agreement, I will simply withdraw the request and perhaps we can proceed with the amendment.

The ACTING PRESIDENT pro tempore. Is there objection?

Mr. NICKLES. Reserving the right to object.

The ACTING PRESIDENT pro tempore. The Senator from Oklahoma.

Mr. NICKLES. I want my friend from Iowa, because I want to protect his interests on this amendment——

Mr. GRASSLEY. I know you are.

Mr. NICKLES. The majority leader is basically saying we have an hour and 15 minutes to debate the Hutchinson amendment, and then we will vote on cloture. And then we are going to find out that the Grassley amendment is nongermane postcloture if cloture is invoked. So it would not be in order to take up the Grassley-Dorgan amendment.

I have been here for 3 or 4 days trying to make sure we get a vote. No one has been filibustering this bill—no one. I know Senator GRASSLEY was here late last night trying to offer this amendment. I know yesterday, three or four times, I came up and said: I am ready to do a payment limitation amendment. Every amendment we have had has been germane to the bill.

We did not offer the energy package. We did not even offer the stimulus package; I thought about it. I might still do that if it is still the pending bill. I want to get the stimulus done before we get out of here. The amendments have been germane on agriculture.

To have an amendment such as payment limitation, when the underlying bill allows a few farmers to make hundreds and hundreds of thousands of dollars, to be squeezed out because of cloture I think is wrong.

So I guess the essence is that I will not object to a time limit on Senator HUTCHINSON's amendment. If the majority leader proceeds with the cloture vote, I will urge my colleagues, in the strongest terms, to please vote no on cloture so amendments that are germane—that are really germane that might fall on the strict interpretation of postcloture—that they will have a right to offer those amendments.

I urge my colleagues, Democrats and Republicans, who respect individual Senators having the right to amend a bill that is enormously complicated but important—that they have a right to offer those amendments.

So I will not object to the majority leader's request to have a time limit on the Hutchinson amendment.

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

Mr. DASCHLE. I thank my colleagues.

The ACTING PRESIDENT pro tempore. The Senator from Arkansas.

AMENDMENT NO. 2678 TO AMENDMENT NO. 2471

(Purpose: To provide a complete substitute)

Mr. HUTCHINSON. Mr. President, I have an amendment at the desk, and I ask for its consideration.

The ACTING PRESIDENT pro tempore. Under the previous order, the pending amendments are laid aside.

The clerk will report.

The legislative clerk read as follows:

The Senator from Arkansas [Mr. HUTCHINSON] proposes an amendment numbered 2678 to amendment No. 2471.

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

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

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

Mr. HUTCHINSON. Mr. President, I ask unanimous consent to add, as cosponsors to the amendment, Senators LOTT, HELMS, SESSIONS, and KAY BAILEY HUTCHISON.

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

Mr. HUTCHINSON. Mr. President, I thank the majority leader, the majority whip, and Senator HARKIN for their cooperation and their willingness to allow us to have this debate on, essentially, the House-passed bill.

This is the bill that was introduced earlier this year in an effort to break the logjam on a farm bill. It is a bipartisan bill, as it was introduced with four Democrats and three Republicans. To me, there is no doubt, as we come to this impasse, that the only way—absolutely the only way—we will get a farm bill signed into law this year is for us to take up an easily conferenceable bill with the House.

I have talked with the chairman of the House Agriculture Committee. If we would pass this bill—this amendment, and then the amended bill—we would be able to conference it within an hour, and we would be able to send it to the President. That is the only prospect we have of getting a much needed farm bill to the President this year. That is why I rise to urge my colleagues to move forward and support this amendment.

Since the beginning of this debate, I have been urged by the farmers of my State to try to get a farm bill completed this year. Time and time again, I have told them that I would do everything I could to get a farm bill completed this year. I have expressed support for the House farm bill. I have worked with my colleagues to craft and introduce this bipartisan proposal. It was originally, when introduced, sponsored by a number of Members on both sides. I supported, in the committee, the Cochran-Roberts plan. I supported the chairman's commodity title. In fact, I believe I was the only Republican in committee to support the chairman's commodity title. I supported the passage of the chairman's farm bill out of the Agriculture Committee. And I have supported cloture on the chairman's substitute two times.

I want a farm bill. I voted in support of moving forward at every point during this debate.

If this substitute is not going to move forward and go to conference, perhaps it is time for a new approach. It is clear, after two cloture votes, that the Harkin-Daschle substitute does not have adequate support to move to passage. And, may I say, if we were somehow able to move the Harkin-Daschle substitute through, get cloture, and get it passed this week, we would have an enormous gap between this bill and the House bill, and, as Senator HARKIN admitted last night, it would be weeks before we could reach a consensus on those two bills. This is why I am offering the bill that I offered with Senators LINCOLN, HELMS, MILLER, SESSIONS, LANDRIEU, and BREAUX earlier this year.

We can debate the merits of the bills. There is no doubt that as this day and this debate goes on, we will engage in some substantial policy issues. However, at the end of the day, we must have a bill that can get the votes necessary to pass the Senate, be conferenced, and signed by the President this year. So far, the bill that has been offered has not been able to garner the support necessary to get out of the Senate and provide the support and certainty that our farmers are asking for and desperately need.

The fact that these votes appear to be breaking down on party lines should be troubling because agriculture is not a partisan issue. Agriculture spans across all of our States and should not be allowed to degenerate into a partisan finger pointing contest. That is what I have been hearing: accusations that one party or the other is blocking the move on a farm bill this year.

That is why I am offering this amendment. It is my sincere hope that this bipartisan proposal can help break this logjam which is keeping us away from our home States and, more importantly, is denying our Nation's farmers the necessary fixes to what amounts to a broken farm policy.

Is this the absolute best policy that can come out of this Senate? Maybe not. Will it have the type of funding numbers in it that everyone can go back to their home State and expect resounding praise for? Probably not. That is probably unlikely as well.

However, we must also consider whether this proposal is, in fact, better than the policy with which our farmers are currently dealing. What I hear from the farmers in Arkansas—and I think this is true across this Nation—is that they need certainty and predictability. If they are going to have certainty and predictability, they need to have a farm bill. As they go to seek financing arrangements for this next year, bankers are looking for some predictability, some certainty in farm policy. That can only happen if we pass a bill.

So the question is, is this amendment that I am offering today—one that was originally offered as a bipartisan proposal in this Chamber, and that was a bipartisan vote in the House. In fact, in the House, there were 151 Republicans, 139 Democrats, and one Independent who voted for this bill. This is the only true bipartisan approach. If it is, in fact, better than current farm policy, and is the only prospect of getting a bill to the President this year, should we not, then, on a bipartisan basis, unite behind it?

I think it is clear that the farm policy in this amendment is much better than the current policy. We must also consider whether our farmers are better off with no farm bill at all, which appears to be where we are headed right now. I think my farmers have been quite clear with me on this issue, as I am sure farmers in other States have made it clear to their Senators.

This amendment, as I have said, is very similar to the House-passed farm bill which ended up passing on a bipartisan basis. I realize there were many hotly contested amendments throughout this process, but in the end this bill in the House enjoyed resounding bipartisan support and should garner that kind of support in this Chamber as well.

I am keenly aware that a number of my colleagues from the other side of the aisle believe they have garnered concessions from Senator HARKIN and Senator DASCHLE and that their concerns have been addressed in the Harkin-Daschle substitute. I am aware of that. I appreciate the willingness of Senators DASCHLE and HARKIN to make those concessions and to address concerns that various Senators had. But if those concessions come at the price of refusing to support a bipartisan approach and the end result is that we have no bill that goes forward out of this Chamber this year, we have no bill that is passed and goes to the President for his signature, then I suggest that all those concessions and all those improvements in the Harkin-Daschle substitute bill are in fact meaningless because they are not passed into law.

On Monday of this week, the American Farm Bureau sent a letter, a public letter, in which they wrote:

> The American Farm Bureau Federation encourages the Senate leadership to expedite debate and for the Senate to complete a new farm bill by noon next Wednesday, December 19.

That is the moment we have just passed. The Farm Bureau continued:

> It is vitally important that this legislation be enacted this year to provide an important economic stimulus to rural America before Congress adjourns.

I wholeheartedly agree with the sentiments of the American Farm Bureau in this letter. This is why I am offering this amendment. If this amendment is adopted, I am confident we will be able to move to invoke cloture and we will pass a farm bill this year. I promised the farmers of my State I would do everything I could do to get a farm bill completed this year. I am sure many of you have made the same promise. This is our opportunity to make good on that promise and on that commitment.

To say to the farmers of America, I am going to march in lockstep with my party leadership in spite of the fact that the end result of that approach will be no bill, no cloture, no Presidential signature, and no farm bill by December 31, is blind partisanship that

hurts the farmers of this country. This is our opportunity to pass a farm bill this year.

The policies included in this amendment have been supported by both Republicans and Democrats in the House. The policies included in this amendment have been supported by both Republicans and Democrats in this Senate. I urge my colleagues to join me in support of the amendment offered today.

I urge my colleagues to support the completion of a farm bill this year. It is not sufficient to say: I voted for cloture to end debate and get a farm bill this year, if you know in your heart that because of that stand, because of voting in lockstep and an unwillingness to take a bipartisan approach, an approach that we know can be conferenced with the House this year, that is a self-defeating approach that will not be a sufficient answer to the farmers in this country.

This is our opportunity to get it done. Let's not waste it.

I ask my colleagues for their support for the amendment. Will it have everything in it? It most assuredly will not. It will in some areas. Will the funding be as high? Will the commodity title not be as high as it is in the Harkin bill? The answer to that is, that is true. In some areas, it won't. It won't be a bill that will satisfy everybody. But it is the only vehicle before the Senate. It is the only possible answer to the conundrum in which we find ourselves. It is the only possible way we can get a bill signed into law by the President of the United States.

I repeat, the chairman of the Agriculture Committee in the House has said this amendment, if adopted, would be easily and quickly conferenceable with the House-passed bill, meaning that before we leave this place for Christmas, we will be able to reward the farmers of this country with an end-of-the-year commitment that their farm policy is taken seriously by Congress, that we have risen above blind partisanship, that we are willing to put the farmers of this country above party loyalty, and that we have done absolutely our level best to get a bill signed into law by the President.

I ask unanimous consent to have printed in the RECORD the House Agriculture Committee's Web page statement today, December 19, 2001.

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

SENATE PRESENTED WITH PATH TO SPEEDY FARM BILL CONCLUSION

ARKANSAS SENATOR TIM HUTCHINSON MOVES FOR VOTE ON HOUSE-BASED BILL

December 19, 2001.—House Agriculture Committee Chairman Larry Combest commended Arkansas Senator Tim Hutchinson for giving farmers a real prospect of getting a finalized farm bill this year by urging the Senate to pass the House-based farm bill. The Hutchinson provision already has the bipartisan support of Senators who cosponsored the measure when it was introduced in the Senate November 9. Ag Chairman Combest noted the Hutchinson provision is more than 95 percent identical to the October 5th House-passed ''Farm Security Act of 2001,'' and Senate passage of the Hutchinson provision is the only chance to finalize a farm bill this year.

''Senator Tim Hutchinson has worked for producers in a positive, practical manner each step of the way to move the Senate to completion of a farm bill, and today is holding forth a light for Senators on the path to a speedy conclusion of the farm bill,'' said Combest. ''Farmers and their lenders need the certainty of a new farm bill as they prepare now for the coming crop year. Senators can do a lot to ease farmers' worries now and help our rural communities by passing the Hutchinson provision today.''

Like the House-passed Farm Security Act, the bill introduced by Senators Hutchinson, Blanche Lincoln, Jesse Helms, Zell Miller, Mary Landrieu, and John Breaux not only provides for a strong safety net, but it maintains planting flexibility and avoids harmful market distortions. Also, like the House-passed bill, the option offered for Senate vote today complies with WTO commitments and with the Budget Resolution passed by Congress while increasing investment in conservation programs to the highest levels ever.

Mr. HUTCHINSON. I will quote a portion of this for my colleagues. This was placed on their Web page today, December 19, 2001, from House Agriculture Committee Chairman LARRY COMBEST. He commends this amendment ''for giving farmers a real prospect of getting a finalized farm bill this year.'' He urges the Senate to pass this amendment. Chairman COMBEST noted: ''The Hutchinson provision is more than 95 percent identical to the October 5 House-passed Farm Security Act of 2001'' and ''Senate passage of the Hutchinson provision is the only chance to finalize a farm bill this year.''

To my colleagues who think there should be agreement on that point at this place in our deliberations, I commend Chairman HARKIN for a tremendous good faith effort to move forward the Senate Agriculture Committee-passed farm bill. He has given it a wholehearted effort in the Senate Chamber. He has provided opportunities for amendments to be offered. I commend him for that, though there are still a number of serious amendments outstanding. We have twice voted for cloture. We have not seen any change in the breakdown. It is clear that as dedicated and as resolved as Chairman HARKIN has been, the current Harkin-Daschle substitute cannot garner the support of the Senate and cannot be conferenced in time to get a bill for our farmers this year. Chairman COMBEST is absolutely right: This is our last and best hope of doing it.

I suggest many of my colleagues have told their farmers face to face in their States that they will come here and do their best to get a bill passed this year. I suggest we will not have done our best without the passage of this substitute, this amendment I have offered today.

I reserve the remainder of my time.

Mr. ROBERTS. Will the distinguished Senator yield for a series of questions?

Mr. HUTCHINSON. I am glad to yield.

Mr. ROBERTS. This is a most interesting approach, it seems to me. I credit the Senator for trying to find a road to break the logjam, to try to get out of the box canyon we seem to be in with regard to concluding the farm bill.

I must say at the outset that it is my understanding, basically, that your amendment is in the form of a substitute; is it not?

Mr. HUTCHINSON. It is a substitute.

Mr. ROBERTS. Basically what you are trying to do is take the House farm bill as passed. I just asked staff what it passed by over there. It was 291 to 120. That is a rather strong bipartisan declaration. Basically, what you are doing is taking the House farm bill under the banner that most people have been talking about—the farm groups, the commodity groups, all the farm organizations, and many of us on this side of the aisle and that side of the aisle have said for some time two key things: One, move the bill, make sure we move it, make sure we expedite it.

I would like to respond to the distinguished leader on the other side of the aisle. Senator DASCHLE indicated we have spent probably more time on this bill than at any time in the history of farm bills. The shortest amount of time we have ever spent in the Senate—and I can refer to the House as well—is 5 days and the longest is 31. All this time hasn't been spent on the farm bill. I am not advocating more time; don't misunderstand me. Chairman HARKIN has worked very diligently to move this process along. I credit him for that. But if, in fact, we are going to get this done—and that was the key premise of the many farm groups and commodity organizations and many of us who said we need to expedite this in an odd-numbered year, don't put it off until a political year. And the other premise was, if I understand the Senator and from most of the rhetoric in this regard, to save the investment, the money, the $73 billion. The administration has indicated basically that they don't have any quarrel with the money. Oh, I am sure they would like to come down somewhat, but I don't think that is the issue. It is the policy that is the issue.

What the Senator is trying to do is say, OK, if we want to accomplish that and save the investment and expedite the progress, this is the way to do it, and that all this talk about stalling and putting things off could be answered by his amendment. Is that how he sees it?

Mr. HUTCHINSON. Well, the Senator has articulated it very well. If we are serious about getting a farm bill done this year—and people have said they want a bill this year—this is it; this is the last alternative. If we want a bill that is conferenceable, that can go to the President, this is it.

I think those who have said, ''let's expedite the farm bill, get a bill passed

this year,'' this is the litmus test. We are going to find out whether this is rhetoric or whether it is politics as usual, whether we want just an issue or a farm bill this year.

Mr. ROBERTS. If the Senator will yield further, I am not particularly enamored with the House bill. If you want to go a little bit further, I am really not enamored with the Senate bill. But we have been through that. We have had the Roberts-Cochran debate and that was fair. I credit the chairman and everybody else for giving us the time. I think we are headed down the wrong track with the Senate bill. I am not particularly enamored with the House bill.

Let me ask the Senator a couple of questions, if I might, to see if it is more preferable in my mind to the Senate bill because that is what this debate is all about.

Now, the Senate bill frontloads the $73 billion to the tune of about $45 billion in the first 5 years. Then there is $28 billion on down the road. So I think we are taking away from the future baseline—that is a fancy word for money—for future farmers. It is my understanding that the House bill doesn't do that; is that correct?

Mr. HUTCHINSON. The Senator is absolutely correct. That is one of the strong reasons why this approach is preferable. I call it the 5 fat years and the 5 lean years, the 5 years of plenty and the 5 years of famine. That is the danger in frontloading.

Mr. ROBERTS. If I may ask another question, I know one of the sticking points we have here with many western Members is the amendment of the Senator from Nevada regarding water. If there is one thing that causes a lot of concern out West, where we don't have much of it, it is the situation where people worry about the federalization of State water rights.

I am not going to get into that argument one way or the other, but I know that Senator CRAPO and others have a lot of concern. Some of the farm organizations have some concern also. That is in the Senate bill. To my knowledge, that is not in the House bill; is that correct?

Mr. HUTCHINSON. The Senator is correct.

Mr. ROBERTS. Let me ask another question, if I might, if the Senator will continue to yield. One of the reasons that in the Senate bill they were able to move the loan rate up to $3—and I am not going to rehash the old discussion on loan rates, as to whether they are market-clearing, or income protection, or it should be $4, or $5, or $3, or whatever. But we get into a lot of problems in terms of market distortion and not really enough support, and the money they use to increase the loan rates comes from crop insurance reform additions on down the road as we get into future years of the farm bill. To my knowledge, the House bill did not—I am using strong words—rob, steal did not take away or find the offset from the crop insurance reforms that we did just last year. Is that not correct?

Mr. HUTCHINSON. The Senator is correct.

Mr. ROBERTS. In addition, I hesitate to bring this up, but we got into a discussion of what is amber and what isn't in the progression of the World Trade Organization talks. I quoted a statement from an outfit out of Missouri that tries to take a look at their crystal ball to evaluate the effects of farm bills. I think they said we had a 30-percent chance under the Senate bill that we would be in violation of the WTO cap, and that that would be an amber light; that in 2 years it was bound to happen. I don't know what the chances are in terms of the House farm bill, but it seems to me they could be less. I am not an academic, in terms of fabric, to determine that. I don't have that crystal ball. Would the Senator say that would be the case?

Mr. HUTCHINSON. I say to the Senator from Kansas that it is my understanding that because some of the decoupled payments in the Harkin-Daschle substitute are phased out, the likelihood in the course of the farm bill of it becoming out of compliance is greater than that of the House-passed bill.

Mr. ROBERTS. Then the key question is this, if the Senator will continue to yield. As he knows, in agriculture, we are going through some tough times. We are not in very good shape for the shape we are in. One of the real things I believe we have to do is get Presidential trade authority and get our exports tracking. I am not going to go into a long-winded speech on that, but no farm bill, whether it is the bill being proposed by the Senator from Arkansas, or Cochran-Roberts, or the Senate bill, the Daschle-Harkin bill, can be successful unless we sell the product.

We have not been involved in the 133 trade negotiations—except for two—ever since we lost the Presidential trade authority. We exported $61 billion of farm products about 3, 4 years ago. Now we are down to 50, maybe 51, 52. Subtract that difference in terms of what we are selling and whether that is what you add up to with emergency spending. I don't understand why we don't expedite consideration of the Presidential trade authority. That is on the back burner with the leadership. That should not be the case. In lieu of that, we are going to have to have protection for farmers. In your State there are rice, cotton, and soybean producers, and in my State of Kansas there are corn, soybean, wheat, and cotton producers—40,000 acres.

So the question is this: In terms of the support that would be going to farmers, under the Senate bill that targets price, that countercyclical payment doesn't come into effect until 2004. A lot of farmers don't understand that, I don't think, or they would not be endorsing this bill. Under the House bill, however, that target price comes in right away. I might not agree with target prices—I don't like that system—but at least there is a countercyclical payment immediately in regard to the bill. Is that not correct?

Mr. HUTCHINSON. The Senator is correct.

Mr. DORGAN. I wonder if the Senator will yield for a question.

Mr. ROBERTS. I have one other question.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. DORGAN. I am asking the Senator from Arkansas would he yield.

Mr. HUTCHINSON. Let me finish the colloquy with Senator Roberts.

Mr. WARNER. At an appropriate time, I would like the Senator to yield for a minute, also. I will follow the Senator from North Dakota.

The PRESIDING OFFICER (Mr. NELSON of Florida). The Senator from Arkansas should be advised that he has 19 minutes left under the previous order.

Mr. ROBERTS. I will be very quick in terms of this question. The Senator heard me state many times, having been involved in six farm bills, that Kiki de la Garza, chairman emeritus of the House Agriculture Committee, from Texas, who served longer than any other man as chairman, used to talk about the best possible bill and the best bill possible. This could be the best bill possible if you believe you want to move this process along, and conference it with the House, and get a bill and save the investment of $73 billion. That has been the mantra over and over and over again.

This is probably the best bill possible. Again, I don't particularly care for it. It seems to me that it would fit the description. Where are the bravehearts of the farm organizations and the commodity groups? Are they still on the sidelines? What are they doing in this regard? That is all I have heard for the past 2 weeks. Are the bravehearts getting off the sidelines or at least indicating some interest?

I talked with the House this morning. They indicated that might be the case, and I am talking about staff in terms of Mr. COMBEST and Mr. ROSS. Are the bravehearts getting off the sidelines or what?

Mr. HUTCHINSON. I would expect that. But this was, as the Senator knows, filed last night and laid down this morning, so there has been little time for the farm groups to weigh in one way or the other.

But I think the strongest point in the question posed—while there is a lot of debate about policy, we have spent the last 2 weeks at various times debating the policy of these various bills. The strongest point that you made is the one that I have tried to base this entire amendment upon, and that is, it is the only chance we have of getting improved farm policy, a bill actually signed into law this year.

That has been the hue and cry. That has been the demand of farm organizations and farmers across this country,

that we finish a bill this year. This is the only way we can do it.

Chairman COMBEST has said that. I think it is patently clear that, even were the Harkin-Daschle substitute to be agreed to at this point, the differences between the House bill and the Harkin-Daschle substitute are so great that, in fact, it would take at least 3 weeks, as Senator HARKIN said last night, for that conference to be completed. We would not have a bill in time to help our farmers or to meet that demand for it to be finished this year.

Mr. ROBERTS. I thank the Senator for yielding. I have taken up too much time. There are very crucial questions, it seems to me, about what is in the Senate bill and House bill and how fast we can move.

I thank the Senator for his leadership.

Mr. DORGAN. Will the Senator yield for a question?

Mr. HUTCHINSON. I have been told my time has been reduced. We started this debate late and the vote is still scheduled for 12:50, I believe.

The PRESIDING OFFICER. The Senator is correct.

Mr. HUTCHINSON. I will yield if the time will come from that side of the aisle.

Mr. DORGAN. Mr. President, how much time were the proponents offered on this unanimous consent request, and how much time are we offered?

The PRESIDING OFFICER. Under the previous order, the vote is called for 12:50. After the reduction of the time, the Senator from Arkansas had 45 minutes and the Senator from Iowa had 10 minutes.

Mr. DORGAN. It is 45 minutes and 10 minutes. I am asking the Senator if he will yield for a brief question.

Mr. HUTCHINSON. Not on my time.

Mr. HARKIN. I will yield 2 minutes.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. DORGAN. Let me ask if the Senator will yield and I will use a moment of time from the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. WARNER. Will the Senator yield for a quick question?

I thank the Senator for his work on peanuts. This is an industry which is threatened. In my State, we are talking about small farmers, not the billions going to the grain belt. I don't criticize that, but it is the small farmer out there.

We are dealing with people who are farming 40 acres, maybe 100 or so acres, sometimes 200. If I am correct, you are raising the target price to $5.50?

Mr. HUTCHINSON. The Senator is correct.

Mr. WARNER. I thank you for that. Then 10 cents a pound quota buyout for 5 years, that is there. And allowing the producer to assign their base the first year and then reassign it the second year, that is very important. I thank the Senator and for that reason I give my strongest support for his legislation.

Mr. HUTCHINSON. I thank the distinguished Senator from Virginia, and I am grateful for that commitment of support.

I inquire of the Senator, my colleague from North Dakota, how much time does he request?

Mr. DORGAN. Let me ask the Senator to yield. I will use 2 minutes of time that is allocated to the Senator from Iowa.

The PRESIDING OFFICER. The Senator from Arkansas has the floor.

Mr. HUTCHINSON. I yield without losing my right to the floor.

Mr. DORGAN. Well, parliamentary inquiry: We are using the time of the Senator from Iowa but he doesn't yield the floor?

The PRESIDING OFFICER. Yes.

Mr. DORGAN. I so appreciate the generosity here. Let me ask the Senator from Arkansas a question.

He says this is the last opportunity for a farm bill, this amendment he is offering. Is it not the case we will have a cloture vote following that and the last opportunity for a farm bill will be for us to break the filibuster that has occurred now day after day after day on the underlying amendment? Is that not the last opportunity for the Senate to move a farm bill?

Mr. HUTCHINSON. As I said, I have voted for cloture and I will again vote for cloture. But even if cloture were invoked and the Harkin-Daschle substitute were adopted, it is not possible to conference it and get a farm bill to the President this year.

Mr. DORGAN. That is a judgment I don't share. The Senator has, in fact, voted for cloture. Almost all of his colleagues on that side of the aisle have not. We have decided today to allow the Senator from Arkansas to offer his amendment, which is essentially a farm bill. We say, yes, you offer yours; let's have a vote on that.

Why are the majority of the Members on your side not willing to do the same for our farm bill?

Mr. HUTCHINSON. I am sorry. I am not sure——

Mr. DORGAN. We have had a filibuster day after day after day. We have had two unsuccessful votes to try to break it. Almost everyone on your side of the aisle has voted to continue the filibuster. You are now offering your amendment. We say go ahead and get a vote on your substitute farm amendment; go ahead. We will agree to a vote on yours. Why do most of the members of the Republican caucus not agree to the same thing with respect to the Harkin bill, or the Daschle bill that is the underlying bill on the floor of the Senate?

Mr. HUTCHINSON. I can't judge their motives and I do not seek to. I have urged them to vote for cloture. I think it is very important we have a farm bill this year. But time is running out and I urge they support cloture.

Mr. DORGAN. I would say the discourse between——

Mr. HUTCHINSON. Regular order, Mr. President.

Mr. DORGAN. The regular order is 2 minutes on our time. How much of that is consumed?

The PRESIDING OFFICER. The Senator's 2 minutes have expired.

The Senator from Arkansas.

Mr. HUTCHINSON. I thank the Chair. I thank my colleagues for the opportunity to visit.

I inquire as to exactly how much time we have.

The PRESIDING OFFICER. The Senator has 13 minutes 42 seconds remaining.

Mr. HUTCHINSON. Mr. President, I note many of the questions that arise in a farm bill debate—some of those posed by both Senator WARNER and Senator ROBERTS—deal with the commodity title. Obviously, those are great concerns because all of us have our own constituencies.

The Harkin substitute that we are seeking to amend includes many elements that farmers of Arkansas would support. It includes a yield update as well as a base acre update; it includes a 100-percent base acreage coverage versus the 85-percent base coverage included in the House bill and my amendment.

These are, frankly, changes that would benefit many farmers in Arkansas, Louisiana, Alabama, and Mississippi. That is one of the reasons that I have supported the chairman's mark.

However, this is what we must remember. If these changes mean we will not be able to get a farm bill this year, it is time for us to seek a different approach. While some of the funding levels for the various commodities may not be as high as we have in this substitute, the average gross receipts are rather attractive to many farmers in my State and other States as well.

I yield to the Senator from Oklahoma.

Mr. NICKLES. Will the Senator yield for a question?

Mr. HUTCHINSON. Yes.

Mr. NICKLES. I want to maybe take issue with the comments that were made that Republicans have been conducting a filibuster on this bill. Will the Senator correct me, but haven't we had germane amendments every day we have been on this farm bill?

Mr. HUTCHINSON. The Senator is correct.

Mr. NICKLES. Then on the issue of cloture, some people are assuming if you vote no on cloture you are filibustering the bill. I disagree.

Isn't it correct, if cloture were invoked, the amendment you are now offering would be nongermane?

Mr. HUTCHINSON. That is absolutely correct.

Mr. NICKLES. Isn't it correct we have asked the Parliamentarian to give us a ruling on Senator GRASSLEY's amendment? Senator DORGAN was a cosponsor. I hope he still is. I am afraid that would be nongermane.

Isn't it correct that a lot of people who have very legitimate interests in

agricultural policy want to offer amendments that, if cloture is invoked, they are denied that opportunity to do so?

Mr. HUTCHINSON. The Senator is, of course, correct. I respect that. The fact is, the farm bill came very late in this session because we have been very involved with a lot of important legislation dealing with 9–11.

My support for cloture, and the reason I urge my colleague to support it, is because we are running out of time. While there are legitimate amendments and there are important amendments, I think we had too much finger pointing, too much of Democrats saying Republicans are filibustering. Frankly, some of us question the motives on the other side. We are running out of time.

Mr. NICKLES. If the Senator will yield, that is the reason why I came to the floor. I heard this ''filibuster'' and I thought, wait a minute, this is a very complicated bill. We have been on it for a couple of days. But every single amendment—I believe we have had just as many amendments offered by Democrats as Republicans or very close and they have all been germane.

I know there are several other amendments that are very germane but might fall postcloture. I just wanted to understand from my colleague and maybe make an assertion that there is not a filibuster. There is a desire to improve a bill that some of us believe is fatally flawed.

I will also ask my colleague, the bill we have pending, the so-called Harkin-Daschle bill that was reported out of the partisan Agriculture Committee, isn't that unusual? The facts are that the markup of agricultural policy for decades has been bipartisan. Unfortunately, it was not in this case in the markup of the Agriculture Committee.

Mr. HUTCHINSON. I say to my colleague from Oklahoma that my history on the Agriculture Committee is pretty thin. This is my first time on an agriculture bill markup, so I can't really answer this question. But I will say this. While the bill that came out of committee has been described as being a bipartisan bill, I was the only Republican to support that bill. So that cannot be considered nearly as bipartisan as the amendment I am now offering which originally, when offered as a freestanding bill in the Senate, had four Democrats sponsoring it and three Republicans.

So I would suggest if we are going to talk about a bipartisan approach, this is far more bipartisan than the bill that came out of committee, unfortunately.

Mr. NICKLES. I thank my colleague.

Mr. HUTCHINSON. I inquire of my colleague from Arkansas as to how much time she would request.

Mrs. LINCOLN. About 5 minutes.

Mr. HUTCHINSON. I yield Senator LINCOLN 5 minutes.

The PRESIDING OFFICER. The Senator from Arkansas.

Mrs. LINCOLN. I thank the Chair.

Mr. President, today is December 19. Twenty days ago, on November 30, our leaders made a motion to move to debate on the farm bill. That was just after Thanksgiving. Many farmers in Arkansas probably thought, finally, the Senate is going to start voting on the merits of the farm bill. Members on the other side of the aisle objected; they were not ready to move to the farm bill. They said we did not need a farm bill this year and we did not have to deal with that issue right now; we could put it off for another year, just as we have been putting farmers off for the last 4 or 5 years. They forced us to have a procedural vote.

The White House continued issuing statements against considering a farm bill this year, and our farmers waited. Our farmers all across this Nation waited.

On December 5, 5 days later, we had a vote that is hard to explain to folks outside the beltway. We voted on the motion to invoke cloture on the motion to proceed to the farm bill. It passed 73 to 26. In other words, 73 Senators thought we should begin debating the farm bill. But rather than allowing the Democratic leadership to move forward with the bill, Republicans forced us to wait several days and then vote on the motion to invoke cloture on the motion to proceed to the farm bill. Now, with that vote behind us, many farmers in Arkansas probably thought, finally, finally, the Senate is going to start voting on the merits of a farm bill now.

Then, on December 5, December 6, 7, 10, 11, and 12, we discussed the farm bill. Hanukkah came and went.

As my colleague from Oklahoma mentioned, this is a difficult bill. Farm bills always are. That is why we spent the last year and a half discussing the issues of this bill.

In years past, we have tested the issues of a 5-year farm bill. And in the last farm bill we found that the policy we enacted in 1996 was completely inadequate. We have been discussing that for a year and a half. We have been talking about it in committee. We have been talking about it among ourselves and with our colleagues on the other side of the Capitol.

The Senate is supposed to be the deliberative body, and we have proven that again with the weeks of debate on a farm bill that took up 3 days of business in the other body. For 3 days the other body deliberated this issue, and we have spent how much time here over the course of the last 3 weeks?

On December 12, the distinguished former chairman of the Agriculture Committee, the Senator from Indiana, Mr. LUGAR, offered his alternative to the commodity title of this bill. We debated its merits, and then it failed by a vote of 70 to 30.

Many farmers in Arkansas probably thought, finally, the Senate is going to finish up the farm bill. The leading Republican on the Agriculture Committee had offered up his best, and the Senate had voted no. Now maybe we could pass the farm bill. And then we continued to deliberate. We deliberated on December 13, 14, on December 17 and 18.

Christmas grows near. Yesterday we had another procedural vote in an attempt to move the farm bill. The Senate voted on cloture. But we fell 6 votes short of the 60 needed to move forward. Most Republicans voted no. They wanted more time to deliberate.

It is beyond me who it may be out there in our farmland of America, from whom they are hearing, who thinks we are not in an urgent situation of providing good agricultural policy. And I do not know, but maybe the Senator from Arkansas and I are the only ones who hear from farmers who are extremely anxious about whether or not they are going to get their financing to put seed in the ground next year or whether or not they are going to be able to continue a family farm that has been in their family for generations, whether they are going to have to continue to farm out the equity of that farm in order to be able to continue farming.

Then the distinguished former chairman of the Agriculture Appropriations Subcommittee and the former chairman of the House Agriculture Committee offered their alternative. Before yesterday, there had not been any written copy of the Cochran-Roberts bill. We could not review the bill on its merits. So it became known on this side of the aisle as ''what will it take to get your vote?''

A version of that bill had failed during committee consideration. But yesterday, it got its day in the Sun. And it was fully debated on the Senate floor. And it failed by a vote of 55 to 40.

With that vote behind us, many farmers in Arkansas probably thought, Finally, the Senate is going to pass the farm bill.

And that brings us to this day on the brink of another vote to bring the Agriculture Committee's farm bill to an up-or-down vote in the Senate.

Now my good friend from Arkansas is prepared to offer a bill that he and I introduced prior to the Senate Agriculture Committee considering the farm bill.

We introduced that bill when we were concerned that the Senate Agriculture Committee wouldn't pass a farm bill.

But the distinguished chairman of the Agriculture Committee, Senator HARKIN, worked closely with us to craft a bill that fits the needs of all producers.

I am proud of the bill that came out of committee. And I want to commend Chairman HARKIN for his hard work.

I am prepared to vote in favor of final passage of the Harkin farm bill right now. It is a good bill. A strong bill that has weathered 20 days of debate.

But my friend from Arkansas wants a vote on the bill we introduced earlier this fall.

I will vote in favor of the Hutchinson amendment because it reflects a bill that I wrote.

But I warn my colleagues on the other side of the aisle: Regardless of the outcome of this vote, if you vote against cloture at 1:15, you will reveal your true intentions regarding U.S. farm policy for all America to judge.

There will be no denying that you have no interest in moving a farm bill this year.

It will be obvious to every farmer who is watching this debate.

America's farmers will know, without qualification, that you preferred to turn your back on them. You will have abandoned them in this time when they are desperate for a farm policy based on the realities of American farming in the 21th century.

That is a fine ''Merry Christmas'' wish for rural America.

The PRESIDING OFFICER. The Senator's time has expired.

Mrs. LINCOLN. May I ask unanimous consent for 1 additional minute.

The PRESIDING OFFICER. The time is controlled by the other Senator from Arkansas.

Mrs. LINCOLN. I ask for 1 additional minute.

Mr. HUTCHINSON. I ask the Chair how much time is remaining on my side?

The PRESIDING OFFICER. Four minutes.

Mr. HUTCHINSON. Judging from the fact this is not a wholehearted endorsement of my amendment, perhaps the——

Mrs. LINCOLN. I was just describing the debate so far.

Mr. HUTCHINSON. Perhaps the request can be granted from the other side.

Mr. ROBERTS. I object.

The PRESIDING OFFICER. Who yields time?

Mrs. LINCOLN. I ask unanimous consent for 1 additional minute.

Mr. ROBERTS. I object.

The PRESIDING OFFICER. Objection is heard.

Who yields time?

The Senator from Iowa.

Mr. HARKIN. How much time do I have, Mr. President?

The PRESIDING OFFICER. The Senator has 8 minutes.

Mr. HUTCHINSON. May I inquire of the Chair, do I still control the floor?

The PRESIDING OFFICER. The Chair was inquiring who yields time, and the Senator from Iowa made an inquiry and was recognized. The Senator from Iowa has the floor.

Mr. HUTCHINSON. I simply was going to reserve the remainder of my time for closing.

The PRESIDING OFFICER. The Senator's time is reserved.

The Senator from Arkansas has 4 minutes. The Senator from Iowa has 7½ minutes.

Mr. HARKIN. Mr. President, I will yield myself 5 minutes, and I would appreciate the Chair announcing when my 5 minutes is up.

Mr. President, first of all, this is not the House bill. This is not even the bill that my friend from Arkansas introduced last night. In order to comply with the budget, they made changes, and what were the changes made? It is very interesting. Let's just take a look at two areas.

The Hutchinson amendment really does gut conservation. In the Senate bill we put $21.5 billion. The House has $15.8 billion. The Hutchinson amendment lowers that to an even $14 billion. But here is where most of the money came from. I say to my friend from Arkansas, Senator LINCOLN and others, we are interested in the small towns and communities. We want rural development.

In the Senate bill we had $1.7 billion—listen to this—over 5 years for rural development. The House bill has $1.17 billion over 5 years for rural development. So we are pretty close. The Hutchinson amendment has—listen carefully—$200 million over 10 years for rural development. Gutted.

So if you want to have a balanced farm bill and one that helps our small towns and communities, forget about that amendment. He guts rural development and puts it all into commodities. But even putting it into commodities, they backload it in 10 years.

What we have done is said there is a crisis out there right now and we need to help farmers right now. For the life of me, I do not understand, Mr. President, why the Senator from Arkansas would want to hurt his own rice producers.

Next year, under the committee bill, the payment per acre for rice is $148.13 under our bill. Under the amendment of the Senator from Arkansas, the payment will be $96.18 per acre for his own rice farmers. Why he would want to offer an amendment to penalize his own rice farmers, I have no idea, because they go back to the old bases and yields. We update the yields. Look at next year. Our payment next year is $148 per acre on rice; the Hutchinson amendment is $96 per acre on rice.

With corn, we pay $36.67 per acre; the Hutchinson, $26 per acre. Wheat is $18.90 under our bill, $15.54 under Mr. Hutchinson's amendment.

This amendment is not well thought out. It is not even the House bill. It is not the House bill at all.

One more time for the record, I say to my friend from Oklahoma, nine titles were approved in our committee unanimously—unanimously. Bipartisan, not one dissenting vote. Senator LUGAR and I worked it out. We worked it out with Senator HUTCHINSON and all the Republicans and Democrats on the committee. The only title that did not come out unanimously was the commodity title. Even the Senator from Arkansas voted for that, so at least it has some bipartisan support.

When the Senator says this is some kind of hugely partisan bill, that is nonsense on its face. All you have to do is please check the record. This bill had strong bipartisan support in the committee.

Again I respond to my friend from Kansas who said we robbed the crop insurance program to increase loan rates. Let the record show, all we did was include a provision that extends the very same provision that Senator ROBERTS put in his crop insurance bill last year. It was OK when he put it in last year. All we are doing is extending it. Now somehow he says it is not OK. We did not gut the crop insurance. If it was good enough for Senator ROBERTS last year, it is good enough for us to put it in now and extend it into the future. That is all we did. We did not in any way touch or gut the crop insurance program.

I reserve the remainder of my time.

The PRESIDING OFFICER. Who yields time?

Mr. HUTCHINSON. It is my hope to close for the amendment. Is it the intent of the opponents of the amendment to use the remainder of their time?

Mr. HARKIN. How much time remains?

The PRESIDING OFFICER. There are 2½ minutes for the Senator from Iowa.

Mr. CONRAD. I would like 1 minute if I may.

Mr. HARKIN. I yield 1 minute to my friend from North Dakota.

The PRESIDING OFFICER. The Senator from Iowa yields 1 minute.

Mr. CONRAD. I have said many times that the House-passed farm bill represents a good starting point. But it is a starting point that can be improved. For example, the House bill falls well short of the bill out of the Agriculture Committee in its treatment of commodities such as sugar, soybeans, sunflowers, canola, barley, and the pulse crops of dry beans, lentils, and chickpeas. In dairy, the Senate bill is substantially better than the House bill.

The House bill skimps on commodity support in its first year, providing less than half the support provided by the Senate bill in its first year. If the House bill prevails, we may very well find ourselves back here late next year considering supplemental support for agriculture again. I believe our goal should be to improve the House bill. We cannot do it if we simply accept it today.

The chairman has made clear what is before the Senate is not even the House bill.

Mr. HUTCHINSON. I have 4 minutes remaining.

The PRESIDING OFFICER. The Senator has 3½ minutes.

Mr. HUTCHINSON. I yield 1 minute to the Senator from Kansas.

The PRESIDING OFFICER. The Senator from Kansas.

Mr. ROBERTS. I thank the distinguished Presiding Officer and my colleague.

It seems to me we have a paradox of enormous irony. The majority has, for weeks, talked about and urged passage of a farm bill to protect the investment in agriculture, the $73 billion provided

for in the budget, and to expedite consideration with the House of Representatives, and we could pass the bill this year.

Today, let the record show, whether it might be minor differences between the bill offered by the distinguished Senator from Arkansas and the House bill, the majority is now going to vote against the House position before they go to conference. I think that is a paradox. I think that is unique. I think that is unprecedented.

I thank the Senator for the time.

The PRESIDING OFFICER. The Senator from Arkansas.

Mr. HUTCHINSON. Let me say very quickly in wrapping up, I appreciate working with the chairman, and I think he made a good faith effort.

As far as the conservation is concerned, I will respond by saying I offered increases: The average annual funding level from $200 million to $1.3 billion a year for the EQIP program. Livestock and crop producers each receive 50 percent of the funding. On the issue of the rice, the average gross receipts over the 5 years is $11.90 per hundredweight under the House bill and the amendment I offered.

Yes, yours is higher, but they are not being penalized. It is a bill and a position that the Rice Federation and rice producers endorsed because they knew it was good for rice when the bill was introduced.

However, we could argue day and night about this funding and which bill is better for the various crops. The reality is, if Members want a farm bill this year, if Members want a bill this year, this is it. You can bump it up another few billion and maybe everybody in the world will be happy, but if you cannot pass the bill, it doesn't help the farmers.

The latest figures show that the Harkin substitute would cost $45.2 billion over baseline in the first 5 years, leaving only $28.3 billion for the second 5 years. Basically, if we do this, we will eliminate the funding available in the years 2007 - 2011. That is why I say these will be the years of plenty and those will be the years of famine.

This amendment is balanced, and it is reasonable, and it has broad support in the Agriculture Committee and the agricultural community. It is bipartisan. It was introduced as a bipartisan bill.

The basic, underlying, fundamental point is this: It is the only bill that is conferenceable with the House. It is the only bill that has any chance at all of being signed into law this year. If you have told your farmers that you are going to do everything within your power to get a farm bill passed this year, then you need to vote for this amendment.

This will be the highest of ironies, I say to my friend from Kansas, that those who have said they don't want to delay a farm bill are going to vote against the one vehicle by which they can get a farm bill this year; that those who have said there are obstructionists trying to get a farm bill passed will be in a position of voting against the one that could be signed into law by the end of this year.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

Mr. HARKIN. I yield 30 seconds to the Senator from North Dakota.

Mr. DORGAN. This does not wash—to stall for 2 months, to filibuster for 2 weeks, then walk around here pretending you are out of breath from running so far. Every step of the way, we had people on that side of the aisle trying to prevent us from writing a farm bill, and now they are coming to the floor saying: We are trying to move it along.

This is a sure way to try to move it along—filibustering through two cloture votes. We will see at 1:15 if they give us help to move it along.

The PRESIDING OFFICER. The Senator has 47 seconds remaining.

Mr. HARKIN. The time for games is over. The fact is, the White House itself has said we should not have a farm bill this year. The ranking member of the Agriculture Committee, Senator LUGAR, has said that. The Secretary of Agriculture has said that. The entire Republican hierarchy downtown and here have said time and time again we should not have a farm bill this year. Since this amendment is different from that of the House, it would still require a conference.

Again I say, Mr. President, now is the time to pass a good bill. If we get cloture today and we can close this bill down, we can conference our bill in the next 2 days and we can go into conference with a good bill, not with an amendment that is less than what the House has.

I urge defeat of the Hutchinson amendment.

I move to table the Hutchinson amendment and ask for the yeas and nays.

The PRESIDING OFFICER. Is there a sufficient second?

There is a sufficient second.

The hour of 12:50 having arrived, under the previous order, the question is on agreeing to the motion to table. The yeas and nays have been ordered, and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) is necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) and the Senator from Alaska (Mr. MURKOWSKI) are necessarily absent.

I further announce that if present and voting the Senator from North Carolina (Mr. HELMS) would vote ''no.''

The result was announced—yeas 59, nays 38, as follows:

[Rollcall Vote No. 376 Leg.]

YEAS—59

| | | |
|---|---|---|
| Baucus | Durbin | Mikulski |
| Bayh | Feingold | Miller |
| Biden | Feinstein | Murray |
| Bingaman | Graham | Nelson (FL) |
| Boxer | Gregg | Nelson (NE) |
| Breaux | Hagel | Reed |
| Byrd | Harkin | Reid |
| Cantwell | Hollings | Rockefeller |
| Carnahan | Inouye | Sarbanes |
| Carper | Jeffords | Schumer |
| Chafee | Johnson | Smith (NH) |
| Cleland | Kennedy | Smith (OR) |
| Clinton | Kerry | Snowe |
| Collins | Kohl | Specter |
| Conrad | Landrieu | Stabenow |
| Corzine | Leahy | Torricelli |
| Daschle | Levin | Voinovich |
| Dayton | Lieberman | Wellstone |
| Dodd | Lugar | Wyden |
| Dorgan | McCain | |

NAYS—38

| | | |
|---|---|---|
| Allard | Edwards | Lott |
| Allen | Ensign | McConnell |
| Bennett | Enzi | Nickles |
| Bond | Fitzgerald | Roberts |
| Brownback | Frist | Santorum |
| Bunning | Gramm | Sessions |
| Burns | Grassley | Shelby |
| Campbell | Hatch | Stevens |
| Cochran | Hutchinson | Thomas |
| Craig | Hutchison | Thompson |
| Crapo | Inhofe | Thurmond |
| DeWine | Kyl | Warner |
| Domenici | Lincoln | |

NOT VOTING—3

| | | |
|---|---|---|
| Akaka | Helms | Murkowski |

The motion was agreed to.

Mr. HARKIN. I move to reconsider the vote.

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

The motion to lay on the table was agreed to.

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

Mr. HARKIN. Mr. President, parliamentary inquiry: What is the order of business now before the Senate?

The PRESIDING OFFICER. The cloture vote is the next order of business.

Mr. HARKIN. Mr. President, I understand there is no time remaining. I ask unanimous consent that I be given 1 minute and that the other side be given 1 minute prior to the cloture vote.

The PRESIDING OFFICER. Is there objection?

Without objection, it is so ordered.

The Senator from Iowa.

Mr. HARKIN. Mr. President, we will now go to a cloture vote. It will be the third cloture vote. The majority leader has said that will be it, because this is Wednesday. To finish the 30 hours after cloture, if we got cloture, would require the rest of the week. We all want to get out of here by Friday or Saturday—I hope. So this really would be the last opportunity to have closure on the farm bill.

We have had good votes. We voted on the Lugar substitute. We voted on Cochran-Roberts. We voted on Hutchinson. There may be other amendments. They should be germane. Somebody said about cloture, it cuts off amendments. It does not cut off any germane amendments to this agriculture bill.

So let's have the cloture vote. We get our 30 hours. At least then we can finish the bill. Then the staff can work on

it in January, and when we come back on January 23, we can meet in a short conference and get the bill to the President before the end of the month.

If cloture is defeated, I can assure you, all of my fellow Senators, the President will not get this bill until sometime in March or April, if even then. So this is the last train out of the station. I hope we can get it done.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Indiana.

Mr. LUGAR. Mr. President, we worked with the distinguished chairman carefully. There are a large number of issues that must be discussed before this bill is perfected.

In good faith, I ask the Senate to give us opportunities to perfect this bill. It must be perfected, in my judgment, if the President is to sign it, if we are to have a successful conference, and in fact if we are to have successful agricultural policy.

In fairness, there are a number of amendments that must be heard that, in due course, will have to be heard somewhere in the land. This is the proper forum and the proper time. I ask my colleagues to vote against cloture to keep the process alive because I am confident we will improve the bill if we have that opportunity.

I thank the Chair.

CHANGES TO H. CON. RES. 83 PURSUANT TO SECTION 213

Mr. CONRAD. Mr. President, section 213 of H. Con. Res. 83, the FY 2002 Budget Resolution, permits the chairman of the Senate Budget Committee to make adjustments to the allocation of budget authority and outlays to the Senate Committee on Agriculture, provided certain conditions are met.

Pursuant to section 213, I hereby submit the following revisions to H. Con. Res. 83.

The revisions follow:

| | ($ millions) |
|---|---|
| Current Allocation to the Senate Committee: | |
| FY 2002 Budget Authority | 21,175 |
| FY 2002 Outlays | 17,856 |
| FY 2002–06 Budget Authority | 69,640 |
| FY 2002–06 Outlays | 52,349 |
| FY 2002–11 Budget Authority | 114,692 |
| FY 2002–11 Outlays | 80,210 |
| Adjustments: | |
| FY 2002 Budget Authority | 0 |
| FY 2002 Outlays | 0 |
| FY 2002–06 Budget Authority | 37,751 |
| FY 2002–06 Outlays | 34,465 |
| FY 2002–11 Budget Authority | 66,150 |
| FY 2002–11 Outlays | 66,150 |
| Revised Allocation to the Senate Agriculture Committee: | |
| FY 2002 Budget Authority | 21,175 |
| FY 2002 Outlays | 17,856 |
| FY 2002–06 Budget Authority | 107,391 |
| FY 2002–06 Outlays | 86,814 |
| FY 2002–11 Budget Authority | 180,842 |
| FY 2002–11 Outlays | 146,360 |

The PRESIDING OFFICER. The majority leader is recognized.

Mr. DASCHLE. Mr. President, we have been on this bill for almost a record length of time now. I am told that tomorrow we will break the record for the length of time a farm bill has been debated. If we get cloture, of course, we will still entertain 30 hours of debate for germane amendments. As I have done on several occasions, we will also entertain unanimous consent requests to consider amendments that are not germane.

But time has run out. This is the third cloture vote. We have a lot of other legislation that must be addressed before the end of the week. We have three conference reports on appropriations that must be completed. We have other legislation of import to both sides of the aisle that must be addressed and, hopefully, completed.

I announced earlier today that if we fail to get cloture on this vote, we will have no other choice but to go on to other issues. That will terminate the debate and end any possibility that we could complete our work on the farm bill this year.

I put all my colleagues on notice, after three cloture votes we need to move on. It is up to both of us, Republicans and Democrats, to make that decision. We can finish this bill. We can accommodate all the other items that need to be addressed, but we have to move on. Germane amendments for 30 hours ought to be enough for everybody who has debated this bill now for over 2 weeks. I ask my colleagues to vote for cloture. Let's get this work done.

I yield the floor.

The PRESIDING OFFICER. The Chair recognizes the Republican leader.

Mr. LOTT. Mr. President, I yield myself leader time so I may respond. I know Senator DASCHLE might want to close the debate.

Let me just emphasize on this issue, first of all, I don't believe this is a record. I think if you go back and search the record, we have spent as long as 30 days on an agriculture bill. We could go back and forth over what the length of time was. The important thing, though, is to get the right thing done.

This legislation does not expire until next year. We are not going to get a conference agreement on this legislation whether we complete action now or next week or sometime before the end of the year. The conference will go well into the next year. I suspect this will be a pretty difficult and long conference. There is no need to continue to have this vote.

Unfortunately, this is the most partisan farm bill I recall seeing in my 29 years in the Congress. Farm bills are almost always, if not always, very bipartisan in the way they are brought out of committee and the way they are considered on the floor. Unfortunately, that has not been the case here.

Farm legislation is very important. We should make sure, when we come back next year, this is the first issue pending and complete action. In the meantime though, we should keep our focus on the three appropriations conference reports, seeing if we can get a bill through that will help the families and the unemployed on the stimulus package, and see if we can get an agreement on the terrorism reinsurance and bioterrorism. Those are the issues we really can do, should do, and I hope we will do.

I urge my colleagues, do not rush to judgment. Let's not be forced to invoke cloture when there are important amendments that would be cut off, such as the one Senator GRASSLEY has on limitations.

There is no need to be panicked here. We can do this. We can do it right. We cannot cut off our colleagues who have good amendments. We can complete action in due time and get a good farm bill well before the law expires.

The PRESIDING OFFICER. The majority leader.

Mr. DASCHLE. Let me respond briefly. First of all to the Grassley amendment, we are told now that it is germane, and certainly it would be eligible for consideration. That goes to the point I made just a moment ago. A lot of amendments that are still pending will certainly be entitled to consideration, entitled to a vote, and that is as it should be.

I also note the Republican leader's comment that this has been a partisan process. I am told by the chair of the committee that we have never had as many unanimous votes in a markup as we had with consideration of this farm bill. Of the titles that were passed out of the committee relating to this bill, nine of them passed unanimously. Only one failed unanimity. That doesn't sound partisan to me.

The commodity title was the only title that generated votes on both sides. Every other vote, in all nine titles, was passed unanimously.

Again, as to the assertion that we can wait, I must say I urge you all to refer to the Budget Committee and their projections that, by waiting, we chance losing $25, $30, $40 billion in budgetary authority. This in essence is a vote to cut agriculture by a substantial amount of money, if we fail cloture now, if we don't take full advantage of the budget window we have available to us.

We can't wait. I know the administration has urged that we wait, the Secretary of Agriculture has urged that we wait. I must say, 32 or more farm organizations have urged us to act now. Why? Because they are worried about the budgetary implications. Why? Because they want farmers and ranchers to have the opportunity to make the transition. Why? Because the Department of Agriculture normally needs 6 months to make the transition. There are plenty of reasons it is important for us to bring this debate to a close. Let's do it. Let's move on to the other issues we have to confront. Then let's going home for Christmas.

Mr. NICKLES. Will the majority leader yield?

Mr. DASCHLE. I am happy to yield to the Senator from Oklahoma.

Mr. NICKLES. The majority leader referred to the fact that a lot of farm

organizations support this bill. Was the majority leader aware that the American Farm Bureau Federation wrote a letter today, December 19, which reads in part:

The American Farm Bureau Federation Board of Directors in a special meeting on Tuesday, December 18, 2001 voted to oppose senate passage of the farm bill if it contains the water language that your amendment is intended to strike.

I ask unanimous consent to have this letter printed in the RECORD.

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

AMERICAN FARM BUREAU FEDERATION,
*Washington, DC, December 19, 2001.*

Hon. MICHAEL CRAPO,
*U.S. Senate, Russell Senate Office Building, Washington, DC.*

DEAR SENATOR CRAPO: I am writing to convey the strongest support possible of the American Farm Bureau Federation for your amendment to strike the Reid water rights language from the conservation title of S. 1731. This language poses an extraordinary new threat to agriculture and the ability of farmers and ranchers to remain economically viable.

The water provisions in the bill set a dangerous precedent that would erode historic state water law. Additionally, it will expand the scope of the Endangered Species Act to cover a new category of species that are not in fact threatened or endangered. These changes are unacceptable to agriculture and will affect agricultural producers well beyond those who participate in the Conservation Reserve Program.

The American Farm Bureau Federation board of directors in a special meeting on Tuesday, December 18, 2001 voted to oppose Senate passage of the farm bill if it contains the water language that your amendment is intended to strike.

Sincerely,

BOB STALLMAN,
*President.*

Mr. NICKLES. It is just one farm organization, but it happens to be the largest farm organization in the country.

Mr. DASCHLE. Mr. President, I haven't seen the letter, but I will tell you, the Farm Bureau has probably been the leader of all farm organizations in urging the Senate not to delay. It is one thing to vote for or against a particular piece of legislation relating to amendments that may or may not be offered. But it is another thing altogether to complete our work. The Farm Bureau, the Farmers Union, virtually every farm organization known to this country has urged the Senate to complete its work, and to do it this week—not next week, not in February, not March, but now.

The Farm Bureau, the Farmers Union, all the other farm groups have said that. I think those positions ought to be made clear as well.

I yield to the Senator from Iowa.

Mr. HARKIN. Mr. President, I want to respond to my friend from Oklahoma. I spoke with Mr. Bob Stallman this morning on the phone. He is the president of the American Farm Bureau Federation. He referred to this letter. He referred to the conference call they had yesterday. That is true, they are opposed. He said to me—and I asked, May I relate this? He said yes—they are absolutely in favor of cloture, of bringing this to an end. But then again he said they would be opposed to the bill if it had that water right in it. But he told me on the phone this morning they were absolutely in favor of cloture and bringing it to a close.

Mr. DASCHLE. Mr. President, the time has come for us to move to the other important pieces of legislation that have to be addressed. Let us complete our work on this bill. We have been on it long enough. We have debated every conceivable amendment. I think the time has come for us now to complete our work.

I yield the floor.

Mr. SESSIONS. Will the majority leader yield for a question?

The PRESIDING OFFICER. Will the Senator yield?

Mr. DASCHLE. I will yield. I know there is a Senator on the floor who needs to catch an airplane. This will be the last time I yield.

Mr. SESSIONS. My request would be that there be one last attempt to make a bipartisan compromise here. We have people such as Senator LUGAR, Senator COCHRAN, Senator GRASSLEY, Senator Roberts, with deep histories in farm legislation, who are troubled by this bill. I believe we can work it out, as we have in several other last-minute circumstances. But to just shelve it with no willingness to give on the majority leader's side is not healthy.

Will the majority leader try that?

Mr. DASCHLE. Mr. President, let me say, we will have 30 hours, 30 hours of debate, to try every conceivable new avenue to reach some compromise. I am more than willing to sit down with our two managers, with other Senators who have an interest in completing our work.

The real question is whether or not we want to finish the farm bill this year. I hope people can say on both sides of the aisle in the affirmative, yes, we will finish our bill this year. We will complete our work as all farm organizations and as our responsibility dictate.

I yield the floor and ask for the vote.

The PRESIDING OFFICER. Under the previous order, the clerk will report the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close the debate on the Daschle for Harkin substitute amendment No. 2471 to Calendar No. 237, S. 1731, the farm bill:

Paul Wellstone, Tim Johnson, Bill Nelson, Harry Reid, Blanche L. Lincoln, Zell Miller, Barbara Boxer, Byron L. Dorgan, Max Baucus, Thomas Carper, Ben Nelson, Kent Conrad, Tom Harkin, Patrick J. Leahy, Fritz Hollings and Jean Carnahan.

The PRESIDING OFFICER. By unanimous consent, the mandatory quorum call under the rule has been waived.

The question is, Is it the sense of the Senate that debate on the substitute amendment No. 2471 to S. 1731, the farm bill, shall be brought to a close?

The yeas and nays are required under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. REID. I announce that the Senator from Hawaii (Mr. AKAKA) is necessarily absent.

Mr. NICKLES. I announce that the Senator from North Carolina (Mr. HELMS) and the Senator from Alaska (Mr. MURKOWSKI) are necessarily absent.

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

The yeas and nays resulted—yeas 54, nays 43, as follows:

[Rollcall Vote No. 377 Leg.]

YEAS—54

| | | |
|---|---|---|
| Baucus | Dorgan | Lieberman |
| Bayh | Durbin | Lincoln |
| Biden | Edwards | Mikulski |
| Bingaman | Feingold | Miller |
| Boxer | Feinstein | Murray |
| Breaux | Graham | Nelson (FL) |
| Byrd | Harkin | Nelson (NE) |
| Cantwell | Hollings | Reed |
| Carnahan | Hutchinson | Reid |
| Carper | Inouye | Rockefeller |
| Chafee | Jeffords | Sarbanes |
| Cleland | Johnson | Schumer |
| Clinton | Kennedy | Snowe |
| Collins | Kerry | Specter |
| Conrad | Kohl | Stabenow |
| Corzine | Landrieu | Torricelli |
| Dayton | Leahy | Wellstone |
| Dodd | Levin | Wyden |

NAYS—43

| | | |
|---|---|---|
| Allard | Enzi | Nickles |
| Allen | Fitzgerald | Roberts |
| Bennett | Frist | Santorum |
| Bond | Gramm | Sessions |
| Brownback | Grassley | Shelby |
| Bunning | Gregg | Smith (NH) |
| Burns | Hagel | Smith (OR) |
| Campbell | Hatch | Stevens |
| Cochran | Hutchison | Thomas |
| Craig | Inhofe | Thompson |
| Crapo | Kyl | Thurmond |
| Daschle | Lott | Voinovich |
| DeWine | Lugar | Warner |
| Domenici | McCain | |
| Ensign | McConnell | |

NOT VOTING—3

| | | |
|---|---|---|
| Akaka | Helms | Murkowski |

The PRESIDING OFFICER. On this vote, the yeas are 54, and nays are 43. Three fifths of the Senators duly chosen and sworn not having voted in the affirmative, the motion is rejected.

The majority leader.

Mr. DASCHLE. I enter the motion to reconsider the cloture vote.

Mr. JOHNSON. Mr. President, I rise to express my grave disappointment at the failure of the Senate to achieve cloture on S. 1731, the Senate farm bill. Today, as on two other occasions in the last 13 days we have debated the farm bill in the Senate, a majority of our body has voted for cloture, a parliamentary tool applied to end excessive debate and to ensure we could finish the farm bill by the end of the year. Unfortunately, even though a majority of the Senate wants to pass a farm bill

this year, the Senate Republican leader has blocked an up-or-down vote on the farm bill, forcing the Senate to revisit this issue next year. It requires 60 votes to terminate a filibuster and to allow the Senate to proceed with its work.

Today, farmers and ranchers across South Dakota and the entire country are busy doing their jobs. They are maintaining their operations, feeding livestock, deciding what to plant for the 2002 crop year, discussing prices, expenses and economic matters with their lenders, all in anticipation that Congress will do their jobs and complete a farm bill this year. The only problem is that Congress, namely a certain number in the Senate, has failed family farmers and ranchers by rejecting action on the farm bill this year. Despite the fact that every major farm and ranch organization in the country wanted to complete action on the farm bill this year, a certain number in the Senate ignored these 32 groups. In fact, Mr. Bob Stallman, the President of the American Farm Bureau Federation has been quoted as saying that a vote against cloture is a slap in the face to farmers. Unfortunately, Farm Bureau, Farmers Union, and all the other farm groups were ignored today and on two prior cloture votes. On three separate occasions the U.S. Senate was given an opportunity to demonstrate how important family farmers, ranchers, and rural communities are to the overall well-being of the country, because the Senate had cloture votes on three separate days. On three occasions the Senate was given a chance to say we'll write a new farm bill this year, we'll go to conference with the House, and we'll send a bill to the President. On three occasions the Senate was given an opportunity to send a message to farmers and ranchers all across the country that we care about them, that we want a better farm bill for rural America, and that it was important to us to deliver a new farm bill to them. Yet, on Thursday, December 13, the Senate obstructed action on the farm bill by a 53–45 vote. Then on Tuesday, December 18 and today, Wednesday December 19, the Senate rejected cloture on a 54–43 vote each day. Rejecting cloture simply means a rejection of the farm bill this year. That is very unfortunate.

I have repeatedly said it is crucial for Congress to complete action on the farm bill, conference with the House, and send a bill to the President for his signature this year, if not very early next year, in order to ensure two very important things.

First, that we capitalize upon the $73.5 billion in additional spending authority provided by this year's budget resolution, because given the shrinking budget surplus and unprecedented demands on the Federal budget now, there are no assurances this money will be available in 2002, when a new budget resolution will be carved out of a very limited amount of resources. Second, that we mend the farm income safety net now because the experience of the 1996 farm bill has painfully taught us that it does not provide family farmers and ranchers a meaningful income safety net when crop prices collapse. Thus the need for a new farm bill is clear.

Some will allege the Senate did not have time to fully debate the merits of S. 1731, the Senate farm bill. However, that is clearly not the case. Rather, in the last 13 days we have debated the farm bill, approximately 20 amendments were proposed to the underlying bill. Three of these amendments were comprehensive alternatives to the farm bill passed out of the Senate Agriculture Committee. Of these three substantial alternatives, one was a proposal by Senator LUGAR to overhaul the farm bill's commodity title with a severe reduction in support to South Dakota's crop producers, essentially by eliminating the marketing loan program. On December 12, the Senate voted against the Lugar amendment on a 70–30 vote. Then, yesterday, the Senate debated at great length an alternative to the farm bill offered by Senators COCHRAN and ROBERTS. Their alternative would have revamped many titles of the farm bill, including major changes to the commodity and conservation titles. Yesterday, the Senate rejected the Cochran-Roberts alternative by a 40–55 vote. Finally, today, Senator TIM HUTCHINSON offered a near identical version of the House-passed farm bill (HR 2646) for consideration and debate in the Senate. Today, the Senate soundly rejected the House proposal by a 38–59 vote. In the final analysis, a clear majority in the Senate has gone on the record in opposition to three major farm bill alternatives. I am confident that if we were allowed a straight up-and-down vote on the Senate farm bill, we would pass it. However, certain Senators have resorted to stall out the farm bill, essentially killing it for the year.

Finally, I will do all I can to make sure the farm bill is the very first order of business that we take up in 2002. We may still have time to pass a farm bill in the Senate, conference with the House, and send a bill to the President. In the meantime, I will continue to fight for South Dakota's priorities in the farm bill. Some of these priorities include; my provision to forbid meatpacker ownership of livestock, which will restore fair competition in the marketplace; my provision to provide for country-of-origin labeling of beef, lamb, pork, fruits, vegetables, peanuts, and farm-raised fish; my provision to prohibit USDA quality grade stamps on imported meat; an energy title that promotes value-added ethanol, biodiesel and wind production in South Dakota; a conservation title increasing the Conservation Reserve Program to 41 million acres; and; a commodity title containing higher loan rates than the House farm bill and a provision that rewards farmers with an allowance for an update on a farmer's yields and planted acreage for the purpose of making price support payments. None of these provisions are contained in the House farm bill.

We have more work to do. In addition to completing action on the farm bill, we should address common-sense payment limitations in the farm bill so family farmers and ranchers truly benefit from it. I look forward to next year and our endeavor to provide America's family farmers and ranchers with a new farm bill.

Mr. NELSON of Nebraska. Mr. President, I rise in support of the Daschle substitute to the committee-passed bill.

Let me begin my statement by pointing out that every farmer I talk with in Nebraska wants Congress to pass a new farm bill this year. This legislation is awfully important to tens of thousands of farm families in Nebraska and they are asking me to get it done.

For my State, with its 55,000 farm families where we have more cows than people there may be no greater economic stimulus package than the farm bill.

Many of my colleagues have thanked Chairman HARKIN, ranking member LUGAR, and their staffs for their hard work in getting this bill together. Let me add my thanks. It was not an easy job.

But then, neither is farming in an environment where commodity prices for crops remain at historic lows for the fourth straight year.

Or where livestock producers—the largest sector of agriculture in my state—are facing costly new environmental regulations with frightfully few federal resources to help share the burden.

So I rise in support of this legislation and ask my colleagues to join me in its consideration.

This bill breathes new life into our commodity programs, provides nutrition programs for hungry children and adults, supports our international food donation and trade efforts, and protects millions of acres of environmentally sensitive land, among many other important priorities.

It makes a real commitment—both in programs and funding—to rural development. I have worked with many Nebraskans involved in rural development in their communities, and these are the provisions they asked for: Access to venture capital. Adequate funding for water and sewer projects. Greater access to broadband service. More funding for value-added product development.

A modest investment in these programs will have tremendous return in rural communities all across America. I hope my colleagues have heard from their constituents about the importance of these provisions and that they are as enthusiastic as Nebraskans are.

This bill also includes, for the first time, a title devoted to agriculture-based energy. It's a terrific idea and

one whose time has come. I only wish the Agriculture Committee had the jurisdiction to go further!

Nevertheless, the provisions in the energy title that provide grants, loans and technical assistance to farmers and ranchers to develop and incorporate renewable energy use will be, I predict, widely oversubscribed.

In five years we will be back here trying to expand these programs, like we have our conservation programs, because demand has far surpassed the funding available.

Speaking of conservation, let me briefly comment on the conservation title. The Chairman and Ranking Member of our committee deserve special recognition for their vision in moving farm programs toward a more conservation-oriented policy.

Environmental and sportsmens' groups—the hook and bullet coalition, I heard them called recently have been working toward the expansion of these programs for years, and their efforts pay off in this bill.

CRP, WRP, WHIP, FPP . . . the acronyms all run together, but each program has a distinct and invaluable purpose.

Of particular interest to Nebraskans are the significant new resources for the EQIP program, which will allow it to ramp up to $1.25 billion a year by 2006 from just $200 million now.

It will provide assistance to thousands of livestock producers, in particular, to comply with new regulations. Just as importantly, it will assist row crop producers in protecting water supplies, soil quality and wildlife habitat. The House also made a significant commitment to EQIP and I commend them for that.

A critical title of this legislation reauthorizes and expands nutrition programs. Included is a provision of particular importance to Nebraska and other states with military installations.

The privatization of housing on military bases has had the unintended consequence of jeopardizing eligibility for the free and reduced cost school lunch program for qualifiying children. Because of the reporting requirements in the privatization legislation, service members' housing allowances are now being counted as income making children who previously qualified for the free and reduced cost school lunch program ineligible.

So, unfortunately, as a result of a policy that I support—privatized housing on our military bases—we are improving quality of life with one hand and taking it away with the other.

This bill creates a stop-gap solution to this problem, until child nutrition programs can be reauthorized.

Finally, the commodity title is of course the engine driving this train. I cannot overstate how important it is to Nebraska.

Farmers, as we all know, are deriving an ever-increasing share of their income from farm program payments under Freedom to Farm.

The law that was supposed to rid them of the shackles of Federal farm programs has instead made them more dependent on the government than ever before. It has cost taxpayers tens of billions of dollars in emergency assistance.

Farmers in Nebraska have said resoundingly, ''Enough!'' and they are right. It is time for a new program that offers some stability and a reasonable chance at profitability. And it's time for a program that no longer offers its benefits based on what you may have planted 20 years ago.

This legislation provides a modest increase in loan rates, and I do mean modest. Corn goes from $1.89 to $2.08; wheat from $2.56 to $3.00.

Farmers in Nebraska have been calling for an increase in loan rates for years, but this is hardly what they had in mind.

And still, there are those who call it excessive. Who say that these loan rates—still well below what it costs farmers to raise a crop—will ''stimulate production.''

I ask them: where? Freedom to Farm sent farmers checks when prices were at record highs and they did what any business would do—they invested in greater productivity. And they were successful.

As we know too well, it took only two years of Freedom to Farm for prices to collapse. And they have not recovered. And still the government signals, ''Plant more.'' ''Buy more land.'' ''Expand your operation.''

The current program, I say to my colleagues, stimulates production. So I do not see where all this new production is going to come from.

What I do see is a loan rate that offers producers a fighting chance at making a cash flow work with their banker this spring. A safety net that leaves them less dependent on the continued largesse of Congress. And I like that, and so do they.

The commodity title reauthorizes programs for sugarbeet growers, which is also important to my state. To the 550 families growing sugarbeets in western Nebraska, this bill is critical.

And it meets other needs of other regions and senators that make it truly a national program—including peanuts and fruits and vegetables.

So I thank Chairman HARKIN for putting this bill together and I urge the Senate to invoke cloture and move to its immediate consideration.

Mr. CRAIG. Mr. President, last week we voted on an amendment by Senator JOHNSON that would prohibit meat packers from feeding, owning, or controlling livestock. I voted for this amendment because of concerns from my livestock producers that the packers have too much control of the market.

Since that time, I have received more information on how this provision would be implemented. It has come to my attention that the language as written would prohibit forward contracting, future contracts, and other pricing mechanisms.

This is significant information. Indeed, had I known it at the time of the vote, I would have voted differently.

For that reason, I took the only action available to me to correct the situation. I filed two alternative amendments to the farm bill: one that would prohibit the Johnson language from going into effect, and another that would substitute a study to determine the economic impact of such a proposal. The proposed ban on packer ownership, as offered by Senator JOHNSON, could cause widespread economic harm in the livestock and packing industries, but no one has explored what the true implications would be. My amendment would require the US Department of Agriculture to complete this study within nine months.

I have always been a free market conservative; however, I regularly hear from ranchers expressing concerns about concentration in the meat packing industry. In Idaho we have two packers, and the only thing worse than just two packers, is to have only one. I am concerned that the language as passe4d could result in further consolidation within the packing industry.

While I agree with my producers that we have a problem, we must be sure that our solution does not create an even bigger long-term problem.

MEAT PACKERS

Mr. GRASSLEY. Mr. President, last week the Senator from South Dakota and I offered an amendment which would prohibit meat packers from owning, feeding or controlling livestock prior to slaughter. Together, we had introduced legislation in the Senate to accomplish the very goal of our amendment. A majority of our colleagues in the Senate voted in favor of our amendment. However, since that time, concerns have been raised by the Secretary of Agriculture and some in the livestock industry that the language of the amendment, specifically the word ''control'' would affect forward contracts or marketing agreements. I do recall that the Senator from Montana inquired as to whether this amendment affected such contracts and that the Senator from South Dakota responded that the amendment did not affect them. However, I would ask the Senator from South Dakota for further clarification on that issue.

Mr. JOHNSON. I thank the Senator from Iowa for his leadership on this issue. Additionally, I thank him for his concern for livestock producers and for the opportunity to clarify any misunderstandings. The amendment is not intended to affect forward contracts or marketing agreements. Such arrangements have caused or can cause problems in the market, but they are outside the scope of this amendment.

The intent of the word ''control'' must be read in the context of ownership. In other words, control means substantial operational control of livestock production, rather than the mere

contract right to receive future delivery of livestock produced by a farmer, rancher or feedlot operator. ''Control'' according to legal dictionaries means to direct, manage or supervise. In this case, the direction, management and supervision is directed towards the production of livestock or the operations producing livestock, not the simple right to receive delivery of livestock raised by someone else.

The word control is intended to close any loophole which may allow clever attorneys to circumvent congressional intent. Such loopholes could include situations where a packer that owns livestock engages in a transaction where a farmer takes nominal title to livestock or livestock feeding operations, but a packer has substantial operational control over the livestock production which is similar to ownership. Another situation is where a packer could exercise such operational control through a related entity. However, where a farmer or rancher holds true operational control, this amendment would not affect him.

Mr. GRASSLEY. Mr. President, I understand that the Senator from South Dakota does not intended the word ''control'' to include forward contracts and marketing agreements. However, how are such contracts different from operational control?

Mr. JOHNSON. There are two reasons that forward contracts and marketing agreements are not within the definition of control. First, these contracts do not allow a packer to exercise any control over livestock production operation. Rather, the contracts merely provide the packer with the right to receive delivery of livestock in the future and most include a certain amount of quality specifications. There is no management, direction or supervision over the farm operation in these contracts. The farmer or rancher makes the decision to commit the delivery of livestock to a packer through the contract without ceding operational control. In fact, the farmer or rancher still could make a management decision to delivery the livestock to another packer other than the one covered in the contract, albeit subject to damages for breach of contract. Even where such contracts include detailed quality specifications, control of the operation remains with the farmer. The quality specifications simply related to the amount of premiums or discounts in the final payment by the packer for the livestock delivered under the contract.

Second, several states prohibit packer ownership of livestock, such as Iowa, Minnesota, and Nebraska. The Iowa law, for example, prevents packers from owning, operating or controlling a livestock feeding operation in that state. But packers and producers may still enter into forward contracts or marketing agreements without violating that law because operational control, in the context of ownership, is the issue. The term control is intended to be similarly interpreted and applies in this amendment.

Mr. GRASSLEY. I concur and understand the distinction between control of livestock production in the operational sense and a mere contract in which a packer has the right to receive delivery of livestock in the future. I also understand that farmer owned cooperatives, including federated agricultural cooperatives, are exempt if they own a packing plant. But there is yet another situation in which some packers enter into joint ventures with farmer-owned cooperatives that has members which would supply the jointly owned packing plant.

It has never been our intent to prevent cooperatives from engaging in relationships with packers, and the amendment does not do that. For example, in Iowa, Excel, which is owned by Cargill, is in negotiations with a beef cooperative to build a packing plant to be owned by a joint venture. If that deal is completed, the actual packer would be the joint venture entity formed by Cargill/Excel and the beef cooperative. Co-op members who chose to participate in that endeavor can freely commit all or a portion of their cattle for slaughter without violating this amendment. The reason is that the packer in the exercises no operational control over livestock production. Rather, the package again has a mere contractual right to receive delivery of cattle that meet its specifically on graduate and quality. That contract may be a standards forward contract or marketing agreement, or the contract may take the form of a membership agreement between each farmer member and the beef cooperative. In either even, this amendment does not affect this joint venture arrangement.

Mr. JOHNSON. That is absolutely correct Senator GRASSLEY, and we have advocated this position all along. Thank you from clarifying that issue with me. While forward contracts and marketing agreements can pose problems for the marketplace, they are outside the purview of our amendment.

Mr. GRASSLEY. Thank Senator JOHNSON for clarifying the scope of the amendment.

## MORNING BUSINESS

Mr. DASCHLE. I ask unanimous consent there now be a period for morning business, with Senators permitted to speak for up to 10 minutes each.

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

## FAILURE TO PASS A FARM BILL

Mr. HARKIN. What was the final vote, I inquire?

The PRESIDING OFFICER. The yeas are 54; the nays are 43.

Mr. HARKIN. We would have had 55. Senator AKAKA was missing, of course.

This is a sad day and not a very bright Christmas next week for farmers and ranchers and people who live in rural America. What we have said to them is: You don't count; you will come on the tail end of everything else. We will do this, we will do that around here, but when it comes to our farmers and ranchers, you are at the tail end. That is what my Republican colleagues have said. Go take a hike, they said to rural America. We will deal with you later. We will deal with you later.

I come from a town of 150 people. I was born and raised there. I bet I am the only Senator in this Chamber who lives in the house in which he was born. I wasn't born in the hospital; I was born in the house. I still live in that house in a town of 150 people. I have a strong feeling about people who live in small towns and communities that need rural development, that need sewer and water, need better communications, telecommunication centers in our country, who need job opportunities. Our farmers surround these small communities and this is what they need for them and their families and their livelihood.

We tried everything humanly possible to get this bill passed, in good faith, working in a bipartisan manner. Facts are devilish little things because facts give lie to rhetoric. We hear all this rhetoric from the other side that this is a partisan bill. If it wasn't so partisan, we could get it through.

But the facts are devilish things. And the facts are that every single title of this bill we worked on, I worked closely with my ranking member, a good friend, an honorable person, someone who cares deeply about agriculture. We worked on these. We worked them out in committee. Every single title got a unanimous vote, all Republicans, all Democrats, but one title, commodities.

Senator HUTCHINSON from Arkansas voted with us, so it was bipartisan. Basically, the same thing happened in 1995. We had to deal with the commodity title in the Chamber. I understood that. But then we had all the amendments that gutted nutrition, gutted conservation, that went after rural development. And we had all decided in the committee, unanimously, on what we reported out.

The facts give lie to rhetoric. They have the rhetoric. They have been hit with the rhetoric, but the facts are on our side. This is one of the most bipartisan farm bills ever to come out of the Senate Agriculture Committee. The facts are there and cannot be denied. Again, they talked about reaching more of a bipartisan consensus. Again, the facts are devilish little things.

We had three big amendments offered on the Republican side that were sort of in the nature of substitutes for a committee bill. One was the amendment offered by my friend from Indiana, the ranking member, Senator LUGAR. Then we had the amendment offered by Senators COCHRAN and ROBERTS. And then this morning we had the amendment offered by Senator HUTCHINSON. If you listened this morning, you heard Senator HUTCHINSON and others saying this would be the only bill; if only we would pass the Hutchinson bill, it could be the only bill that

could get through conference and get to the President.

The facts are devilish things. The Lugar amendment got 30 votes. The Cochran-Roberts amendment got 40 votes. The Hutchinson amendment this morning got 38 votes.

What are they talking about? I assume what they mean when they want a bipartisan bill is they want the 30 or the 40 people to decide. That is not bipartisan. We had the votes. What it showed was the majority of the Senate wants the committee bill, but for some reason they will not vote for cloture to give the 60 votes.

I ask, what is partisan about somewhat higher or lower rates? What is partisan about that? What is partisan about fixed payments, which we have in our bill? What is partisan about countercyclical payments, so that if the price goes down we come in and help farmers out? What is partisan about a strong conservation program, that even the Secretary of Agriculture, in the book they published earlier, touted widely?

This is a balanced package. It was right down the middle. It was not radical. It was not partisan. When you get a bill that can get unanimous votes on our committee on every title except one, I say that is a pretty doggone good bipartisan bill. It may not be what every single person wants. Not everything in that bill is something I would want. But I recognize you have to balance interests—not only between parties, but you have to balance them geographically and between crops.

That is what we did.

Now, let me talk about the cloture vote. Cloture is a funny sounding word. I assume when farmers and the people in my small towns in Iowa and places where I live are watching this on C–SPAN, or they pick up the newspapers, or watch it on television, or hear it on the radio, they wonder what cloture means. All it means is that we bring the bill, finally, to an end at some point. There is some point at which we end. Even after the cloture vote, 30 more hours are added onto the almost 3 weeks we have already been on it—30 hours with germane amendments allowed. Obviously, nongermane amendments would not be allowed.

Is the other side saying they want a farm bill on which they can add everything that is not germane? Go out and tell that to the farmers. Tell them they stopped this bill because they wanted to add a stimulus package—some tax giveaway program or some other extraneous matters.

I say to the farmers and ranchers and people in my small towns, all cloture means is we were going to reach the point of a final vote. It did not say how you vote. But there would be 30 more hours with amendments that were all germane to the farm bill.

Even my friend from Iowa, my colleague, had an amendment on payment limits. He was upset this morning. There was a little to-do last night and this morning about it. We worked it out so his amendment would be germane. Yet he still voted against cloture.

What more can you do? What more can you possibly do? This is not a good day for farmers, for agribusiness, for our bankers and lenders all over rural America. I have been here 27 years. Not as long as my colleague from Indiana, but I have been here 27 years. I have been on the Agriculture Committee 27 years—in the House and then here in the Senate. I have been through over a half dozen farm bills; about four of those in the Senate. Some of them have been pretty tough debates. We have had tough debates here. Farm bills engender tough debates. Sometimes I kind of like it. They are good debates.

But in all of those years, I have never seen a more partisan attack on a committee-reported bill than I have seen in the last couple of weeks on the floor of the Senate. The administration, time after time after time, and the President's chief advisers, have said they do not want a farm bill this year. They want to put it off until next year sometime. The Secretary of Agriculture has also repeated those words.

I would say with all due deference to my friend from Indiana, I assume he has said repeatedly we should not have a farm bill this year; we should do it next year.

All right. That is OK, if that is their point of view. But let's vote on it. Let's let the majority of the Senate work its will.

Yet we did not. So I would say, look to the administration. Obviously, they have their troops in order here because, I have to tell you, it is not in the best interests of a lot of people who voted against cloture to vote against cloture. They know it. Their farmers know it. Their farm organizations know it.

Yet because the administration lowered the boom and said no, no farm bill this year, we don't get cloture. We do not bring it to a close.

Again, hope springs eternal. I said I would do everything humanly possible to try to bring this to a close this week. I believe that I have met that commitment. I am not a dictator. I cannot force anyone on the other side of the aisle to vote one way or the other. I can only use reason, logic, and the facts, that is all—and have votes and let them debate and then have the amendments.

We have done that. I am fearful next year when we come back, we are going to have new budget estimates. We are going to lose a lot of money out of this. There will be a hue and cry out of the administration that we cannot afford this. We are going to put our farmers and our ranchers in a terrible situation next year, all because of the vote that was held 15 minutes ago.

How do we plan? How do farmers plan? There is huge uncertainty out there. So I hope as Senators who voted against cloture—have a Merry Christmas. I wish them all a Merry Christmas and a Happy New Year. Think about those farm families out there who are going to be worrying about what kind of farm program they are going to have next year.

The PRESIDING OFFICER (Mr. REED). The time of the Senator has expired. The Senator from Indiana.

Mr. LUGAR. I thank the distinguished chairman for wishing us Merry Christmas. I reciprocate. In the same serious vein, however, we both reciprocate with farmers across our land and all citizens who watch this debate and who are deeply interested, as we are, in this bill.

Let me recognize, first of all, the leadership of our chairman, Senator HARKIN, who came into the chairmanship in June, and organized a staff in a very difficult year. The farm bill cycle, one that comes with this Congress, requires a great deal of organization. He has brought together a skilled group of staff members who have worked well, the staff members I was privileged to serve with when I was chairman of the committee.

Nevertheless, it was a difficult time to begin the farm bill consideration, the drafting, pulling together, at least, of the materials as well as the consensus that was required. I pay tribute to the chairman for doing that very skillfully.

But as has been pointed out throughout the debates, many times members complained during the markup that they were not aware of the text of the bills until a few hours before consideration. These are complex titles. Even then, we proceeded and cooperated with the chairman, for reasonable debate and votes.

The chairman is correct. In the case of the titles other than the commodities title, we often came to unanimity. I think I would make only the slight correction that I offered amendments in committee to do considerably more in nutrition and food stamps and feeding of the poor than was the will of the committee at that time. Likewise, more on agricultural research. Essentially, a majority of the members of our committee were deeply concerned throughout all the other titles about the amount of money that would be left for the commodities. They wanted to follow the money. It was all right to take a look at research and nutrition and the rest of it, but these were perceived as preliminaries to the main goal.

As a result, we do not all get what we want in these priorities. Nevertheless, I had a chance to express it. We had votes, I think fairly narrow losses on both of those, and came back to the floor to try again—unsuccessfully, as it turned out. I accept that fact. This may be a year in which the majority of the committee and a majority of the Senators were eager to literally appropriate more taxpayer money for the traditional crops and bits and pieces of other situations to satisfy Senators necessary to build a coalition.

I also observe the driving force for all of this was a statement that the Budget Committee had reserved $172 billion over a 10-year period of time for agriculture. If this was not seized, the moment was not seized, the money was not seized, it would be gone. Therefore, even if there might be inadequate consideration of titles and texts and procedure, or even if, in this debate on the floor, amendments could not be heard, again and again we returned to the thought that if this did not occur in calendar 2001, the $172 billion might be lost.

The majority leader in his comments thought maybe $30 billion or $40 billion might be left. Therefore, those voting against cloture were voting for a cut in the Agriculture bill.

Admittedly, we considered a 5-year bill, the House bill with the $172 billion 10-year situation, but we even came back to that in a vote today. This preoccupation with that money is an important fact. But I tried to reason during some of our debate in this Chamber that we are all aware as Senators, quite apart from the technicalities of the Budget Committee, that our country is at least in a mild recession. We are, hopefully, going to take up stimulus spending to get it out and move people along—farmers included. There is not $172 billion and there has not been for a long time. We have continued to operate in a fashion in which we spent every last dime, pushing each commodity situation to the nth degree.

I and others argued that that is a mistake for agriculture in America; it is not in the best interests of a large majority of farmers. This bill was crafted to benefit a fairly small number of farmers in America. Those of us who have talked about it have detailed in our own States precisely who gets the money. In Indiana, 66 percent of the money goes to 10 percent of the farmers. The bill we have been considering would concentrate it even more. What about the other 90 percent? Are they of no consequence in this debate?

When we talk about farm families in my State, 90 percent might say: Is no one looking out for us?

And I say: I am.

Let's get that straight. The bills we were taking a look at narrowly focus a lot of money to a very few people.

They would say: We deserve it. We are the most efficient. We are the biggest. We are getting bigger. We have the best research, the best marketing.

We applaud that, but that does not justify the American taxpayers transferring money to them.

We applaud their efficiency because they make money doing what they are doing.

I have no idea how the final product might have looked if we had invoked cloture today. But we have a pretty good idea. How interesting it is that so many farm groups said: We are looking at two bad bills—the House bill and the Senate bill. But vote for a bill anyway to get on with the process because the $172 billion might disappear, and somehow a miracle might occur in conference between two bad bills. That is highly unlikely.

What we have done today is given ourselves a second chance to let the American people in on the secrets, the facts, and then to deliberate a little more carefully as to how in fact we should not encourage overproduction and overconcentration of the money. The problems will surely come in the trade situation of this country when we take steps such as this that are clearly not tied to all of the opening up elsewhere in the world that we espouse.

We have a lot of work to do. I look forward to working with the distinguished chairman of the committee. I am grateful we have a second chance to do much better for American farmers.

As I have said throughout the debate, as one who is among that group, I take farming seriously and personally—in my family as well as in my State. I think I have a pretty good idea, as a matter of fact, of what may be beneficial to Indiana agriculture.

The bill that was before us without amendments and without substantial changes would have been harmful to my State. That is counterintuitive. Indiana is one of the big winners as you look down the number of farmers receiving subsidies and the amounts of money.

The fact is we have been running the markets off the tracks by the Government interfering and stimulating overproduction year after year. You depress prices year after year. There is no way prices could get up, given the bill we are taking a look at. You depress it by the very nature of the bill and then complain that prices are at all-time lows. Of course, they are. If we passed this bill, prices would be low for 10 years. That would guarantee a crisis.

I predict that unless we cure this, we will be back in July and August despite the protestations, and we will say somehow this just didn't work; it wasn't the right formula; we need more money, and we will vote for more money, as we have annually year after year, because the politics of competition between the parties would really not permit anyone to opt out at such a moment.

I am more optimistic than my colleague from Iowa. I think we are going to progress and do the right thing, as we always attempt to do in this body. I think we are going to have more constructive deliberation outside of the Chamber and then hopefully have a more focused debate inside the Chamber and come to the right conclusions.

I thank the Chair.

The PRESIDING OFFICER. The Senator from Minnesota.

Mr. WELLSTONE. Mr. President, how much time is there?

The PRESIDING OFFICER. There are 10 minutes allowed each Senator to speak in morning business.

Mr. WELLSTONE. I thank the Chair.

Let me thank both my colleagues for different reasons.

First of all, I thank Senator HARKIN, who I think has done a yeoman job of reporting not a perfect bill but a good bill out of the Agriculture Committee and bringing together a lot of different people representing a lot of different viewpoints with a unanimous vote on all of the provisions of the bill except the commodity provision.

I thank Senator LUGAR for his typical graciousness and civility. Let me add that the differences I have with him are not ever personal but more a matter of policy.

These are the facts as I see them. When Senator LUGAR talked about too much AMTA payments being inverse in relationship to need, I quite agree with him. But I see a good part of that as being the outgrowth of the failed ''freedom to fail'' bill and the AMTA payments that have gone out to people. I can't think of a more failed farm policy, I say for all of my colleagues who supported that bill.

There are many who filibustered this bill and supported what was called the Freedom to Farm bill—what we call the ''freedom to fail'' bill.

Essentially what has happened, because it was such a miserable failure, is we now have farmers and agriculture in a large part of rural Minnesota and rural America dependent on these Government payments. Quite frankly, these AMTA payments especially are inverse in relationship to need. There is no question about it.

Farmers in our State—livestock producers, corn growers, wheat growers, and dairy farmers—hate being dependent on the Government checks.

I think what is going on here is as follows: This administration's definition of a good farm bill is low loan rates and low prices for family farmers. It is that simple. As a matter of fact, in the substitute Senator HUTCHINSON presented today, the House bill actually would enable the Secretary of Agriculture to lower the loan rates from where they are right now.

There is a lot of arcane language that goes with agricultural policy. But basically what we are talking about is a way in which farmers have some negotiating power vis-a-vis grain companies, or other exporters, with the loan rates so they can get a better price. When they get the better price, they do not have to take out any loans. The Government doesn't pay them any money.

If I had my way, if Senator DAYTON had his way, and if other farmers had their way, we would have had a Grassley-Dorgan amendment which would have made this more targeted. We would raise the loan rate.

Let us be clear about this. What is at issue is that this administration's definition of a good farm bill is low prices for family farmers. They want the loan rate down. For the large conglomerates—be they the grain traders or other exporters—low prices are great. They pay the independent producers low prices, they export, and they make a big profit. That is what this is about.

I was the last to join the Agriculture Committee. I was so hopeful that we would write a new farm bill. It is not just strategy here in the Senate, or strategy here in Washington DC; it is a lot of people who are being spat out of the economy—broken lives, broken dreams, broken families. All family farmers say: That is what I care about.

Frankly, my passion isn't for all of the food industry. I am not worried about Tyson Foods or IDP. I am not worried about the big grain companies. They do fine. The part of agriculture or the food industry for which I have the passion is the family farmers—the people who not only live the land but work the land, and who are basically saying: We want to have a living wage. We want to have a price whereby we can make a little bit of profit based on our hard work so that we can support our families and live in the part of Minnesota and America that we love—rural America and rural Minnesota.

I am not a farmer. But in an odd way, when we moved to Northfield, MN, in 1969, I started organizing with farmers. I have been organizing with farmers now for almost 30 years. If there is one thing I advocate for, it is for trying to make sure farmers have some leverage to get a decent price.

We had rural economic development provisions in this bill. We had energy provisions in this bill. We had good conservation measures in this bill. We had food nutrition in this bill, which wasn't as strong as Senator LUGAR would like or that I would like, but much better than the House bill. A number of us had amendments ready that we thought would have strengthened it.

In addition, it was not perfect, but the effective target price, loan rate, with some additional assistance, would have provided some real help to family farmers—not as in you are directly now dependent upon all Government payments, but as in you are going to have a chance to get a better price in the marketplace.

Mr. DAYTON. Will the Senator yield for a question?

Mr. WELLSTONE. I am pleased to yield.

Mr. DAYTON. My distinguished colleague, the senior Senator from Minnesota, has been in this body for 10 years. This is my first year in this body. I know, from my own experience in Minnesota, that it is unusual for the Minnesota Farm Bureau and the Minnesota Farmers Union to be in complete agreement. In this case, I believe we were both hearing from those organizations and many other farm organizations in Minnesota that represent the farmers in our State, that they wanted this bill. They wanted this bill to pass the Senate.

My question is, not having been in this body as long as my senior colleague, in the 10 years my colleague has been in this body, is the Senator aware of a time when both national farm organizations—the American Farm Bureau Federation and the National Farmers Union—were standing at a press conference, the two of them, with Senators such as ourselves, and saying the same thing about this bill?

Mr. WELLSTONE. I say to my colleague from Minnesota, no. I think the reason for it is, if this bill had passed, it would have been an increase of net farm income of $3 billion a year over the next 10 years.

We need that in farm country. I have never seen the Farm Bureau and the Farmers Union so united. I cannot believe that Senators actually voted to block this bill, obstruct this bill from passing.

Mr. DAYTON. I also ask the Senator—again, this is my first year in this body—I have just been in awe of Chairman HARKIN. And I expressed last week my deep respect for Senator LUGAR, who was the former chairman and now ranking member of the committee.

I have never before, in this process, seen anyone lead a committee as he has hold hearings for months, and have the committee markup, where all points of view were recognized, where we voted and passed it out.

Has the Senator ever seen a committee chairman give any stronger and better leadership to a committee bill than this one?

Mr. WELLSTONE. I say to my colleague from Minnesota, no. I think Senator HARKIN made such an effort to reach out that he would infuriate some of us on the committee. He really went out of his way to work with Senators on both sides of the aisle. The proof of that, again, is that every provision in the bill—except for one—was passed with a unanimous vote. It was a good markup. It was substantive. I think Senator LUGAR had a lot to do with that as well.

I think Senator HARKIN did everything he could to make this bill a bipartisan bill.

Mr. DAYTON. I would hope all the farmers in the State of Iowa, the Senator's home State, and all the farmers in America would understand and know that Chairman Harkin has done everything for countless hours and hours over the last months to bring this bill to the floor, making it a good bipartisan bill, and one that, most importantly, speaks to the critical financial circumstances in which many Minnesota and other American farmers find themselves. I think it was extraordinary and heroic. I want to give the chairman that due credit.

I thank the Senator.

Mr. WELLSTONE. I agree with my colleague.

I yield the floor.

Mr. ALLEN. Mr. President, before I get into my statement, I just want to say one thing about all of this deliberation on the farm bill. As far as family farmers are concerned, I am glad for Virginia family farmers in the peanut business that this law is not going to be changed before October of 2002. Changing those laws would have been devastating to those family farmers. And while the Cochran-Roberts and Hutchinson amendments were better, because of the fact this is not going into effect now, they can plan, with their leases for equipment, in this final year of this farm bill.

(The remarks of Mr. ALLEN and Mr. WELLSTONE pertaining to the introduction of S. 1848 are printed in today's RECORD under ''Statements on Introduced Bills and Joint Resolutions.'')

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

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

## LTV SHUTDOWN

Mr. WELLSTONE. Mr. President, there is a piece in the New York Times today, the business section, ''LTV Seems on the Verge of a Shutdown,'' subtitled ''Without Loan, Steel Giant Could End Its Labor Contract Today.''

I ask unanimous consent that this article 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. 19, 2001]

LTV SEEMS ON THE VERGE OF A SHUTDOWN

(By Riva D. Atlas)

After more than half a century in business, the LTV Corporation will soon shut its doors, barring a government-supplied miracle.

One of the nation's biggest steel makers, LTV put its mills earlier this month on what is called ''hot idle,'' which would allow the company to restart them quickly if a government-backed loan comes through at the last minute.

But if help does not arrive by today, the company will ask the bankruptcy judge to end its labor contract.

A shutdown would leave about 70,000 retirees and recent employees with no or reduced pensions and health care benefits, and force the government to pick up at least some of the tab for what remains. The pension costs alone would be at least $2 billion.

LTV's predicament—with creditors on one side saying life support no longer makes sense and workers on the other fighting to preserve jobs and benefits—may become all too familiar in the future. More companies are liquidating in bankruptcy under pressure from creditors.

In the steel industry alone, 12 companies have shut down since 1998, according to the United Steelworkers of America, and 17 more are now in bankruptcy. The steelworkers union is lobbying for government assistance—as are Bethlehem Steel, U.S. Steel and Wheeling-Pittsburgh, which want permission to consolidate in an effort to avoid LTV's fate.

LTV's decision to shut down, announced last month, comes a year into its second bankruptcy. In its first bout with Chapter 11, the company spent seven years in bankruptcy—one of the longest reorganizations of any American company. Now, LTV's management has concluded that its losses, $2 million a day, are simply too large.

''The company was running out of cash,'' said James Bonsall Jr., chief restructuring officer of LTV. Unless it began to liquidate, it would be unable to pay off $100 million in bank debt due at the end of the year, he said. Officials at J.P. Morgan Chase, which provided LTV with $582 million shortly after the bankruptcy filling in return for first claim on LTV's assets, declined to comment.

If LTV closes, it will mean the end of a company with roots far from the steel industry. Founded by James Ling, a high school dropout from Hugo, Okla., the predecessor company, known as Ling-Temco-Vought, had interests in electronics and aerospace. An avid conglomerator, Mr. Ling's endless stream of acquisitions landed his company in 14th place on the Fortune 500 in 1967. The following year, he entered the steel business with LTV's $425 million acquisition of Jones & Laughlin Steel. (Mr. Ling was ousted in 1970 under pressure from LTV's banks and has since emerged as an oil industry entrepreneur in Texas.)

LTV sold off the other businesses during its first bankruptcy. ''We tried to get rid of the steel business, but we couldn't,'' said Mark Tomasch, a company spokesman. The steel business was unattractive to buyers, he said, in part because of the large health care obligations.

With $5 billion in revenues last year, LTV was the third-largest integrated steel producer in the United States, operating steel mills in Cleveland and East Chicago, Ind.

LTV's employees, aware that jobs are hard to come by, are fighting to keep the company alive. Their situation has won them the support of members of Congress from the region. Analysts and investment bankers say the workers' expectations are unrealistic, and ultimately side with LTV's management. Demand for LTV's product is too meager to justify the company staying in business, these executives said.

[On Tuesday, the U.S. and 38 other nations agreed to reduce world output of steel by nearly 10 percent over the next decade in an effort to drive up demand. C8.]

''All these politicians want the steel mills to open or reopen, but they never look at the other side of the equation,'' said Charles Bradford, an independent steel industry analyst and consultant based in New York. ''They say, 'Let's make steel,' '' Mr. Bradford said, citing a rallying cry of the steelworkers. ''But they never think about who's going to buy the stuff.''

LTV's business, along with that of the other large steel makers, has steadily weakened in recent years, thanks in part to cheap foreign imports that have been flooding the United States since 1998. (Operators of so-called ''mini-mills,'' which are not always small and recycle scrap steel into new products, have generally remained profitable.)

All the integrated steel companies, including LTV, are also paying benefits to a population far larger than their employees. At LTV, there recently were at least 10 retirees for every worker. The precise number is unclear because the union counts 10,000 more retirees than the company does.

Waves of layoffs beginning in the 1980's and continuing in the last 2 years have swelled the ranks of retirees at most steel companies. A provision in many steelworkers' contracts guarantees them the right to claim retirement benefits early if they are dismissed or if their mills shut down, said Cary Burnell, a member of the research staff at the steelworkers union. As part of their push for industry consolidation, U.S. Steel and Bethlehem Steel asked Congress two weeks ago to assume some of their health care costs.

LTV's workers are laboring furiously to pull off an 11th-hour rescue, but their prospects are dim. Their union is hoping for a $250 million loan backed by the Emergency Steel Loan Guarantee Board, an arm of the Commerce Department. ''We're going to fight like hell to get this loan, and fight like hell to save this company,'' said Leo Gerard, international president of the steelworkers union.

The company's banks, National City and KeyBank, suspended their efforts to secure such a loan last month, after deciding that they could not adequately demonstrate that the loan could be repaid.

Senator Paul Wellstone, a Democrat from Minnesota, was hoping to attach an amendment to the economic stimulus bill that would loosen such loan standards, but it is unclear when the bill will come to a vote, said a member of his staff. The union also delivered a letter, signed by 91 members of Congress, to the Commerce Department on Friday urging approval of the loan.

But with the union due to report its progress to the bankruptcy judge today, time may be running out for LTV's workers. Even if the loan is approved, the company says it will not be enough to keep LTV alive. ''The company would need close to $1 billion to return to business,'' said Mr. Tomasch, the spokesman.

If the bankruptcy judge permits, LTV will soon stop paying retirement and health benefits. Some of these expenses will be assumed by the government. The Pension Benefit Guaranty Corporation will take over LTV's retirement plan, at what it estimates will be a cost of $2 billion. Retirees over 65 will qualify for Medicare.

Many of LTV's remaining employees will be out of luck. There are limits on the benefits the pension agency will cover, according to Mr. Burnell of the steelworkers. It will not cover, for example, a payment of $400 a month from the company to many steelworkers dismissed between the ages of 50 to 62, intended to tide them over until they qualify for Social Security. Someone with 20 years at LTV typically qualifies for a pension of $1,450 a month, including the $400 monthly payment, but the pension agency would exclude recent enhancements to the pension plan and probably pay about half that amount, Mr. Burnell said.

Employees younger than 65 will also be on their own for medical costs. A fund set up by LTV when it last emerged from bankruptcy to pay for employees' health care probably will be out of money in less than a year, said Mr. Tomasch, the LTV spokesman. Among the benefits that will be lost is a medical plan that covers 80 to 90 percent of the costs of prescriptions ordered by mail. Last year, the company paid $200 million in health care costs, he said.

If LTV's unions are unable to secure the loan, their best hope is to find a buyer for the mills.

''Plan A is to keep LTV operating and to do our work in Washington, D.C.,'' said Stephanie Tubbs Jones, a Democratic representative from the Cleveland area, where LTV has it's biggest mill. ''Plan B is to prepare our community to invite a new buyer for LTV, including providing incentives.''

Finding a buyer for the Cleveland mill will not be easy. ''There is excess capacity around the world, and the Cleveland mill is one of the highest-cost mills,'' said Mr. Bradford, the independent analyst.

Even if a buyer is found, that might not help LTV's current employees. The mills will be more attractive to a buyer without the workers, Mr. Bradford said, because then they would not be forced to assume the health care costs.

Mr. WELLSTONE. I will read a paragraph:

LTV's workers are laboring fiercely to pull off an 11th-hour rescue, but their prospects are dim. Their union is hoping for a $250 million loan backed by the Emergency Steel Loan Guarantee Board, an arm of the Commerce Department. ''We're going to fight like hell to get this loan, and fight like hell to save this company,'' said Leo Gerard, international president of the steelworkers union.

Mr. President, I along with other Senators who try to represent workers and working families and steelworkers, have written a letter to this Emergency Steel Loan Guarantee Board in the Commerce Department asking them to grant this loan. On the Senate floor today, I wish to associate myself with President Gerard's comments. If there is any vehicle—we are down to the wire here—if there is an economic stimulus package or economic recovery package, I will have an amendment which will give that loan board better authorizing language to make it clear that, indeed, this is their mandate to guarantee just these kinds of loans. I don't know whether or not we are going to have that package. That is being negotiated.

I have also made it clear that I think if there is any other bill that passes through in terms of providing relief for this sector of the economy or that sector, that from my point of view there also has to be an amendment which represents relief for those people who are flat on their back, out of work, without unemployment insurance any longer, without health care coverage or soon to be without coverage, or to help these steelworkers.

I wanted to cite this article because I am sure President Gerard and the steelworkers sometimes think they are shouting in the wind, that they are not being heard. Industrial work is being spit out of the economy. LTV shut down. At the taconite plant in the Iron Range of Minnesota, 1,400 workers are out of work.

I went with them the day the local president called everybody together to tell them it was over. And I got really mixed advice about whether to go because people said, if you are there, like a politician, people are just going to turn on you because they are so angry about losing their jobs. They didn't do that. People appreciate the fact you go up and you are with people, especially in these times.

But the fact is, not just for the sake of these workers who want nothing more but to work, but for financial security as well, we ought to pay attention to what has happened in the steel industry. We should pay attention to what is happening to certain vital sectors of the economy.

Again, just so President Gerard and the International Steelworkers Union don't think there aren't Senators who support them, I know others do as well. Senator ROCKEFELLER has been at this a long time. This was Senator BYRD's original idea. This Emergency Steel Loan Guarantee Board of the Commerce Department can do this. This is

their mission and mandate. They can say: We guarantee this loan. So far they have not done so. I wish we could rush through some additional language to make it clear this is their mission and mandate. We may not be able to do so. But they ought to go forward with this loan. If they don't, the consequences are going to be very harsh.

I yield the floor and 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 (Mr. JOHNSON). Without objection, it is so ordered.

## RECESS

Mr. REID. I ask unanimous consent the Senate stand in recess until 3:30 today.

Thereupon, the Senate, at 3:03 p.m., recessed until 3:30 p.m., and reassembled when called to order by the Presiding Officer (Mr. JOHNSON).

The PRESIDING OFFICER. The Senator from Massachusetts.

## JUDICIAL NOMINATIONS

Mr. KENNEDY. Mr. President, we have been hearing a steady drumbeat of complaints from our Republican colleagues about the pace of judicial confirmations by the Senate. For all who know the facts, there is no basis for the charge that Democrats have engaged in delay tactics on judicial nominees. In fact, the Democratic Senate has been significantly more diligent in confirming judges under the Bush administration than the Republican Senate was at any point under the Clinton administration.

In the 5 months since Democrats gained control of the Senate, the Judiciary Committee has already held 11 hearings on judicial nominees. Under Chairman LEAHY'S leadership, we held hearings during the August recess, and also just 2 days after the terrorist attacks. In addition, we held a hearing in the Capitol Building, when the Senate offices were closed by the anthrax contamination.

As a result, 27 judges have already been confirmed in the 5 months since Democrats took control of the Senate. By the time the Senate adjourns, we are likely to have confirmed more than 30 judges—more than were confirmed during the entire first year of President Clinton's first term in office when Democrats controlled the Senate, and more than double the number confirmed during the entire first year of the first Bush administration.

Our record is good by any measure. It becomes even better when we compare it to the record of the Republican majority when they controlled the Senate during the Clinton administration.

We have held 11 judicial nomination hearings in just 5 months, almost all of which have included several judges per hearing. In 1999 and 2000, the Republicans held an average of only seven hearings for the entire year.

In confirming 24 judges since the August recess, we have had a more productive post-August-recess period than any Republican-led Senate did for a comparable period in the last 6 years.

Some Republicans are now blaming Democrats for the current number of vacancies on the Federal bench. But these vacancies were largely caused by the tactics of the Republican majority over the last 6 years. We know that our colleagues worked to impede President Clinton's executive branch nominees such as Bill Lann Lee, nominated to head the civil rights division, and Dr. Satcher, the nominee for Surgeon General. Our colleagues also blocked or attempted to block President Clinton's judicial nominees by delaying or refusing to hold hearings, and refusing to allow the Senate to vote on some nominees. The average length of time a circuit court nominee waited for a hearing under the Republican Senate was about 300 days. Some nominees waited up to 4 years for a hearing. In 6 years, the Republican Senate failed to confirm nearly half of President Clinton's nominees to the circuit courts. As a result, vacancies in the Federal courts increased by 60 percent.

No one suggests that Senate Democrats should follow the example the Republicans set over the past 6 years. The Judiciary Committee should and will continue to move forward in confirming nominees to the Federal court in a prompt manner. But it is wrong for any of us in the Senate to abdicate our responsibility to thoroughly review the record of each nominee. Lifetime appointments are at stake. The need for careful review is important not just for Supreme Court nominees but for nominees to the lower Federal courts as well. These courts hold immense power. Many important legal issues in this country are decided at the Court of Appeals level, since the Supreme Court decides fewer than 100 cases per year.

I voted to confirm most of the judges nominated by President Reagan and the first President Bush. The Senate's constitutional duty of ''advice and consent'' does not mean that the Senate should be a rubber stamp. It certainly does not require the approval of Federal judges who have displayed hostility to core Federal constitutional and statutory protections, or who have an extreme ideological agenda. Judges who are highly qualified, have a balanced judiciary temperament, and who are committed to upholding the Constitution and Federal law are judges that Senators on both sides of the aisle can support. But we should not support nominees with records that suggest they will roll back the rights and protections that Americans consider vital.

All nominees should have their records examined thoroughly, and they should have hearings to answer questions about their records. Because these are lifetime appointments to courts that make decisions deeply affecting the nation, full and fair review is the least the Senate owes the American people.

The Senate has worked well together this year on a number of bipartisan efforts, including education, airline security, and bioterrorism. On the issue of judges, all of us on the Senate Judiciary Committee know that we can work well with the administration and with Senators on both sides of the aisle to confirm nominees for our Federal courts who are highly qualified, fair, and committed to upholding the Constitution and the Nation's laws. I look forward to greater efforts in the time ahead to achieve that very important goal.

I am reminded of the fact, in reviewing the Constitutional Convention, that perhaps the last major decision made at the Constitutional Convention was to change what had been initially accepted by the Founding Fathers, and that was the Senate was going to appoint Federal judges. The Senate would do it by itself. One of the last decisions made by the Founding Fathers was to have this as a shared responsibility.

It seems to me that is something that sometimes this institution loses sight of, as do the American people sometimes. They believe that once nominated, we, in effect, should be a rubber stamp to these nominees. In reading constitutional history, we will find, to the Founding Fathers this was an issue of enormous importance and consequence. They made it extremely explicit that they believed the responsibility ought to be an equally shared responsibility between the President and the Senate. It does seem to me we should meet that responsibility in ways that are fair, that reveal the qualities of the individual, and make a judgment and a decision based upon that process.

## TRIBUTE TO JOHN T. O'CONNOR

Mr. KENNEDY. Mr. President, it is a privilege to take this opportunity to remember my friend John T. O'Connor, who passed away on November 30, 2001. A lifelong fighter for social justice, John died suddenly and unexpectedly at the age of 46 while playing basketball, a sport he loved, at the YMCA near his home in Cambridge, Massachusetts.

John O'Connor's zest for life and boundless energy were apparent from the moment you first met him, and those extraordinary qualities continued to amaze even those who knew him best and longest. His undeniable charisma helped win an enormous circle of friends. But his life was always about causes larger than himself. He credited his passion for social justice to the example of his parents, Katherine and George, to the Catholic faith and training he felt so deeply, and to his many

inspiring teachers, especially at Clark University in Worcester, his alma mater.

John's public journey began when he was still in college in the late 1970s, organizing fellow students to volunteer at the Mustard Seed, a Catholic worker collective in Worcester dedicated to feeding the poor and homeless. There he perfected his trademark eggplant parmesan. After graduation, John went to work for Worcester Fair Share, knocking on the doors of the three deckers of Grafton Hill in a successful campaign to end arson-for-profit in that neighborhood, a pattern he identified through disciplined research. The fire station built in response to that campaign remains a testament to John's first venture into grassroots organizing.

The combination of community organizing and strategic research led him to understand that the environment was also an urban issue, affecting the quality of life in low income neighborhoods as surely as in the great outdoors. He began this new work by organizing citizens to resist an ill-conceived landfill proposal and to negotiate with local factory owners to reduce emissions.

Soon, John moved on to a large national campaign, setting out to rid the country of environmental threats such as the asbestos contamination he lived next to in his hometown of Stratford, CT. At a time when environmental activism was out of fashion among some in Washington, he began traveling across the nation, speaking out against polluters, and convincing more than a million Americans to sign petitions to support toxic waste cleanup. He built his organization, The National Toxics Campaign, into a grassroots campaign to mobilize people from across the country, providing timely and passionate support for the appropriation of $8 billion for the Federal Superfund law in the mid-eighties, and helping to realize the promise of that historic legislation.

First and foremost, John was a community organizer. He took on a remarkable range of issues, and he always did so with great dedication and effectiveness. He worked with scientists to document health concerns for veterans of the Gulf War. He made the case for environmental cleanup programs from Boston Harbor to the Rio Grande. He argued against the misuse of pesticides and other chemicals in agriculture. He was a strong believer in the importance of organized labor, and he fought alongside union members for strict protections for health and safety in the workplace. He co-authored a number of books on organizing and the environment, and a book on agricultural democracy was near completion. He was also interested for many years in responsible energy policy, and he led an effort in 1998 to repeal a Massachusetts electricity deregulation law, which he felt was unfair to consumers and the environment.

For John O'Connor, environmentalism was always as much about people as about our physical surroundings. It was logical that he would turn in recent years to the cause of assuring the best possible health care for every citizen. In 1999, he led efforts that obtained more than one hundred thousand citizen signatures in support of a health reform measure for the Massachusetts ballot. Momentum generated by that successful signature drive led to the passage of important but long-delayed legislation on the rights of patients in managed care. Looking ahead, he was poised to play an important and growing role in revitalizing prospects for universal coverage in Massachusetts.

John O'Connor was also an intense and tireless champion of racial justice. He was endlessly fascinated by the diversity of human experience. As an American of Irish heritage, he led the 1997 drive to create the first permanent U.S. memorial to the victims of the Irish Famine on Cambridge Common. To John O'Connor, ethnic background and culture were intended to enrich the world, not divide it. He was proud to be known as an ''ABC''—an Armenian-by-Choice—after his marriage to Carolyn Mugar, an outstanding leader and activist in the Armenian community. John enthusiastically joined her to make his own impressive contributions to that community.

His passionately-held beliefs made John an intense and frequent critic of the status quo in general, and of politics in particular. Yet he was profoundly optimistic about what this nation could achieve. He believed deeply in democracy. He looked for inspiration to the early years of our country and the nation's founders, and he read widely about them. In his campaign for the U.S. House of Representatives in 1998, he told voters he wanted an America that truly reflected the basic values enshrined in the Declaration of Independence and the Constitution—not an America that was simply the sum of its commercial enterprises or parochial concerns. Although he did not prevail in that campaign, he ran a strong race that impressed many people and made countless new friends along the way.

With John O'Connor's death, we in Massachusetts have lost one of our state's most active and effective champions of working families, consumers, and the environment. John left us much too soon. I mourn his loss, and I extend my deepest sympathies to his wife, Carolyn Mugar, his daughter, Chloe, his parents, his brothers and his sister, his nieces and nephews, and his many godchildren. In his memory, we pledge to recommit ourselves to the many great causes in which John did so much to lead the way.

Mr. DEWINE. Mr. President, I rise this afternoon to pay tribute to two members of my staff who are retiring this week. These are two people who have really made a difference.

The PRESIDING OFFICER. The Senator from Ohio.

## TRIBUTE TO JOAN DOUGLASS

Mr. DEWINE. Mr. President, Joan Douglass is a real gem, a classy, knowledgeable woman who connects with people of all ages. She has had one of the toughest and most important jobs in our office. Joan has been on the front line. Joan is the first person you see when you come into our Columbus office. She is the person whose voice you hear when you call our Columbus office, the first person to answer the phone. That is an office that actually is not just my office. It is also Senator VOINOVICH'S office. We have, in Ohio, a joint casework office, which has worked out very well. Joan is the person there who greets everyone.

Over the years, Joan has put up with just about everything: bomb threats, sit-ins, now even anthrax scares. Joan is a rock. She is as solid as they come.

Everyone who knows Joan speaks of her with such fondness. She is really a person with no enemies. Her love, her compassion for people is unmatched. She loves people. They love her back.

You know, it takes quite a lady to take a new job at the age of 72, which is what Joan did when she came to work for us—especially the job working for two Senators. What could be tougher than that? Who in the world would ever think of doing that? Who goes from being a State legislator, which Joan was, a real estate broker, and many other exciting jobs, to working for two Senators? Only Joan.

Actually, before she worked for us she worked for then-Governor VOINOVICH for 8 years. Four of those years I was the Lieutenant Governor. Every day when I would come to work, Joan would be the first person I would see—always smiling, always happy, always professional.

Joan continues to amaze me in everything she does. I am astounded by her energy and her great sense of adventure. Nothing ever seems to slow her down.

Joan really is a terrific role model for all of us. In fact, she should be the poster child for how Federal employees should treat people. No matter what, Joan has always greeted everyone who walked into our office with great respect and great compassion. It didn't matter if it was someone who loved me or hated me. It didn't matter, Joan was steady. She treated them the right way. She treated everyone in that same sweet, nurturing, nonthreatening, and friendly way.

Joan has always handled herself with such professionalism, and no matter what, no matter how busy she was, she always has had time for people, especially for the younger people, younger members of our staff in the office. She really has been a role model. She has been a mentor. Every time I see her, Joan always asks about Fran, asks about our children and now our grandchildren. I have always appreciated that.

I speak for so many in our office and many across the State of Ohio when I

say that, although we are happy for Joan upon her retirement and we wish her nothing but the best with her new post-Senate endeavors, we are saddened by her departure and we will miss her dearly.

We will miss her dedication to the people of the State of Ohio. We will miss her optimism and her cheerful nature. We certainly will miss her terrific sense of humor. Most of all, we will just miss Joan.

She is one great lady. My wife Fran and I wish her all the best in the world.

In conclusion, I thank Joan for her dedication to the people of the State of Ohio, for her friendship, and for the work she has done for our country.

## TRIBUTE TO JENNY OGLE

Mr. DeWINE. Mr. President, I rise today to pay tribute to good friend and member of my staff, Jenny Ogle, for all the great work she has done for the people of Ohio. Jenny, who runs the joint casework office we have with Senator VOINOVICH, is retiring today. We are going to miss her dearly.

When I started thinking about her retirement, my mind was flooded with fond memories and so many laughs and good stories. There is no one else like Jenny. Before coming to work for our joint casework office, she ran my Senate casework office worked for me when I was in the House of Representatives for 8 years, and also worked for Congressmen Bud Brown and DAVE HOBSON.

She is a true professional—someone who has been really a stabilizing force in our whole casework operation. The casework operation, of course, is what reaches out to people. It is where people of the State of Ohio go when they have a problem. They do not come to us, and they do not come to Jenny unless they are already frustrated with the Federal bureaucracy or the State bureaucracy or something else. When they come in, they already have plenty of problems. Jenny has been the one who worked out those problems.

It takes a good deal of patience to handle the kinds of things Jenny has seen over the years in that casework office. She has seen just about everything.

That is why I have always been amazed by her steadiness—her unbelievable ability to deal with the kinds of cases and the kinds of problems that are seen on a daily basis. What really impresses me is that she is always still smiling and laughing at the end of the day. She always has done her job with great professionalism and great compassion.

Jenny also has been a real leader in our office. For example, she pioneered the military academy nomination process, a very complex process. She essentially wrote the book on it. What she has developed is today being used around the country in congressional office after congressional office. She wrote the bible on how Congressmen should handle their academy nominations. I thank her for that.

I have known Jenny for a long time—since those days when she was working for Congressman Bud Brown, and when she came to work for me at our Springfield office. I remember how her Aunt Tilly used to come in the office and do her filing. I also fondly remember the doughnuts Jenny would bring in from her brother's doughnut shop. Those are great memories.

Jenny is also a rare person—a person with great compassion and empathy for people and their concerns.

Let me thank her from the bottom of my heart for the great job she has done to assist countless thousands and thousands and thousands of Ohioans over the last 20 years.

I am truly privileged to have had the extraordinary opportunity to work with Jenny and to call her my friend.

We wish her and her family all the best in the world.

In conclusion, let me thank Jenny for her dedication to the people of the State of Ohio—for her friendship, and for the work she has done for our country.

Thank you, Mr. President.

I yield the floor.

The PRESIDING OFFICER. The Senator from Illinois is recognized.

## JUDICIAL NOMINATIONS

Mr. DURBIN. Mr. President, over the last few weeks, many conservatives have launched an extensive public relations campaign to assail Democrats on the Senate Judiciary Committee, and particularly Chairman PAT LEAHY. They have been critical of the pace of judicial nominations. This campaign is wholly unwarranted. Coming during a war when Democrats are committed to working with the President to shore up our Nation's defenses, it is particularly ill timed.

The Washington Times has compared Democrats to terrorists, referring to the pending nominations as a ''hostage crisis.'' Another conservative publication, Human Events, labeled my colleague, Chairman LEAHY, as ''Osama's Enabler.''

Sadly, these outrageous charges are not limited to right-wing media outlets. Many colleagues in the Senate from the other side have leveled the following accusations: One Senator said the Democrats are guilty of racial profiling. Another Senator said the Democrats on the Judiciary Committee are actively hindering the war effort. Another Republican Senator said we are drawing out a session to deny the President a chance to make recess appointments.

In truth, Senator LEAHY has done an excellent job of moving the President's nominees along—far better than the Republicans ever did over the previous 6½ years. We have already confirmed 27 judges since July of this year. When all is said and done, we may well end up confirming more than 30. That is more judicial nominees than were confirmed during the entire first year of President Clinton's term in office, when the Senate was controlled by the same party. It is double the number of nominees confirmed during the entire first year of the first Bush administration.

Chairman LEAHY has had to contend with Senate reorganization, terrorists attacks, a massive antiterrorism bill, and anthrax contamination that shut down his personal and committee offices. We all recall the news reports about the anthrax letter being sent to Chairman LEAHY. He has had ample occasions to delay hearings. Yet he has not. He easily could have used any of these obstacles as an excuse to cancel hearings, and he did not.

In little more than 5 months, Chairman PAT LEAHY has held more judicial nomination hearings than Republicans held in all of 1996, 1997, 1999, and the year 2000.

The Democrats, under his leadership, have eliminated the anonymous holds that crippled the judicial confirmation process for the last 6 years.

If you are not here in the Senate, anonymous holds may be a term you don't understand. Let me explain it. Under Republican leadership, any Senator could block a nominee for any reason, without even identifying him or herself to the rest of the Senate. A nominee would come before the Senate Judiciary Committee and sit there week after week, month after month, and in some cases year after year without any Senator standing up and saying: I am the person who is holding this judicial nominee. It was totally unfair.

On some of the nominees, I used to go around the Chamber begging Republican Senators to tell me: Do you have a problem with the nominee? I want to talk about it.

They wouldn't say. It was anonymous. That is over. Under Senator LEAHY's leadership, the anonymous holds that have crippled this process for the last 6 years has been eliminated. We have made public a Senator's support or opposition to judicial nominees from their home State. We have moved nominees approved by the committee swiftly to the floor. I presided personally over two or three of these hearings. And those nominees went straight from the committee to the floor in a matter of days. We have voted unanimously to confirm nominees vetted by the committee. The only vote against all of President Bush's nominees coming out of committee was cast by minority leader TRENT LOTT.

Quite frankly, it is a bit ironic to hear many of our Republican colleagues complain about unfair delays in judicial nominations. It is no secret that many of our colleagues systematically blocked Democratic appointments, regardless of qualifications, to the Federal courts of appeal. In 1996, for example, the Republicans failed to confirm one single appellate court nominee—not one.

In the 106th Congress, Republicans failed to act on an astonishing 56 percent of President Clinton's appellate nominees, despite the fact that his nominees received extraordinarily high ratings from the American Bar Association, and support on a bipartisan basis.

Some of President Clinton's nominees languished after a hearing or committee vote; many more never even got a hearing.

Let me tell you about one: Helaine White, a nominee for the Sixth Circuit in Michigan. She waited in vain for over 1,400 days for the Judiciary Committee to schedule a hearing. For approximately 4 years, she sat in that committee.

If my Republican colleagues got a letter marked ''Return to Sender'' after 1,400 days, they would abolish the Post Office.

They thought it was all right to let Ms. White, a nominee for this important judicial vacancy, sit there for approximately 4 years.

The situation was so bad under the Republican leadership of the Judiciary Committee that Chief Justice of the Supreme Court Rehnquist criticized the Republican leadership for creating so many vacancies in the Federal courts. In fact, one of President Bush's own judicial nominees, who was unanimously voted out of the committee last Thursday, criticized the Republicans last year for employing a double standard for a Democratic nominee to the courts.

Chairman PAT LEAHY of Vermont has already held more hearings for the Fifth Circuit than the Republicans held in over 6 years. In 6 months, PAT LEAHY has held more hearings to fill vacancies in that circuit than the Republicans held in 6 years. The Democrats have confirmed the first new judges to the Fifth and Tenth Circuits since 1995—6 years.

Details like this demonstrate there is simply no comparison between Democratic and Republican records.

Our Republican colleagues would have you believe the Democrats are dragging their feet because the ratio of President Bush's confirmations to the number of vacancies is relatively low. But what they don't tell you is this: Close to 70 percent of the current vacancies in the Federal courts have been open since President Clinton was in office, several of them since 1995. They are decrying the number of vacancies not filled, and yet during President Clinton's Presidency they would not fill them, even though he sent qualified nominees to the Senate.

The number of judicial vacancies increased by 60 percent during the 6½ years the Republicans were in charge of the Senate. Due to concerted opposition by their party, President Clinton appointed proportionately fewer appellate judges than either President Reagan or the first President Bush. Now, with a Republican President back in the White House, our Republican colleagues are suddenly very concerned about judicial vacancies.

In the wake of September 11, President Bush called on Members of the House and Senate to come together—and we have—to improve air safety, to stabilize the airline industry, to give law enforcement additional tools to fight terrorism, and to strengthen our economy. That is exactly what the Democrats have done. We put aside partisanship to meet the demands of our country at war.

Quite frankly, we would have had an easier time of it, and fewer disputes with the Republicans over judicial nominees, if the President and his Attorney General had sent up more judicial nominees like those we have already confirmed, especially for the Federal Court of Appeals. This simple fact is often lost in the din of partisan rhetoric.

The Democratic leadership has worked hard, in just a few months, to confirm men and women of real integrity and accomplishment to the Federal judiciary. We have advanced judges who enjoy widespread bipartisan support. They have records which demonstrate a commitment to mainstream American values, including the protection and advancement of civil rights and civil liberties for everyone. We have intentionally avoided a contentious and draining fight over controversial nominees.

In the weeks and months ahead, with the immediate national crisis we face, we will still have to confront many controversial nominees. But let me remind my colleagues that we are filling lifetime appointments. These are not temporary. Judges sit on the Federal bench long after many of us have delivered our last speeches and after Presidents have come and gone. We will scrutinize them fairly, but carefully.

Our Republican colleagues have said they want us to work three times as fast because when they were in control they went three times as slow. Sadly, many of the nominees we have been sent do not really hew to the mainstream of American politics. The end result—if we follow and appoint every nominee sent—would be a judiciary that would not represent the values of this country, the mainstream values which we should push for when it comes to these important judicial appointments.

The American electorate has been evenly divided over the last 10 years. This country is entitled to a judiciary that reflects that diversity, not one hijacked by any political extreme, right or left.

Chairman PAT LEAHY has done an excellent job as the Senate Judiciary chairman, and his critics on the right should read the facts.

I yield the floor.

The PRESIDING OFFICER (Ms. STABENOW). The Senator from Wisconsin.

Mr. FEINGOLD. Madam President, I also have come to the floor, along with the Senator from Massachusetts and the Senator from Illinois, to talk about this very important topic; and that is, the confirmation process for Federal judges.

The first thing I want to do is commend the chairman of the Judiciary Committee, Senator LEAHY, for the professional and diligent way in which he has handled the confirmation process this year, since taking the helm of the committee in June. His, in some way, is a thankless job, because, as we have observed, no matter how many hearings he holds or judges he moves through the committee, there are those in this body who will never be satisfied. Indeed, it seems that the only thing that will satisfy the critics is for Chairman LEAHY to shortchange the important constitutional role that the Senate and the committee play in the confirmation process. But that, I know, he will never do, and the Nation should be very grateful to him for that.

There has been some harsh criticism of Chairman LEAHY from our colleagues on the other side, and in the press. Given how President Clinton's nominees were treated during 6 years of Republican control of the Senate, I find it kind of hard to believe some of the arguments we now hear. We have here, really, a numbers game. The argument has reached a new level of absurdity when our Republican friends start talking about things such as the average number of nominees per hearing. It is pretty obvious that is a meaningless calculation. To the extent that statistics matter, the numbers that count are the number of judges for which hearings have been held and the number of judges confirmed.

When you look at those numbers, the numbers that really matter, I have to say that our chairman really does have the better of the argument. In just 5 months since taking over the committee, Senator LEAHY has already held hearings for 34 judges. That is more than the number of judges who received hearings in the entire firs year of the George H.W. Bush administration and the entire first year of the Clinton administration. And so far, we have confirmed 27 judges this year. Remember again that the Democrats have only been in control since June I understand that probably 3 more judges will be confirmed before this session concludes, meaning that 30 judges will be confirmed this year. That would be more than were confirmed during the entire first year of President Clinton's first term in office and more than double the number confirmed during the entire first year of the elder President Bush's administration. Think about that. Given all that we have had to deal with on the Judiciary Committee this year, I think Chairman LEAHY has shown more than good faith in trying to move the process along, especially since September 11.

There have been times this year when I have been concerned about hearings being held too soon on some

nominees. A hearing that is held before Senators can review the records of the nominees is really nothing more than just a formality. Particularly given the large number of circuit court nominees, I think our colleagues on the Republican side are asking us, in a way, to ignore our constitutional responsibilities when they make blanket demands such as: You should confirm all judges who were nominated before the August recess. Those kinds of arguments are particularly inappropriate when you think about the appointments we are being asked to confirm with to little scrutiny. Lifetime appointments to the circuit courts and district courts are not to be taken lightly. With the Supreme Court taking only about 100 cases each year, the decisions made in the lower courts are usually final, and have a huge impact on the development of the law. They also have a huge impact on the people's lives. In addition, there are a number of circuits in this country that are extremely unbalanced ideologically, and the nominations made by President Bush seem to be designed to exacerbate that imbalance. It is entirely reasonable—indeed, our constitutional role demands—that we examine the records of individuals chosen for the circuit courts very carefully before we approve their nominations

It is clear to me that neither side in a fight such as this is ever going to be satisfied. In the current situation, despite everything that the chairman has tried to do to move quickly on judges—including holding hearings in August, holding more hearings after September 11 when our committee was more than occupied with the so-called anti-terrorism legislation, and even holding a hearing in October when the Senate office buildings were closed and some of our staffs had had nowhere to work for the previous 2 days—despite all of this, my Republican colleagues continue to complain. At one point, they even held up appropriations bills on the floor for over a week, something that our side never did despite our frustration with the pace of confirmations under President Clinton. And now we understand that the minority leader placed a hold on every Judiciary Committee bill because of his displeasure with the pace of the nomination of a judge he has championed to the Fifth Circuit.

Let us recall that in the last 6 years of President Clinton's term, the Judiciary Committee did not hold a single hearing on a Fifth Circuit nominee. No fewer than three highly qualified nominees for positions on that court never got a hearing, much less a vote in committee or on the floor. The thing that has troubled me the most about the criticism of the pace of judicial confirmations is the complete unwillingness of those who are now criticizing Chairman LEAHY to acknowledge that they really contributed to the judge shortage that they are complaining about today, or that they did anything in the last 6 years to deserve our criticism of them at that time.

It is particularly frustrating to hear our Republican colleagues invoking the ABA review in support of President Bush and the Republican leadership in the Congress broke with over 40 years of tradition, dating back to the administration of Dwight D. Eisenhower, when they refused to submit the names of nominees to the ABA prior to the nominations being formally made. Now they complain about the delays in confirming nominees and invoke the ratings of the ABA panels as evidence that these nominees are beyond reproach. It just does not add up.

The very act of forcing the ABA to begin its assessment after a nomination has been made has delayed confirmation hearings for at least a month and often longer. Chairman LEAHY very sensibly has insisted that an ABA review on a nominee be completed before scheduling a hearing. So I suppose that if we are playing a numbers game and are going to compare apples to apples, we should subtract 30 to 45 days of consideration from each of President Bush's nominees.

My conclusion is that until I hear the critics of Chairman LEAHY say, ''Yes, it was wrong to let Judge Helene White go 4 years without even a hearing; yes, we now agree that Kathleen McCree Lewis should have at least had a hearing; yes, the delays in voting on the confirmations of Judge Berzon and Judge Paez were unconscionable; yes, it was wrong to not confirm a single circuit court nominee in 1996; yes, it was wrong to confirm only 44 percent of the circuit judges nominated by President Clinton in the last Congress of his term; yes, it was wrong to have 68 of President Clinton's nominees in the 106th Congress never come up for a vote in the Judiciary Committee; and yes, we are in large part responsible for the fact that there are now so many vacancies to fill on our federal courts,'' until I hear those statements, the statistics they cite, and the argument that they make ring a little hollow. If and when I do hear those statements accepting responsibility, I think a bipartisan solution will emerge. Because of my Republican colleagues acknowledge that they bear some responsibility for the situation we find ourselves in today, they can suggest to the President that he try to ''change the tone'' on this issue in a tangible and meaningful way. He can do that by renominating some of those highly qualified candidates who never got a hearing or a vote in the Judiciary Committee when it was chaired by my friend, the Senator from Utah. The President did that with Roger Gregory, and I applauded him for it. We can wipe the slate clean with some courageous work, and there are enough vacancies to do this in many circuits. That is the challenge. Are we gong to continue the numbers game? Are we going to continue the recriminations? Or are we going to move forward in a bipartisan way and get on with our business on this committee and in the Senate. I think the chairman of the Judiciary Committee is doing an admirable job under the circumstances. I urge him and the majority leader not to submit to pressure tactics. The ball is in the President's and the minority's court. They can decide if they want to ''change the tone in Washington.'' We simply cannot do it alone.

I yield the floor.

Mr. KOHL. Mr. President, I rise today to discuss judicial nominations and the pace being set by the Judiciary Committee. It is the Senate's responsibility to confirm judges and fill the vacancies in the Federal judiciary. Unfortunately, this constitutional responsibility has become increasingly politicized in the last few years. It seems that the people accused of slowing the process last year are the same ones that are pushing for faster confirmations today. And those who wanted more judges confirmed last Congress are now defending the pace of current confirmations. While we all expected that dynamic once the party in control of the White House and the Senate changed, it is still disappointing.

It would be a good idea to agree upon a set of rules that governed the pace of the confirmation process regardless of the party in control of the White House or the Senate. Since that is unlikely, we are now required to defend our rate of confirmations. The only way to do that is to compare the pace this year with that of past years. When we do that, we find that there is little to criticize in the performance of this year's Judiciary Committee.

By the end of this session of Congress, we will have confirmed at least 27 district court judges and 6 circuit judges. The Judiciary Committee has held 11 nominations hearings for judges since control of the chamber changed.

To put that in context, by the end of the year, the Senate will have confirmed more judges in the first year of the Bush Presidency than in either the first year of the first President Bush or President Clinton. It is also far more than the 17 judicial confirmations in 1996 and almost the exact number confirmed in 1999 and 2000 when 34 and 39 were confirmed respectively.

The record also shows that close to 70 percent of the vacancies have existed long before President Bush took office. The Senate chose not to act, in some cases for years, on President Clinton's nominees to fill the positions. The cries of judicial emergencies and demands for immediate action now ring a bit hollow when the judgeships could have been filled years ago.

Nonetheless, it is our responsibility to take action on the judicial nominees in a timely manner. We have been doing just that. As we go forward, I want to work with my colleagues on both sides of the aisle to confirm more judges. The Judiciary Committee has a noble tradition of cooperation in approving judges who are qualified, respectful of the law, and moderate in their approach. It is our responsibility

to return to that tradition and confirm judges who represent the ideological middle ground.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Madam President, I thank my friend from Kansas. I know he has some things to say. I will try to be brief. I was in the line to try to talk about this very subject. I will make it brief so we can get on and we can get an explanation of the lovely pictures he has behind his podium.

I, too, rise to say a few words about judicial nominations and in particular to defend the chairman of our Judiciary Committee, Senator LEAHY of Vermont. Our friends on the other side of the aisle have made a lot of hay about our record on judicial nominations, but the facts simply don't bear out the allegation.

Patrick LEAHY has conducted the Judiciary Committee, both when we had the hearings on Senator Ashcroft's nomination to be Attorney General, when he was chairman for 17 days, and now as chairman for 5 months, in the most gracious, fair, bipartisan way that I have seen a chairman conduct him or herself. It is sort of unfair to demonize. That seems to be a new technique used by some. They are doing it to our majority leader, Senator DASCHLE, another gracious and fair-minded man, because he doesn't agree with them. That seems to be the thing that has happened. Maybe it started a few years back with the contract on America and all the cohorts there. But it is not a nice way to do politics, to demonize an opponent.

I know there are certain newspapers and TV shows and radio shows that try to spread the word. I just want to say, first, I don't think the American people appreciate it. Second, it is not going to cower Senator DASCHLE or Chairman LEAHY. I know them both. They are very estimable people. They are very nice people. They are very strong people. To say that taking personal shots and demonizing somebody is going to make them back off is a silly policy. Put yourself in their shoes.

When we are all under the gun and personally attacked, that doesn't make us back off. It makes us maybe review what we have done, and then if we think we are right—and I know Senator DASCHLE and Chairman LEAHY have—we are all the much stronger. Let's go over the facts instead of talking about just kind of rhetoric.

First, under Chairman Leahy's leadership in the first 5 months since the Senate reorganization, despite the disruptions caused by the September 11 tragedy in my city and the anthrax in our offices, we have held 11 hearings on nominations. That is more than two per month. There was an unprecedented August recess nomination hearing that Chairman LEAHY held. I chaired a hearing 2 days after the closure of all three Senate office buildings due to anthrax. We had to meet in the Capitol, in a cramped and crowded room. I believe it was on a Friday afternoon.

In 1999 and 2000, by contrast, when the committee was controlled by the people of the other side, there were only seven hearings per year, and that was the entire year, not just the 5 months we had.

Second, my friends from the other side of the aisle complain that we are confirming too few judges. We have put 27 on the bench up to now; that is in 5 months of being in the majority. We should get up to 32 by the time we leave this week. Let me underscore 32. That is 5 more than were confirmed in the entire first year of the Clinton administration, when Democrats controlled the Judiciary Committee. They argue we are stalling, but we are putting in more judges nominated by a Republican President, George Bush, in the first year or first 5 months, than we put in when there was a President of our own party, President Clinton, who was nominating. Claims ring hollow when you look at the facts.

Again, the idea of taking a 2 by 4 and trying to hit the chairman or the members of our committee over the head without the facts is not going to bear fruit. You can give as many speeches as you want.

Third, when we point to raw numbers, our colleagues change their arguments, and then they point to the percentage of seats that remain vacant. You can't create a problem and then complain that someone else isn't solving it fast enough.

Why are there vacant seats? There are vacant seats because when people from the other side controlled the Judiciary Committee during the last 6 years of the Clinton administration, vacancies on the Federal bench increased 60 percent—a 60-percent increase during the time they were in control. Now they are complaining there are record vacancies and we have to fill them all in 1 year. Give me a break.

We are not going to play games and say what is good for the goose is good for the gander. We are not suggesting two wrongs make a right. We are not going to increase the percentage of vacancies. Instead, we are going to decrease it, and we have gotten a good start to the task. But the proof is in the pudding or, in this case, in the numbers. We are going to fill these open seats as quickly as possible, but we are going to do it right. No one is going to cower us in the time-honored, constitutional way in which we select judges, which has been always in the history of this country, at least during our better moments, when we do it with care.

That leads to my fourth point. Because so many Clinton nominees never got a hearing and never were voted on by the Senate when it was controlled by the folks from the other side, the courts now more than ever hang in the balance. Some of the nominees have records that suggest extreme viewpoints. We need to examine their records closely before we act.

Again, one of the most awesome powers we as Senators hold is the power to approve judges. We can't just blindly confirm judges who threaten to roll back rights and protections won through the courts over the last 50 years: Reproductive freedom, civil rights, the right to privacy, environmental protection, worker and consumer safety.

In my State of New York, the administration has so far worked with us in good faith to select nominees who have met what I told them are my three criteria for nominating people to the bench: Excellence, moderation, and diversity.

Nominees who meet those three criteria will win my swift support. But for those nominees whose records raise a red flag, whose records suggest a commitment to extreme ideological agendas, we have to look more closely.

These days, the Supreme Court is taking fewer than a hundred cases a year. That means these trial and, particularly, appellate court nominees will have, for most Americans, the last word on cases that are oftentimes the most important matters in their lives.

We need to be sure the people to whom we give such power—for life—are fairminded, moderate, and worthy of such a deep, powerful, and awesome privilege.

We have worked well together with our Republican colleagues on several matters since September 11. By and large, we have done well to keep things bipartisan. On judicial nominees, both sides must work together to correct the imbalance on the courts and keep the judiciary within the mainstream—not too far left and not too far right.

We need nominees who are fair and openminded, not candidates who stick to a narrow ideological agenda.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kansas is recognized.

## INDIAN GAMING

Mr. BROWNBACK. Madam President, I have an issue I want to explain to my colleagues before the Labor-HHS conference report comes before the body. In that conference report, there was an item that was going to address a wrong that had been placed in an earlier appropriations bill and that was not the Interior appropriations bill. This body passed a particular piece of legislation, a very small paragraph, that dealt with a situation in Kansas that was then taken out of the conference report. That is why I am objecting to the Labor-HHS conference report until I get some assurances that we are going to have this issue dealt with next year. It has to do with a cemetery in Kansas.

The pictures I have here are of a beautiful site in Kansas City, KS, that is called the Huron Indian Cemetery. The area overlooks the Kansas River. It is up on a bluff. It is in downtown

Kansas City, KS. It is where a number of Native Americans are buried who lived in this area—the Wyandotte Tribe who lived in this area, before a number of them moved to Oklahoma, before the tribe moved to Oklahoma.

You can see the pictures we have of a peaceful site in Kansas City, KS. It is virtually a park for a lot of people, a very solemn cemetery that is maintained quite nicely in this area.

We have Indian gaming in Kansas, and four tribes are recognized in Kansas. Each has a casino in the State. There is a tribe in Oklahoma, the Wyandotte Tribe, that wants to build a casino in Kansas, even though they are now located in Oklahoma. Initially, they wanted to build it on top of the cemetery. Local people protested, saying: Why are you ruining this sacred site to put in a casino?

They said: OK, we will put stilts on it and you will still have the cemetery, but this will sit on top of it.

Next they said: We want to build it right next to it. We are going to buy property next to the cemetery and we want to put in a casino, even though we are not a Kansas tribe and we are from out of State; some of our ancestors from the Wyandotte Indians were buried here 200 years ago, so we want to be able to claim this as an Indian reservation in Kansas, even though we are an Oklahoma tribe; we want to be able to claim it in Kansas so we can build a casino in Kansas.

That is what they desired to do.

The four recognized tribes in Kansas opposed it and said: Look, you left the State, and we stayed here; we have the appropriate authorization to build casinos; we don't want another one in the State; we don't want you coming here. The unofficial Wyandottes who stayed in Kansas said: We don't want you to have a casino next to our graveyard. It is a sacrilege to put a casino on it, on top of it, or next to it. We oppose that.

The Governor of Kansas opposed them doing that, saying this isn't fair to our tribes in the State. It isn't fair to the Wyandotte Indians and their ancestors who stayed in the area for an Oklahoma tribe to come in. They fought them on doing that. This matter was litigated first in Federal court, lower court, and in the Tenth Circuit Court. In each case, Kansas, and the tribes in Kansas, the local people who stayed in Kansas, won against the Oklahoma tribe. They won at all levels—lower court, district court, and Tenth Circuit Court. So they could not declare this land adjacent to the cemetery as part of the Oklahoma Wyandotte Reservation in Kansas. That is what they were trying to do. The court said they disagreed with that.

Let me take you to the Department of the Interior Appropriations bill. In that appropriations bill, nothing was passed regarding this issue on either side, the House side or Senate side. In the conference committee that met, there was a handwritten sentence that was written in by a staff member that overruled the court ruling and allowed for the creation of a casino next to this cemetery. That was done in the Interior Appropriations bill.

Both Senator ROBERTS and I are opposed to doing this. This was not brought to the Senate floor, not handled here. This was a handwritten sentence that was inserted. They declared: We are going to overrule the court case, overrule what the Kansas Senators want to do. They are going to allow them to build a casino next to the cemetery, regardless of what the local tribes and the Governor and what the people in the State of Kansas or what the two Senators say.

It is an egregious abuse of the appropriations process to do this—and in my State where people don't want this to take place—just for the financial advantage of an Oklahoma tribe. If they want to do this in Oklahoma, build casinos there. That is up to them. Fine. But in Kansas this is not appropriate. Yet they slipped in that handwritten note to the Interior conference report.

This body, the Senate, corrected that in the Labor-HHS appropriations bill. We said this is not appropriate to take place in Kansas. That was the amendment that was on the floor and was accepted. That was the position of this body.

In the conference meeting that took place last night, the House would not agree with the Senate position, so the Senate position was taken out and now we are left with the Oklahoma Wyandottes being allowed to build a casino right next to this cemetery in Kansas City, KS, and overrule a court ruling of the Tenth Circuit Court of Appeals.

Mr. REID. Will the Senator yield?

Mr. BROWNBACK. Yes.

Mr. REID. I have been in touch with Senator BYRD. Senator BYRD agrees with me that, on the Interior bill next year, it would be possible for you to do it in subcommittee, or committee, or any member of the subcommittee has an absolute right to offer that amendment. We know how strongly you feel about it. I personally feel it should not have been in the Interior bill in the first place. I indicated that to the Senator. We will work with you on the minority and majority sides to make sure this issue is raised in the subcommittee and at the full committee level next year.

Mr. BROWNBACK. I appreciate that being raised by my colleague from Nevada—his assurance that we get this dealt with next year. We have talked off the floor about that. He agrees this is not the right way for this to come in. I point out that this is something we are going to have to deal with next year because this matter will still be under construction, or starting to be constructed at that point in time. It needs to be changed back in the Department of the Interior appropriations bill. I am very pleased that the Senator from Nevada recognizes that as well.

I point this out because I think this is such an abuse of the process. It is just wrong for this to take place.

I ask unanimous consent to have printed in the RECORD a letter from the Governor of the State of Kansas regarding this matter and also one from the four Indian nations in Kansas, the four recognized tribes, all opposed to the expansion of the Oklahoma Indian tribe into Kansas to build a casino.

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

STATE OF KANSAS,
OFFICE OF THE GOVERNOR,
*Topeka, KS, October 10, 2001.*

Hon. PAT ROBERTS,
*U.S. Senator, Hart Senate Office Building, Washington, DC.*

DEAR SENATOR PAT ROBERTS: On behalf of the State of Kansas, I am writing to express my strong opposition to language proposed for inclusion in H.R. 2217, the Department of the Interior and Related Agencies Appropriation Act of 2002. Language that proposes to clarify the authority of the Secretary of the Interior should not be included in the final text of the bill.

The language proposed as a technical amendment states, ''the authority to determine whether a specific area of land is a 'reservation' for purposes of sections 2701–2721 of title 25, United States Code, was delegated to the Secretary of the Interior on October 17, 1988.''

As you are aware the State of Kansas has been actively involved in litigation concerning the authority of the Secretary of the Interior. The Tenth Circuit Court of Appeals in Sac and Fox Nation of Missouri v. Norton, recently upheld the position of the State of Kansas that ''. . . the Secretary lacked authority to interpret the term 'reservation' as used in IGRA.'' The decision of the Tenth Circuit Court of Appeal has been appealed and the Wyandotte Nation has requested a writ of certiori to the Supreme Court of the United States. If the proposed language were to be included in the final version of H.R. 2217 it has the potential to negatively impact ongoing litigation. This is simply another effort to avoid IGRA and expand gaming by non-residential tribes.

I request your support in opposing the inclusion of this proposed language in the final version of H.S. 2217.

Sincerely,

BILL GRAVES,
*Governor.*

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INDIAN NATIONS IN KANSAS,
*June 19, 2001.*

Hon. BILL GRAVES, Governor of Kansas,
*Topeka, Kansas.*

Re: Four Tribes' Joint Resolutions Opposing Gaming Within the State of Kansas by Out-of-State Indian Nations.

GOVERNOR GRAVES: The four (4) Indian Nations in Kansas (''INIK'') have unanimously supported the governor of the State of Kansas in opposition to out-of-state Tribes attempting to gain land holdings in the state of Kansas for purposes of establishing gaming enterprises. At this juncture, the Four Nations have passed joint resolutions similar to the Kansas Legislative Resolution (SCR 1611) opposing such efforts. Enclosed herein are INIK's originals of both of their resolutions. Resolution I opposes the Wyandotte Tribe of Oklahoma's efforts, and Resolution II opposes all out-of-state Tribes.

The Kansas Tribes join with the State of Kansas in this effort, and want you to have this information to see their formal position. if you have any questions, please feel free to contact any of the Tribal Chairpersons.

Respectfully Submitted,

NANCY BEAR,
*Chairperson, Kickapoo Tribe in Kansas.*

Mr. BROWNBACK. I want to read from the Governor's letter:

> I continue to support the rights of the four existing residential Native American tribes to conduct gaming in Kansas in accordance with approved compacts. Efforts to side-step IGRA negatively impact the rights of our residential tribes as well as the rights of the State of Kansas.

This is a quote from the Indian Nations of Kansas, the four tribes—the Kickapoo, Sac and Fox, Prairie Band, and Iowa Tribe:

> The four Indian Nations in Kansas have unanimously supported the governor of the State of Kansas in opposition to out-of-state Tribes attempting to gain land holdings in the state of Kansas for purposes of establishing gaming enterprises.

They are all united and opposed to what was stealthily slipped in the dark of night by staff in a handwritten note, and it is wrong for this to take place.

I put my colleagues on notice, I put the House on notice, and I put the Wyandotte Tribe in Oklahoma on notice: This is going to be back next year. You have bought the land, and you may have won this round, but we will be back at this next year.

The way this happened is not fair. I think it is a sacrilege for them to desecrate this sacred site for their own gaming purposes, their own income purposes, their own purposes of making money that they would take this upon this sacred site. In all traditions, burial grounds are treated as a sacred site. This is wrong. It should not happen, and it was slipped in the wrong way.

Madam President, I thank you for your understanding of this situation. I hope we can correct this next year. I yield the floor and suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. 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.

## TRAVEL AND TOURISM INDUSTRY

Mr. REID. Madam President, as we approach the end of this first session of the 107th Congress, there are many significant legislative achievements of which we should be proud. In the wake of the terrorist attacks of September 11, Democrats and Republicans, Senators and Representatives, came together in a bipartisan, bicameral fashion to pass a resolution authorizing the President to use military force in the war against terrorism.

Then we immediately appropriated, on a bipartisan basis, $40 billion in emergency funds to help fight the war against terror and aid in our ongoing recovery, cleanup, and rebuilding efforts in New York, Washington, and Pennsylvania.

We came together to pass antiterrorism legislation, the USA Patriot Act, that will provide law enforcement in this country with the necessary tools to fight terrorism at home and abroad.

In an effort to improve our homeland security, we also passed important legislation that will dramatically improve the security of our Nation's airports.

We passed these initiatives and other legislation because we made a commitment to set aside bipartisan bickering and devote the collective efforts of this Congress toward working on behalf of the best interests of the American people.

I was asked recently by a member of the press how far bipartisanship should go during wartime and whether it should apply only to military matters.

I responded that bipartisanship should apply at all times, in peace and, of course, in war. Unfortunately, it seems our commitment to bipartisanship has been unable to produce an economic stimulus package that our economy and so many American working families desperately need.

As I am speaking, I see the chairman of the Finance Committee, Mr. BAUCUS, the senior Senator from Montana. He has made a valiant effort. There is still a glimmer of hope maybe something can be done, but he has made a valiant effort. He has worked for weeks to come up with an economic recovery package. It is too bad his efforts have not been rewarded with some bipartisan legislation in keeping with some of the things I have outlined that we have been able to accomplish.

We need to pass an economic stimulus package before the end of this session that would extend unemployment and health benefits for the hundreds of thousands and even millions of Americans who have lost their jobs since the recession started in March. We need to pass an economic stimulus package that will provide much needed relief for the American businesses that have been hit hard by the downturn in the economy.

An economic stimulus package is also important because we need to address one sector of the American economy that has suffered more than any other as a direct result of the terrorist attacks of September 11: the travel and tourism industry. It would be wrong for this Congress to adjourn for the year without doing something to address what has happened to the American travel and tourism industry since that fateful day in September.

Prior to September 11, the travel and tourism industry employed more than 18 million people with an annual payroll of almost $160 billion. In 30 States, tourism is the No. 1, No. 2, or No. 3 industry. It is estimated that travel and tourism generated $93 billion in tax revenues during the year 2000 for State, Federal, and local governments. When our Governors and other State officials find themselves strapped for cash to pay for basic services such as education, $93 billion in tax revenue becomes even more significant. Moreover, during the past decade, travel and tourism has emerged as the Nation's second largest services export, generating an annual trade surplus of about $14 billion. This, of course, is no surprise to the people and workers of Nevada where travel and tourism is by far the largest industry.

In the year 2000, 36 million people visited Las Vegas, contributing approximately $32 billion to local economies and sustaining approximately 200,000 hospitality and tourism-related jobs. Since September 11, these impressive numbers have declined. According to the Hotel and Restaurant Employees International Union, 41 percent of hotel and restaurant employees in the Washington, DC, metropolitan area have been laid off. In Washington, DC, 41 percent of hotel and restaurant employees have been laid off.

In Las Vegas, the fastest growing metropolitan community in the United States, 30 percent of the hotel and restaurant employees have lost their jobs. Similar cuts have been seen in other cities throughout the country, including New York, San Francisco, Boston, Los Angeles, Honolulu, and Miami.

Jonathan Tisch, one of the premier businessmen in the world, has told me on many occasions—he is based in New York—how drastic September 11 has been to his business. I spoke yesterday to Barry Sternly, another fine, outstanding businessman in American today. The tourism industry, the hotel business in which he is involved, has suffered tremendously. Around the country, 450,000 jobs directly related to travel and tourism will be lost this year. Think of those jobs that will be indirectly affected as a result of what has happened since September 11.

The forecast for the industry from this point on is not much better. The Travel Industry of America estimates travel by Americans will decrease by 8.4 percent this winter compared to the 3 months of December, January, and February a year ago.

These months are always down months, but they are drastically down now. Many hotels use these months to do renovations and things they can afford to do with the money they would normally have earned in the other months, but they did not make money as they anticipated they would in the months of October and November, which are normally very good months for them. So with the decline of 3.5 percent for the entire year 2001 when compared to the year 2000, the Travel Industry of America estimates it will result in nearly $43 billion in lost travel expenditures in 1 year.

Even more chilling, the International Labor Organization projects up to 3.8 million jobs related to the American travel and tourism industry could be lost in the next few years—$43 billion and almost 4 million jobs. How can we possibly consider leaving without doing something to address this critical sector of the economy?

Certainly there should be bipartisan support for tourism since it is so important in so many States, whether it is the State of Montana, the State of Michigan, the State of Nevada, or the State of Iowa. Tourism is important in all of these States, and I mention them because I see their Senators in the Chamber today. How can we possibly consider adjourning without doing something to help the hundreds of thousands of people who have already lost their jobs and do something so that millions more will not lose their jobs? How can we possibly discuss an economic recovery package without addressing the needs of travel and tourism? I say if we do nothing except something related to tourism, we will be doing a good job. It has such an important impact on our economies.

Since September 11, I, with a number of other Senators, have come to the Senate floor on various occasions to urge action on a travel and tourism package in conjunction with the so-called economic stimulus plan. We have urged our colleagues in the Senate, the House, and the administration to include legislation that will encourage people to start traveling again in order to stimulate the economy and get workers back on the job. We have taken some important first steps.

A few days after September 11, Congress acted quickly and responsibly to enact crucial legislation to help stabilize our Nation's airline industry with $15 billion in grants and loans. Since September 11, the airline industry has cut 20 percent of its flights and laid off more than 100,000 workers. The financial package for the airline industry was the right thing to do, but it was just the first step toward making sure travelers truly feel safe to fly.

We then passed a comprehensive airline security bill to dramatically increase the number of sky marshals, strengthen cockpit doors, and federalize the screening of passengers and luggage at our Nation's airports.

While we were right to enact these measures, it is important for us to remember travel and tourism in this country entails so much more than just the airline industry. Travel and tourism has many different faces: Hotels, car rental agencies, cruise ships, theme parks, resorts, credit card companies, family-run restaurants, big city convention centers, tour operators and travel agencies. These are just some of the many diverse elements of an industry that in some way reaches every State, virtually every community in America.

More importantly, it is from these nonairline sectors of the travel and tourism industry that the vast majority of the jobs have been lost. That is why I proposed a comprehensive travel and tourism package as part of any economic stimulus plan we would consider.

There are many Senators who have been interested in travel and tourism, but I would specifically mention Senators CONRAD, DORGAN, INOUYE, KYL, BILL NELSON, BOXER, MILLER, AKAKA, SCHUMER, CLINTON, ENSIGN, ALLEN, STEVENS, and there are many others.

My plan calls upon Congress to enact tax credits for leisure travel to encourage Americans to get back on the airlines, to rent a car, to stay a few nights at their favorite hotel or enjoy a few meals at their favorite restaurants. The tax cuts would be temporary and would provide immediate results. Travel tax credits would encourage people to take advantage of all the many wonderful things the travel and tourism industry in this country has to offer while at the same time spending much needed dollars to stimulate the economy.

My plan also calls for a temporary increase in the deduction for business meals and entertainment expenses.

This proposal will encourage businesses to increase their entertainment expenses. And, because the average expensed business meal is less than $20, this proposal will assist small businesses. This proposal by itself will have an enormous and positive impact on our Nation's restaurants and the millions of Americans they employ.

We need to address the needs of our nonairline travel business such as rental car companies, hotels, travel agencies, airport concessionaires, to name only a few. These businesses need our help. My plan will provide a financial package of loan guarantees similar to that for the airline industry. Finally, we need to do a better job of promoting tourism at home and abroad by establishing a Presidential advisory council on travel and tourism to assist in the development of a coherent and comprehensive national tourism policy designed to help strengthen the travel and tourism industry. My plan provides for the necessary funds to help carry out this mission. We need to make sure that this country advertises the great tourism attractions in Florida, New York, Michigan, California, and Nevada. Most other countries spend significant amounts of money advertising tourism. We see advertisements on television and radio all the time. Australia, New Zealand, and other countries advertise and promote tourism to their countries. We need to do the same for America.

The travel and tourism industry is too important to our Nation's economy, too important to my State and other States and communities throughout the country to be ignored. I hope everyone understands the importance of travel and tourism and how important it is to our country.

I have a letter from the former majority leader of the Senate, GEORGE MITCHELL. The letter says:

I know how hectic these days are for you and so I will be very brief.

Some of the people who were most adversely affected by the events of September 11 are the working poor. Welfare reform in the 1990s forced them into the job market, and fortunately, many found work in the travel and tourism industry. Many have lost their job or face unemployment unless we can get the industry moving again.

By embracing the travel credit, [we] can keep the focus of the economic stimulus bill on individuals and on doing everything we can to help the working poor stay in the job market.

I also have a letter addressed to me from the chair and chief executive officer of the Carlson Group, one of our nation's largest travel agencies. I ask unanimous consent it be printed in the RECORD.

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

DECEMBER 18, 2001.

Hon. HARRY REID,
*Assistant Majority Leader of the Senate,*
*The Capitol, Washington, DC.*

DEAR SENATOR REID: I cannot tell you how dismayed I was to read the article in the Washington Post, today, concerning the impact of September 11th on the travel and tourism industry.

As I am sure your constituents have told you, domestic air travel has remained down 31% for the past seven weeks. All elements of the travel and hospitality industry dependent on air travelers have watched their revenue drop by at least this amount.

Since personal travel is down 37–40%, tourist destinations, resorts, cruise ships, and many other segments of the American travel and hospitality industry have suffered declines as much as 60% over the same period and it continues.

We believe that a personal travel credit and elimination of the 50% penalty on business meals and entertainment expenses are desperately needed to keep Americans employed.

Obviously, being employed is far superior to receiving unemployment compensation and far more beneficial to our wonderful people and their families and the states, which bear the burden of such unemployment costs.

To the extent some in the industry seem to suggest that such assistance is too expensive or impracticable, they are not speaking for our people, our franchisees, our company and many others who have been the casualties of the fallout from 9/11.

We know that you understand this. We deeply appreciate your efforts and those of your colleagues, in particular Senators JON KYL and BILL NELSON, to help our employees and our businesses regain their economic footing through an amendment to the stimulus bill.

Best Regards,

MARILYN CARLSON NELSON,
*Chair and Chief Executive Officer.*

The PRESIDING OFFICER. The Senator from Montana.

## UM GRIZZLIES GOING TO NATIONAL CHAMPIONSHIPS

Mr. BAUCUS. Madam President, I rise today to express a little hometown and a little home State pride. Last Saturday, the University of Montana Grizzlies defeated the Northern Iowa Panthers, I say to my very good friend from Iowa who attended Northern State, and is the strongest northern State booster I have ever run across. I will not embarrass my good friend by giving the score of that game, but I will say to my good friend from Iowa and to the world that we are proud that the University of Montana Grizzlies

prevailed. It was a hard fought football game, and I give utmost credit to the Panthers, who were terrific.

This win gave the Grizzlies the privilege of going to the 1–AA championship game in Chattanooga, TN. They will play the Furman University Paladins Friday at 5:30 eastern time. Everyone tune in.

In Montana, folks travel from every corner of our big State. We call ourselves the big sky State. We are a pretty large State, at close to 149,000 square miles. People around Montana come from all corners of our State to see the University of Montana Grizzlies, the Montana State University Bobcats. There is a fierce rivalry between the Cat fans and the grizzly fans.

From Eureka to Ekalaka, from Havre to Virginia City, in buses, vans, cars, and trucks, Montanans travel great distances to cheer on their sons and daughters, their friends and neighbors. When our team, the Grizzlies, made it to the national championship, understandably we were a little bit excited. We are very proud of our team. I wish you could feel the energy and excitement going on in Montana right now. We are very excited.

This is not new for the Grizzlies. They have been to the I–AA playoffs 8 out of the last 9 years. Friday's championship game will be the fourth the Grizzlies have been to since 1995 when they won the championship. I will never forget. I was there. Man, did we have fun.

It is also important to note that most of the UM players are from Montana. We are proud of that. They are great athletes, but they are also good students first. The team averages a 2.9 GPA, virtually a 3.0 team average. They are from small towns, rural communities. Some of them came up playing 6- and 8-man ball—football in small towns known as ''iron man'' ball.

They are excellent student athletes, like big sky defense man of the year and Academic All-American Vince Huntsberger from Libby, MT. I was talking to Vince the other day after a game, and Vince remembers when I walked throughout the State of Montana running for office. He even told me he carried a sign in a parade I was in when he was a little kid.

We have Brandon Neil from Great Falls, T.J. Olkers from my hometown of Helena. Our star quarterback, John Edwards, is from Billings. Then there is Spencer Frederick from a little town called Scobey in the northeastern part of our State. These young people and all the others make us very proud.

If you ask anyone who follows I–AA football, they will tell you that the Washington Grizzly stadium is the premier place to play in the country. I commend the UM president, George Dennison, for his leadership at the university and for investing in the program. Also, congratulations to UM athletic director, Wayne Hogan, and his staff. He came about 7 or 8 years ago and is doing a great job. He is from Florida. And Grizzly coach Joe Glenn, with his vision, his leadership, that has earned him the big sky coach of the year for the second straight year.

I think all of these individuals have done so well. I thank them for the pride we have.

Finally, I have a wager with my very good friend from South Carolina, Senator HOLLINGS. If the Paladins win—he went to the University of Furman—I will come to the floor and recite the words of the Furman fight song. If the Grizzlies win, Senator HOLLINGS has agreed to come to the floor and recite the UM fight song. Fair wager, for fun. I will send his office the words to our song so he can get started and get the rehearsal going so he can boom forth with the University of Montana fight song at the next opportunity in the Senate.

## SOFTWOOD LUMBER—A CALL TO ACTION

Mr. BAUCUS. I rise today to focus attention on the ongoing softwood lumber dispute between the United States and Canada. I believe we have an excellent opportunity to permanently remove this blemish on our strong bilateral trade relationship.

In the past 3 months, the U.S. Department of Commerce found that the Canadian Government unfairly subsidizes this lumber industry and then dumps those products in the U.S. market, both of which are prohibited by U.S. law. These activities have caused unprecedented upsets in the U.S. market, resulting in record low prices, disruption in supply, mill closures, layoffs, people out of work.

Good jobs in my State of Montana and across the Nation have been put at risk by Canada's foul play. Now is the time to bring this matter to resolution once and for all. The U.S. negotiators have a meeting with their Canadian counterparts to work out what is a desirable solution.

As I have stated many times before, this solution must completely offset the subsidies and dumping. It must bring true competition to the marketplace and must take into consideration the cross-border and environmental issues with the objective of a truly level playing field.

With that said, the offers of our neighbors to the north have been, to date, short of the mark. If we are serious about resolving the issue, the Canadians need to put something on the table, something that reflects a true, open, competitive market for softwood lumber. Some in Canada would prefer to let international tribunals decide this matter. I think they misjudge both the legal strength of their position and the underlying merits of their case. At no other time in history have the facts been so squarely in favor of the U.S. industry—no other time in the many years this dispute has been ongoing. At no other time have we been so close to a detente. Let's not forget, many of the reforms are beneficial and cost effective to the Canadian softwood industry as well as to Canadian taxpayers.

That said, the clock is ticking. Unfair Canadian lumber imports are hurting our American producers. In a regrettable setback on December 15, the preliminary countervailing duties expired temporarily. It is my understanding that due to a customs reporting loophole, Canada was able to avoid paying payment earlier than the duties' temporary expiration. This is wrong. It emphasizes the need to close the gap from now until final determination.

The statute does not require that this case drag on until next spring. There is simply no reason for further foot dragging. The U.S. lumber industry cannot afford to suffer further injury. Neither can our remanufacturers, who are at the mercy of Canadian blackmail threats to cut off supply if we do not support Canada's position.

Simply put, if a decision cannot be reached in the next few weeks, the Commerce Department should accelerate their final determination.

That said, I would like to begin 2002 with this matter resolved. After two decades of fighting, it is time for a durable solution to the softwood dispute. I hope our administration and my Canadian friends will rise to the occasion.

I yield the floor.

The PRESIDING OFFICER. The Senator from Iowa.

## FOOTBALL

Mr. GRASSLEY. Mr. President, I compliment the University of Montana. They did, in fact, play well—too well—against the University of Northern Iowa.

Before I had bragged to Senator DASCHLE 2 weeks ago about how we were going to show the University of Montana how to play football, I wish I had researched how they have done so well in the last few years. I probably would not have been so boastful. But we had just come away from a tremendous victory, the UNI Panthers over the University of Maine Black Bears, just the week before. I thought if the Panthers could beat the Black Bears, they could surely beat the Grizzlies. But it did not turn out that way.

You played tremendous football, and I thank you very much for being so temperate in your remarks about the Panthers of the University of Northern Iowa.

Mr. BIDEN. Mr. President, before the Senator begins a more serious discussion, and I will wait my turn, may I intervene to discuss this issue for just a moment, coming from a State that has won Division II championships more than any of you, and one that this year for the first time in a long while did not make it in the playoffs.

I want my friend from Montana to know I warned my seatmate from

South Carolina about you all. We understand about the Grizzlies in Delaware. They have been a very powerful Division I–AA team actually the last—almost the last decade, the last 8 years or so. I just want you to know that, even though the Presiding Officer is from a State that has a team called the Spartans—and they only get 100,000 folks or so to show up to their games; they don't understand, as the Presiding Officer prior to this, from the University of Michigan and Michigan State, where they get 110,000 people—they don't understand real football that the three of us understand.

At some point we should have a more far-reaching discussion about football as it is really still played, where there are student athletes who take seriously that undertaking, as they do their football.

I want to say that people who do not follow and understand that—and many do not because of the media—who do not follow Division II football, should understand there are some very serious ballplayers. It is very good football, high-caliber football. And, in any given year, such as this year, a team such as the Grizzlies is able to compete with Division I teams. They couldn't do it day in and day out. They could not do it 10 games a year. But it is very serious football.

I have been through these bets myself over the last 29 years here because my alma mater has been engaged in this national championship more than once. Delaware this year had a lousy season, relatively speaking—a winning season but a lousy season. But we have a coach who this year made it to the ranks of only 6 coaches in the history of college football to win over 300 football games.

I just want to rise and salute Division II football, where it is not a 40-hour-a-week job to attend school, but it is serious, serious football. I would argue the pressure on some of the fine athletes at Northern Iowa and the University of Montana, the University of Delaware, to play this caliber football and what is also expected of them off the field, is a real strain, a real burden on some of them because they do not get the same opportunities, same scholarships, same treatment, on occasion, that some of the major Division I school athletes do.

I salute the Grizzlies. They are one tough team. When I told my friend from South Carolina about your record, because I was very familiar with it, he blanched and said, as only he could say because he is one of the most humorous guys here: My Lord, if that's the case and they lose, and I have to recite that, they should change that fight song.

Having said that, I yield the floor and wait my turn to speak on a more serious subject.

Mr. BAUCUS. If I may ask the indulgence of my good friend, one of the teams in the home State of the Presiding Officer, of course, is the Badgers. For the previous occupant of the chair, it was the Wolverines, and the Grizzlies of Montana.

The PRESIDING OFFICER (Mr. WELLSTONE). The Chair would observe the team in Minnesota is the Gophers. The Badgers are Wisconsin.

Mr. BAUCUS. So we have the Gophers, Wolverines, Panthers, Grizzlies, and Maine has the Black Bears. I am going to ask my good friend from Delaware, whom do we have in Delaware?

Mr. BIDEN. Mr. President, Delaware has proudly named after the strongest group of revolutionary fighters in the Revolution from the State of Delaware. Back in those days, cock fights were very much in vogue. The toughest of those competitors were the Blue Hens of Delaware. I want the record to show the Blue Hens have taken Panthers, Badgers, and Bears in their stride, including the Black Bears of Maine. We are little, but we are very strong.

I often wish the mascot in the Revolutionary War for the Delaware regiment had been a panther or a lion, but it happened to be a blue hen. So we are the Delaware Blue Hens, and proud to be such.

Mr. BAUCUS. Mr. President, I will bet they are the strongest, toughest Blue Hens that have ever existed on this Earth.

Mr. BIDEN. That is a fact.

Mr. BAUCUS. I look forward to next year when the Senator from Delaware stands in the Chamber and gives a recitation of the Grizzlies' fight song. I hope we can come to that day.

I thank all Senators for indulging me.

The PRESIDING OFFICER. The Chair recognizes the Senator from Iowa with the good-looking holiday sweater.

## THE ECONOMIC STIMULUS PACKAGE

Mr. GRASSLEY. Mr. President, the session is about to end. I would like to call to the attention of colleagues one proposition that I hope comes before the Senate before we adjourn. That is the so-called economic stimulus package. You might call it an economic security package.

Nothing I say is going to in any way detract from the working relationship that I have with Senator BAUCUS as chairman of the Senate Finance Committee.

Maybe in this instance we did not reach an agreement involving he and I having complete agreement on a final product. There were other factors that came into play that maybe kept those negotiations from being one-on-one negotiations where people could freely negotiate and reach an agreement as you should in a conference. But all of this discussion, plus other forums I have been in with Senator BAUCUS as chairman of that committee, have been very cordial and productive sessions, even when they have not come out with a product.

I only wish that when the stimulus package comes to the floor I have the privilege of doing as we did last spring defending that package, along with Senator BAUCUS, with the two of us working together to get it through the Senate. Hopefully that can still happen. It may not happen, but it doesn't mean that Senator BAUCUS has not worked hard to help that happen. Hopefully, we can continue next year to do some things in other areas that fall within the jurisdiction of the Senate Finance Committee that will bring bipartisan bills to the Senate floor for successful passage by the Senate.

Probably what we are ending up with here, instead of what might come out of the conference committee which I was referring to in my work with Senator BAUCUS, is kind of a hybrid that involves some individual negotiations and some people who aren't even on the Senate Finance Committee, which has jurisdiction over most of the product. But this is a bill that is going to be introduced in the House. It is my understanding that it is a bill in which I will have some input, and the White House, and a group in the Senate called the centrists, a bipartisan group of Democrats and Republicans who might call themselves kind of middle-of-the-road types. It is an economic stimulus package presumably passing the House and coming to the Senate. I hope people will see it as a very rich proposal that will help displaced workers and give a boost to the economy.

Since September 11, we have focused on dislocated workers and unemployed people who have been hurt. But there are also a lot of people who are working and who are in anguish over what the future holds for them. Even if they have very good jobs, that might be the case because things aren't the same since September 11.

When we talk about an economic security package, even though we might tend to concentrate on the dislocated workers, we are concerned about all workers because people have some questions about the future. Because of what happened on September 11, they see the future a little differently with a little less security than they did prior to that time.

An economic security package addresses the needs of people who are working as well as people who are dislocated. It does what we can to help those who are dislocated through troubled times. But it also is meant to give some confidence to those who are working and to beef up the economy so we will be able to find jobs for people who are dislocated.

We are in a state of war. We don't know how long that state of war will be there. But it is not going to end when we find the last Taliban in Afghanistan, or the last al-Qaida member. It isn't going to end when we find bin Laden and other leaders responsible for what happened on September 11. How long the war is going to go on I do not know. But it is not over.

We are talking about America being in a state of war since September 11.

The Congress of the United States has addressed that and has given the President the backing that our Constitution demands from a partner in a war act, as Congress is a partner in that.

We need to remember that we are in a state of war and that things aren't the same. The Senate ought to respond as if we were in a state of war.

I think one of the ways to responsibly respond is for the Senate to vote on the economic security or economic stimulus package. I hope the Senate majority leader will let his caucus vote the conscience of the individual Member. I hope there isn't any attempt to put the position of the party ahead of the good of the country in the closing hours of this session so we can pass this bill.

It is time to finish our work, but it is also time to do the people's business. There is nothing more important right now than responding to the needs of the people of our country in a time of war when there is a great deal of anxiety and anguish about the future, not only among the dislocated but among those who are even working.

We are in the position of finishing the last of the appropriations bills. It is time to help the dislocated workers and those who are working and create jobs for the employed to give a shot in the arm to the economy.

I believe the White House centrist agreement is bipartisan and bicameral and is a product that ought to be brought before the Senate after it passes the House.

Remember that this isn't something coming to the Senate just on the spur of the moment in the sense that there is a rude awakening and we ought to do something about the economic situation and pass some stimulus. The President recommended it in early October when he proposed a program of accelerated depreciation, tax reduction, tax rebates for low-income people, enhancement of unemployment compensation, and help for the health care needs of the unemployed. The President did that. It wasn't the President who started it. There were lots of meetings held by Senator BAUCUS with Democrats and Republicans, and maybe meetings with only Democrats. We held separate Republican meetings in early October on whether or not we ought to have a stimulus package. We sought the advice of Chairman Greenspan.

There was some question in late September or early October when these meetings were being held about whether or not we needed an economic stimulus. But it was just a matter of a couple weeks until the President, probably on his own, made a determination and a proposal to Congress.

Parallel with that, there was a growing conclusion within both Houses of Congress and both parties that an economic stimulus package was needed. So we have been working in this direction for a long period of time.

There is a product before us now that is bicameral and bipartisan. Partisanship has been evident in this body, by the Senate Finance Committee voting out a bill on party-line votes, bringing it to the Senate, and finally coming to the determination that that partisan bill could not pass. It is not because everything in it was wrong but just because partisan legislation does not get through this body. You have to have some bipartisanship in order for a product to successfully clear this body.

So we have now a further compromise. It is not the President's proposal. We have gone way beyond what the President wanted to do in some of these areas. It does not have some of the baggage of a bill that previously passed the House of Representatives had, such as, for instance, the retroactive alternative minimum tax, where there is a lot of money just coming out of the Federal Treasury back to corporate America. It has many of the things the Democrats wanted and many of the things the Republicans wanted. But it is going down the same road now because it is bipartisan, bicameral, and it is coming to the Senate.

As to things such as accelerated depreciation, there are some changes in the alternative minimum tax that reflect the realities that accelerated depreciation will not work if there are not some changes in the alternative minimum tax. It speeds up tax brackets for middle-income taxpayers by reducing the 27 percent bracket down to 25 percent, and doing it January 1, 2002, instead of January 1, 2004, and January 1, 2006.

We recognize the needs of stimulating the consumer demand by tax rebates to low-income Americans. We increase unemployment compensation by 13 weeks. We have, for the first time in 70 years, a very dramatic change in the social policy of this country for unemployed people by providing health insurance for unemployed people. That is welcomed by a lot of Republicans. And it ought to be welcomed by a lot of Democrats. So I want to describe that.

I would also like to take an opportunity to clear up the record on press conferences that are being held by my friends in the Democrat leadership. Too often it is said, in a disinformation way, that what is really holding this up is that Republicans do not want health benefits for dislocated workers.

I think I have just now said, in this new policy—the first in 70 years; the biggest social change in the policy for dislocated workers in 70 years—that we support this. It is part of this package. So why would anyone say that Republicans do not care anything about health benefits for dislocated workers?

The President proposed it early on—not in a way I thought was very workable, but he proposed spending money on it. We have a package that has $23 billion of such benefit in it. In fact, it is a package with $2 billion less which helps more people than what some of the Democratic proposals would do.

So if you can help more people for less of the taxpayers' money, isn't that good? And isn't it good, too, that there is agreement that it needs to be done? I do not think it is fair for people in the Democratic leadership to say Republicans are against helping with the health benefits for unemployed workers when it has been in every one of our plans and even the President was the first to propose it.

I think the bipartisan, bicameral provisions that are coming before the House and Senate within the next 48 hours represent a genuine compromise. Not only does it provide an unemployment insurance extension of 13 weeks, but it also has Reed Act transfers—more money—to the States for them to spend for enhancing their own——

The PRESIDING OFFICER. It is the Chair's understanding that the time allocated in morning business to the Senator from Iowa has expired.

Mr. GRASSLEY. I am not sure I was aware of it or I would have asked permission to go beyond that because I know all the previous speakers spoke longer than 5 minutes and the gavel was never rapped. So if that is the case——

Mr. BIDEN. I have no objection to the Senator continuing his speech. I am wondering how long he is likely to speak.

Will the Senator say roughly how long he is going to speak?

Mr. GRASSLEY. I think now that I have spoken this long, I would say about 10 minutes.

Mr. BIDEN. I thank the Senator.

Mr. GRASSLEY. We give more money to the States if they want to improve even more their unemployment benefits. We are giving a 60-percent tax credit for health care tax for unemployed workers, including people who can use it to extend COBRA insurance benefits.

States will have the ability to address problems such as part-time workers. There is a modest proposal to accelerate income tax rate reductions in the 27-percent bracket.

I am sure there are a lot of Members of this body, particularly those who voted against the bipartisan tax bill last spring, who are not going to want to speed up, from 27 percent to 25 percent, the reduction of that tax rate. Somehow there is an insinuation that if you do that, you are helping the wealthy. I want my colleagues to remember that this benefits a single taxpayer earning as little as $27,051 and going up to $65,000. And then, for a married couple, that would kick in at $45,201, going up to $109,000.

For people making $27,000, where this bracket starts, or for married couples making $45,000, these are not rich people or rich families. What we are talking about is a 2-percentage-point tax cut for these folks.

So is there anything wrong with a single person paying $770 less in taxes or a married couple paying $1,281 less in taxes if they fall into this income tax bracket that we would call middle income?

It seems to me it is fair, but, most importantly, it is meant to be a stimulus. This is something that middle-of-the-road Democrats and Republicans support. This is part of the original centrist package.

We also have a 30-percent bonus depreciation. That is something that was in everybody's package, Republican or Democrat, House or Senate.

We have also a 5-year net operating loss carryback. That was not in the President's package. That was not in the Senate Republican package. That was in the Senate Democratic package.

On corporate alternative minimum tax, there is no repeal, no retroactivity, like was lambasted when it came out of the House that way. There is no corporate AMT repeal, retroactive or otherwise, in the White House-centrist package. There are some well thought out reforms that cost about one-twentieth of what the House bill did on alternative minimum tax. That is a very major movement. That is why the centrists support this compromise.

The White House-centrist package extends expiring tax provisions by 2 years.

Finally, the White House-centrist package includes bipartisan tax relief proposals for victims of terrorism and business in New York City. These are much needed, and they are urgent matters. I believe the Senators from New Jersey, New York, and Connecticut ought to find it inviting that these things are in there for their constituents and support this package.

Let's get the record straight. Let's have a good debate. Let the votes fall where they may. I can't help but ask our distinguished majority leader, Senator DASCHLE, to give the people what they want—a bipartisan economic stimulus bill with the largest aid going to dislocated workers in a generation.

It is clear that the people and the President don't want stalling, don't want muddling, don't want delay and, most important in this state of war we are in, don't want partisanship.

I urge the Senate majority leader to do the right thing: End this session by delivering a bipartisan priority. By doing it, we put the people's business first. If I were the majority leader, I would not know how to explain to the American people, as I returned home to the State of Iowa to enjoy the holiday season there with my family on the farm at New Hartford, why millions of Americans are desperately waiting for the Senate to pass an economic and job security bill that has been in this body for the last 2 months. If I were the majority leader, I don't know how I would explain to the people of Iowa, how I could look my constituents straight in the eye, and all of my taxpayers and all the small business owners of Iowa, and explain, by not passing this bill, how I would choose politics ahead of people.

It is time to get the job done. There is still time to do it. If people are allowed to vote their conscience and not have the restriction of party, we can get the job done, I believe.

I yield the floor.

## ORDER OF BUSINESS

The PRESIDING OFFICER. The Senator from Nevada.

Mr. REID. Mr. President, on behalf of Senator DASCHLE, I announce there are no more votes tonight.

## UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT TO ACCOMPANY H.R. 3061

Mr. REID. Mr. President, I ask unanimous consent that at 9:30 a.m. on Thursday, December 20, the Senate proceed to the consideration of the conference report to accompany H.R. 3061; that there be 90 minutes for debate equally divided between Senators HARKIN and SPECTER or their designees; that an additional 20 minutes be given to Senators MCCAIN and BROWNBACK—that is 10 minutes for each of them, for a total of 20 minutes—that there be 10 minutes each for Senator DOMENICI and Senator WELLSTONE; that upon the use or yielding back of time, the Senate vote on adoption of the conference report.

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

## UNANIMOUS CONSENT AGREEMENT—CONFERENCE REPORT TO ACCOMPANY H.R. 2506

Mr. REID. Mr. President, I ask unanimous consent that the majority leader, after consultation with the Republican leader, may turn to the consideration of the conference report to accompany H.R. 2506 and that there be 1 hour 5 minutes for debate divided as follows: Senator LEAHY, 10 minutes; Senator BYRD, 45 minutes; Senator MCCONNELL, 10 minutes; that upon the use or yielding back of time, the conference report be agreed to, the motion to reconsider be laid on the table, and any statements related thereto be printed in the RECORD at the appropriate place, with no intervening action or debate.

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

The Senator from Delaware.

Mr. BIDEN. Mr. President, I ask unanimous consent to proceed as in morning business for up to 10 minutes.

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

## ECONOMIC STIMULUS

Mr. BIDEN. Mr. President, before I speak on what I came over to the floor to discuss today, I would like to respond in 60 seconds to the Senator from Iowa.

I don't think the stimulus bill is about partisanship. The stimulus bill is about whether we are going to take care of workers and displaced people because of the economy or whether we are going to reward corporate entities that are not going to reinvest instantly in the economy and stimulate the economy. How can we stimulate the economy if what we are going to be ''spending'' through either tax expenditures or direct expenditures doesn't spend out for 2 years or more?

This is about fairness. The stimulus package I have seen so far is not remotely bipartisan and is in fact a serious mistake, based on what I know, unless there is some iteration in the last 12 hours of which I am unaware.

## MAINTAIN OUR BALKAN COMMITMENT

Mr. BIDEN. Mr. President, I rise today to take issue with Secretary of Defense Rumsfeld's comments yesterday in Brussels, in which he called for reducing NATO forces in Bosnia by one-third by the end of next year.

I find Secretary Rumsfeld's proposal both faulty in its logic, and dangerous in its implications.

Mr. Rumsfeld based his suggestion upon the allegation that the size of the NATO mission in Bosnia, known as SFOR, is ''putting an increasing strain on both our forces and our resources when they face growing demands from critical missions in the war on terrorism.''

From this assertion, one might think that the United States and NATO have massive numbers of troops in Bosnia. In fact, SFOR's strength is now about 18,400 troops. The U.S. contingent is only 3,100.

According to the Pentagon's new Quadrennial Defense Review, we must be able to ''swiftly defeat aggression in overlapping major conflicts while preserving the option of decisive victory, including regime change or occupation and conduct a limited number of smaller-scale contingency operations.''

By any calculation, therefore, we should have plenty of troops and materiel to handle the smaller-scale operation in Bosnia and still meet our commitments elsewhere in the war on terrorism.

In short, Secretary Rumsfeld's argument that Bosnia is a serious drain on our war-fighting capabilities simply doesn't wash.

I should also point out that we have already greatly reduced the size of the NATO-led operation in Bosnia. The current level of 18,400 troops is down from an original 60,000. The 3,100 Americans are down from an original 20,000.

Moreover, why should we quit a game in the fourth quarter when we're winning? Bosnia and Herzegovina still has many problems, but even the harshest critic of our policy there must admit that significant progress has been made since the Dayton Accords were signed six years ago. For example, there non-nationalist, multi-ethnic coalitions now govern both the Federation and the national parliaments. All of the political, economic, and social

progress has been made possible by the umbrella of SFOR.

But the victory is not complete. In that context, I'm rather surprised that Secretary Rumsfeld juxtaposed Bosnia with the war on terrorism, because al-Qaeda is known to have cells in Bosnia. The Saudi Arabian who co-starred with Osama bin Laden in the grotesque video from Afghanistan, which nauseated the civilized world, had previously fought with the mujahedin in Bosnia.

Mr. President, extirpating al-Qaeda from Bosnia is reason enough to keep the three thousand American troops there.

I have been to Bosnia nearly every year since the outbreak of hostilities in 1992. I have talked with most of the leading politicians of all ethnic groups. I have visited the headquarters of the combined Muslim-Croat Federation Army outside Sarajevo and reviewed the troops there. I have met with local officials from Banja Luka and Brcko in the north to Mostar in the south. No one, Mr. President, no one - - thinks that the current peace and progress in Bosnia could survive a premature withdrawal of NATO, especially American, troops.

Rather than setting an artificial date for withdrawal of NATO forces from Bosnia, we should concentrate on finishing the job, and then withdraw victoriously.

Moreover, the United States is sending a totally confusing message to the world, friends and foes alike. The same week that we reopen our embassy in Kabul, and James Dobbins, our envoy to Afghanistan, declares that we are there to stay, we announce that we will leave Bosnia within twelve months!

How seriously can Afghans take Mr. Dobbins' declaration? Can the Afghans possibly think that we will stay the course there when we won't do it in the Balkans?

Or are we perhaps planning to transfer some American troops from Bosnia to peacekeeping duty in Afghanistan? I don't think so. Secretary Rumsfeld and others in the Administration frequently declare that peacekeeping duty is a poor use of the American military.

Unfortunately, however, the Administration's mantra runs afoul of the so-called Strategic Concept, the document which guides overall NATO strategy. The Strategic Concept lists ethnic and religious conflicts like Bosnia among the greatest threats to the Alliance.

If we're going to opt out of NATO peace enforcing missions, and we're going to exclude NATO from our anti-terrorist military campaigns as we have done in Afghanistan, then what does that tell our allies about our commitment to NATO? I suppose we'll agree to keep an American general as Supreme Allied Commander Europe.

Unfortunately, Secretary Rumsfeld's arbitrary deadline-setting in Bosnia fits right into the Administration's announcement that we will withdraw unilaterally from the Anti-Ballistic Missile Treaty with Russia, a decision whose folly I criticized on this floor less than a week ago.

This administration's foreign and defense policy is driven by ideology, not by a realistic threat assessment. A stable Europe is the precondition for our pursuing terrorists in Central Asia, the Far East, or the Middle East. Since we continue to preach ''in together, out together'' in the Balkans, what will we do if our European NATO partners point out twelve months from now—as is likely to be the case—that there is still need for SFOR to remain in Bosnia?

In that case the administration's theory will collide with the hard facts of reality. Whether reality or ideology will win out will be more than an academic question. The future, both of the Balkans, and of NATO, may depend on the answer.

The American people should recognize the risky gamble that Mr. Rumsfeld's rigid ideology asks us to embark upon.

I thank the Chair and yield the floor.

The PRESIDING OFFICER. The Senator from Florida is recognized.

Mr. NELSON of Florida. Mr. President, I wanted to comment to the chairman of the Foreign Relations Committee about how much I appreciate his leadership, how much of a privilege it has been for me to be a member of that committee, along with the distinguished Senator from Connecticut, another leader of the committee, and how much you have taught me and how much you have encouraged me.

With that background, I am going to Afghanistan on January 3, and I am really looking forward to bringing back a report to the committee that might be of value as we discuss the future of the coalition, keeping it together, of all of those countries in the region that we will visit, as well as for the future of Afghanistan.

I commend the chairman of the committee for how he has been so steadfast in his insistence for the role of women in the new Government of Afghanistan. Afghanistan has a history of having very prominent women in the professions. Of course, all that disappeared with the Taliban. It is time to reassert the rights of women and, particularly, in our case, to insist on that as they form the government. It is with a great deal of appreciation I say to my chairman and to the chairman of the subcommittee how much I thank them for their leadership.

## TERRORISM INSURANCE

Mr. NELSON of Florida. Mr. President, I wanted to speak briefly on the subject of terrorism insurance because in the closing couple of days of this session, there is some question as to whether or not we will even get a bill. I want to say if we don't, that is a mistake. It is a mistake because to do nothing would leave us in the condition that we are in now, where so many of the businesses and homeowners and automobile owners of America would be in a position of not knowing if they are covered by terrorism or not because a number of companies have already filed with the insurance commissioners of the 50 States, withdrawing terrorism as a risk that would be covered.

The flip side of that is where terrorism may be covered, and with no plan, the opportunity is ripe for the rates to go up considerably. Take, for example, the issue of Giant Stadium in the Meadowlands. I am told that they have upwards of a 400-percent to 500-percent increase in the rates. Is that a fair rate? Only the insurance commissioners of the 50 States would know, but an insurance commissioner has to determine if a rate is fair by looking at data and looking at experience.

In this particular case, we have precious little data or experience. Therefore, the insurance departments of the 50 States are simply not going to know or, even if they thought a rate was excessive and arbitrary, they are not going to be able to deny the rate because they can only deny it if they went into court and proved to a judge in an administrative law court, or in a court of law, that it was excessive. But they don't have those tools.

So what should we do? Well, let me say as a backup, if all else fails, and I hope it doesn't—and I am talking to the Senator from Connecticut, who is a leader; I want to talk about his bill—instead of us doing nothing, we ought to take a period of time and pass a bill that would say that the Federal Government will treat this as an act of war for this short period of time, and assuming the terrorism risk for insurance purposes, that there would be no rate hikes and there would be the guaranteed terrorism coverage on all the insurance policies—in other words, a moratorium on the cancellations that are going on right now on terrorism coverage, and a rate freeze on the rates that are presently being jacked up sky high in many cases.

That is what I would suggest that the Congress consider as a backup, but we should not have to get to the backup.

I want to talk to the Senator from Connecticut and the rest of the Senate to say that if we took a vehicle such as the Dodd-Sarbanes bill—it could be that or it could be the Fritz-Hollings approach but an approach that blends the risk being shared by insurance companies for the lower amounts, generally in a range of about up to $10 billion of losses from a terrorist event, and above that the Federal Government would share in an 80–20 or 90–10 arrangement, depending on the size of the terrorism loss.

All of these bills have similarities. But what I would urge, and will urge if such a vehicle comes before the Senate by the offering of this amendment, is that there be a limitation on the

amount that the rates can be raised for terrorist insurance risk purposes and that part of the premium that would go to the terrorist risk would be set aside in the insurance company for accounting purposes from the rest of the premium so that we would know how much would be there, and if there were no terrorist loss, that could continue to be set aside for a catastrophe, which would include the terrorist loss. And—this is the part I am not sure those sponsors of the bill understand—even though I want to limit the rate increase, because I, indeed, think the rates are being raised using the September 11 horrible tragedy as an excuse to jack up the rates, nevertheless we have a responsibility to act, and we could limit those rate increases and, in the case that another terrorist event occurs and the loss were to occur, there is a portion of my bill on page 2 that would then have a surcharge on the policyholders up to the amount of the loss. That surcharge would be approved by the insurance departments of the 50 States.

In other words, since we would segregate the premium as allocated to the terrorist risk, and that limitation of the rates would be a 3-percent increase only, but if there were a terrorist event that exceeded an industry-wide—we are talking about $6 billion of premium—then the surcharge would kick in. That is the part that I do not think those sponsors understand. They know I am a former insurance commissioner and I am quite concerned about rates being jacked through the roof and the consumer taking it on the chin, and that is why I wanted to come to the Chamber to speak. That is why I am so appreciative that the Senator from Connecticut is here.

I just got off the phone with the general counsel of State Farm, someone whose advice I valued over the 6 years I was insurance commissioner prior to coming to the Senate. I will be talking to several other CEOs and general counsel. This is, in part, what we have been talking about all along, and it is not something that insurance companies should think is an anathema to their position.

What is an anathema to their position is for them to gouge the public, the consumers, because it sets a limitation on the rates, but it is a fair way of approaching it. Clearly, at the end of the day, it is a way of protecting the businesses of America, the homeowners of America, and the automobile owners of America who, if we do nothing, are facing the prospect that insurance companies have withdrawn their coverage for a terrorist attack.

I thank the President for the opportunity to speak on this very important subject that is so important particularly at the eleventh hour of this session of Congress.

Thank you, Mr. President.

The PRESIDING OFFICER. The Senator from Virginia is recognized.

## NATO EXPANSION

Mr. WARNER. Mr. President, the Senators were advised by the Foreign Relations Committee through a hotline of the desire of the Senate to act on H.R. 3167. I have objected, and will continue to object, to the Senate considering this bill. It is a very significant bill, and I felt obligated to come to the Chamber and state to the Senate exactly why I object at this time in the few hours remaining in this session—I say a few hours, tonight and tomorrow—to proceeding to consider such an important document as this.

The document is an affirmation of a policy statement by President George W. Bush who said as follows on June 15, 2001, in a speech in Warsaw, Poland:

> All of Europe's new democracies from the Baltic to the Black Sea and all that lie between should have the same chance for security and freedom and the same chance to join the institutions of Europe as Europe's old democracies have. I believe in NATO membership for all of Europe's democracies that seek it and are ready to share the responsibility that NATO brings.

Basically, I share the President's view on that, but this particular document goes on and cites the following. It says:

> Declarations of Policy by the Congress of the United States.
>
> 1. Reaffirms its previous expressions of support for continued enlargement of NATO alliance contained in the NATO Participation Act of 1994, the NATO Enlargement Facilitation Act of 1996, and the European Security Act of 1998.
>
> 2. Supports the commitment to further enlargement of the NATO Alliance expressed by the Alliance in its Madrid Declaration of 1997 and its Washington Summit Communique of 1999.
>
> 3. —

And this perhaps is the more significant declaration of policy.

> The Congress endorses the vision of further enlargement of the NATO Alliance articulated by President George W. Bush on June 15—

That was the statement I just read—

> and by former President William J. Clinton on October 22, 1996, and urges our NATO allies to work with the United States to realize its vision of the Prague Summit of 2002.

My views are as follows. I think NATO—and I think every Member of this body shares this with me—has done a magnificent job for over a half century. It is perhaps the strongest and most effective alliance and accord in terms of security that this Nation has ever entered into.

Last year we had a very significant debate, and that is my basic problem; there is no urgency for this. This Chamber should resonate again with a strong debate on future membership in our NATO.

We had several days of debate last year. I put forward an amendment limiting the number of nations.

My concern is there are nine nations referred to in this particular document, all seeking NATO membership. That would be 9 plus 19, which would come to 28. The debate was in 1998. That is a very significant increase.

This document does not proclaim each is going to be admitted, but it gives a strong inference and overtone that could come to pass. As a matter of fact, it is authorization to the effect that certain sums of money—and I support each and every one of these authorizations for funds going to the nations to enable them to continue their efforts to increase their military, to strengthen that military, to enable that military to become an important part of the overall military collection of the NATO countries.

Before we speak to all nine indirectly and subscribe in whole to the President's policy, this body has a responsibility to examine each nation, to have a formalization from the administration and others as to which of those nations should be considered for inclusion in NATO, presumably in 2002. I see no urgency that we should proceed on a UC, without any Members except myself so far rising to address this.

I respect the chairman of the Foreign Relations Committee. He was in the Chamber, which prompted me to speak, hoping I could engage him.

The distinguished ranking member has communicated his desire to have this passed. I respect both of those fine Senators, but I think this deserves very careful consideration. We had hearings in the Foreign Relations Committee in 1998 regarding those members that desired to join. We had hearings in the Armed Services Committee, on which I am privileged to serve. I certainly encourage my chairman, Senator LEVIN, to have hearings on any thought with regard to increasing the size of NATO and specifically looking at those nations and providing our determination, as the committee, to the Senate as to the contribution they wish to make and the verification of the capabilities to make that contribution, both militarily and politically.

By the way, these authorizations are contained in the foreign operations bill such that they can go forward. It will not impede the distribution of these funds.

From time to time, Members put holds on matters. I take that obligation very seriously and come to state with some precision exactly why I take that step and will continue to do so for the balance of this session of the Congress, namely that it deserves the full attention of the Senate, preceded by a debate in the chamber with consideration by the two committees that have specific oversight of these matters.

## ORDER OF PROCEDURE

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. REED. Mr. President, Senator DODD and Senator MCCONNELL are in the Chamber. I ask unanimous consent to speak for 3 minutes and at the conclusion of my remarks the majority leader be recognized for a statement.

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

CLOSING THE GUN SHOW LOOPHOLE

Mr. REED. Mr. President, today the Brady Center to Prevent Gun Violence issued a very important report on ''Guns and Terror,'' and they pointed out the link between terrorist activity and our lax gun law in the United States. It is a compelling report that should urge us to action. We have seen throughout the last few weeks newspaper reports indicating terrorists are exploiting our lax gun laws, particularly when it comes to gun shows.

When Attorney General Ashcroft testified before the Senate Judiciary Committee on December 6, he held up an al-Qaida manual and talked about how terrorists are instructed to use America's freedom as a weapon against us, and he talked about the way they are urged to lie to deceive our law enforcement authorities.

He neglected to point something else out. These terrorists have been trained to exploit our gun laws. A few weeks ago, I mentioned a terrorist manual was seized in Kabul in which these jihad trainees were urged to obtain an assault rifle legally, enroll in American gun clubs to take courses in sniping, general shooting, and other rifle courses. We have to understand if this is their playbook, using gun shows is one of their plays and we have to stop this loophole.

I introduced legislation last year based upon the Lautenberg legislation this Senate passed. I hoped we could bring this legislation to the Senate very quickly, and we could move to close this gun show loophole, that we could apply the Brady law to every purchase at a gun show, that we could ensure there is a full-time period for law enforcement to evaluate, up to 3 days, the purchase.

These things are necessary. I think it would be a mistake to delay further, and I think also it would be a mistake to take and embrace a weaker version of the law when we have already passed a corrected bill that can make huge progress in closing off this loophole.

We already know individuals on behalf of Hezbollah have used gun shows, that individuals on behalf of the Irish Republican Army have used gun shows, that American militia movements have used gun shows. They do that because they know they can go to the shows, find unlicensed dealers and avoid any type of Brady background check. So I hope we could move very promptly in the next session to close this loophole.

There are 22 cosponsors of my legislation. It is a bill we have already passed in the Senate. It is something I believe is long overdue and I hope indeed we can do it to ensure terrorists do not exploit our laws to do damage to our country and to our people.

I yield the floor.

The PRESIDING OFFICER. The major majority leader.

Mr. DASCHLE. Mr. President, I compliment the distinguished Senator from Rhode Island for his comments now and for the leadership he has shown on this issue now for several years. Our caucus and the Senate owe him a debt of gratitude for the job he has done in sensitizing us to the importance of this legislation and our efforts to address this issue.

As the Senator noted, this legislation has a very favorable history. Senator Lautenberg, our former colleague from New Jersey, has also worked with the Senator from Rhode Island to pass this legislation at some point in the past, and because it has such overwhelming support I am confident this Senate can pass it as well.

The Senator has talked to me on several occasions about the importance of taking this legislation up this session. It is regrettable at least to date we have not had the opportunity to do that. I share the Senator's expressions of urgency with regard to the consideration of this legislation, and as I committed to him privately I will commit as well publicly that we will take this legislation to the Senate, hopefully early in the session next year.

There is no reason why we cannot complete our work. There is no reason why the Senate cannot go on record again, as it has before in passing this bill, and send a clear message, at least when it comes to the gun show loophole, that we can take steps to protect ourselves and protect this population, and find ways in which to do it in a reasonable way. That is what the Senator is asking.

Again, as I say, I thank him for his leadership, his commitment, and I will work with him to assure this legislation can be taken up successfully sometime next year.

Mr. REED. I thank the majority leader for his kind comments.

Mr. DASCHLE. I yield the floor.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. DODD. I thank the Chair.

ELECTION REFORM

Mr. DODD. Mr. President, it is after 6 p.m. in the evening and I suspect that many normal people are sitting down having dinner, enjoying a quiet moment with their families. I hope in fact that many of our colleagues are doing that since there are no longer any votes this evening. We are about to make an announcement, my colleague and friend from Kentucky, and, if he can make it, our colleague from Missouri, along with my friends from New York and New Jersey and others who have joined us in crafting an election reform compromise.

Mr. President, the Chamber may be sparse in participation at this late hour and it may be after working hours for most, but may I suggest what we are about to introduce is ''landmark'' legislation. It will have been 36 years, I think, since the last time this body dealt with the issue of voting rights from a Federal perspective. The Voting Rights Act was the last major civil rights legislation dealing with the voting rights of the American public.

I begin these remarks by, first of all, expressing my deep gratitude to my friend from Kentucky who has been my chairman on the Rules Committee, and is now my ranking member on the Rules Committee, for his efforts, and those of his staff and others over these many weeks in putting this proposal together which we now offer to our colleagues as a bipartisan compromise. Our hope is that on our return, at some early date—and again, we will ask leadership for advice and counsel—we might bring this matter before the Senate when we return to the second session of Congress to adopt this election reform proposal.

Everyone is aware of what the world was like a year ago when the major story was not about Afghanistan and terrorism but about the condition of the election system in the country, particularly the events surrounding the Presidential race. I am not here today to talk about what happened. What happened last year was not an occurrence in one State or one election but a wake-up call for everyone about the deteriorating condition of our election system across the country. This does not happen on one night, in one State, in one election. There has been a lot spoken about that race, those particular events.

We have tried with this bill to look forward and not look back as to how we can respond to this in a responsible way so we may live up to our historic obligations in this Chamber to see to it that the rights of all Americans—specifically, the most fundamental of rights, the right to vote—is protected and the votes are counted.

Thomas Paine said very appropriately more than 200 years ago that the right to vote is ''the primary right by which other rights are protected.''

It is about as basic a statement and basic a right as we can identify.

The very credibility of every other action we take as a people, not to mention as a Congress, but as a people, in this Chamber and elsewhere, depends upon the American people's belief in the integrity of the election system which puts everyone in these seats as well as the seats occupied in every office, from the lowest political body in the country to the most exalted in the Presidency of the United States.

This bipartisan compromise we introduce today is not a condemnation of the past at all but rather a reflection of the promise of the future. The problems faced by voters across the Nation last November served, as I said a moment ago, as a wake-up call that our system of Federal elections was in serious need of reform and help. That is what we tried to do with this bill.

This is landmark legislation. Our task is to provide the necessary Federal leadership and resources to assist State and local officials without in any way usurping their historic responsibility to administer Federal elections.

This bipartisan compromise reflects the necessary balance between the Federal interests in assuring the integrity of Federal elections and the authority of State and local officials to determine the best means by which to conduct those very elections.

I am very grateful to my colleagues for their considerable contributions to this compromise. I thank the ranking member of the Rules Committee, Senator MCCONNELL, for his leadership, for his perseverance on this issue, and for his very significant contributions which I will identify shortly. Senator SCHUMER of New York, a member of the Rules Committee, has been active working on election reform since the beginning of this Congress when he became interested in the subject matter. My good friend from the State of Missouri, Senator BOND, early on recognized the need for Federal leadership in this area, particularly the need for Federal antifraud standards. And Senator ROBERT TORRICELLI, along with Senator MCCONNELL, introduced one of the very first election reform measures in the Senate following the elections of last year. There are many others involved in the debates and discussion, but those are the principals who have worked the hardest to craft this package and to present it to this Chamber.

I acknowledge the tireless work of my coauthor in the House, Congressman JOHN CONYERS, the dean of the Congressional Black Caucus. Throughout this long year of hearings, debate, and negotiation, he has been a friend and a stalwart believer in the responsibility of the Federal Government to ensure that every eligible American has an equal opportunity to vote and to have their votes counted. This compromise owes much to his vision and dedication to producing a bipartisan agreement.

Simply put, this bipartisan compromise makes it easier for every eligible American to vote and to have their vote counted while ensuring that protections are in place to prevent fraud. As my colleague and friend from Missouri has said so succinctly, it ought to be easy to vote in America and it ought to be very hard to cheat. We think we have struck that balance. We do not claim perfection, but we believe we put together the provisions which will certainly advance the measure of both goals: to make it easy to vote and hard to cheat in this system and thus devalue the legitimate vote of those who honestly go about the business of counting ballots.

The bipartisan substitute we introduce today represents a strong response to the first civil rights challenge, in our view, of the 21st century and protects the voting rights of every eligible American, regardless of the individual's race, ethnicity, disability, English proficiency, or the level of financial resources available to the community in which he or she lives and votes.

This compromise preserves the fundamental philosophy of the original bill: The Federal Government must set minimum standards for the conduct of Federal elections. We have expanded the original standards to include minimum requirements to defer fraud and have created a new Election Administration Commission to assure that, going forward, expertise and assistance will be available to the States and localities to meet these minimum standards.

Specifically, this compromise sets the following three minimum standards for Federal elections: Beginning in the year 2006, election systems must meet voting system standards providing for acceptable error rates, and provide notification for voters who overvote, while ensuring such systems are accessible to every blind and disabled person, and to language minorities, in a manner that ensures a private and independent vote.

Second, beginning in the year 2004, States must have in place provisional balloting systems so that no registered voter in America can ever be turned away from the polls without the opportunity to cast their ballot.

Third, States must establish a statewide computer voter registration list, and beginning next year, provide for verification for voters who register by mail in order to prevent fraudulent voting.

Those are minimum standards. They do not require a one-size-fits-all approach to Federal elections, nor do they require that any particular voting system be used or discarded, for that matter. Instead, the minimum standards ensure that every voting system—be it electronic machines or paper ballots—meet certain basic standards. And we explicitly guarantee to every State the ability to meet these standards in a way that best serves the unique needs of their communities.

Most importantly, this bipartisan compromise provides the funds to help States meet these requirements. For the first time, the Federal Government will contribute its fair share to the cost of administering elections for Federal office. That, in and of itself, is a historic change.

The compromise authorizes a total of $3.5 billion over 5 years towards this end. A total of $3 billion is authorized to fund the minimum standards, and an additional $400 million is authorized in fiscal year 2002 for incentive grants to allow States to immediately move forward to implement election improvements, particularly in the antifraud area.

There is $100 million in fiscal year 2002 provided for grants to make polling places physically accessible to those with disabilities. Never again should our fellow Americans who are blind or wheelchair bound have to suffer the indignities of being lifted into polling places or held at a curbside waiting for an accessible machine.

This significant commitment of resources underscores the fact that nothing in this bill establishes an unfunded mandate on States or localities. To the contrary, this compromise reflects a commitment on the part of Democrats and Republicans in this Chamber to provide not only the leadership but the resources at the Federal level to ensure the integrity of our Federal elections.

The Senate majority leader, Senator DASCHLE, has publicly committed to bringing S. 565, the Equal Protection of Voting Rights Act to the floor early next year, at which time this bipartisan compromise will be offered as a substitute.

I encourage my colleagues and the leader to make this bill one of the first measures—maybe the first measure—in the second session of the 107th Congress. I can think of no better way to begin the second session of this historic Congress than with a bipartisan measure whose sole purpose is to ensure the integrity of our system of Federal elections and the continued vitality of our democracy.

In the midst of all that has happened since September 11, I couldn't think of a better way to begin the new year than to work together in the Chamber to do something so critically fundamental to the success and soundness of our Nation.

I thank, again, my cosponsors—Senator MCCONNELL, specifically for his crafting of the commission concept, which I think is a wonderful idea, so we will have a permanent venue to begin to deal with these issues. I am sure he will explain in greater detail how this commission works. But without his contribution we might have only ended up with a temporary commission that would have gone out of existence in a short period of time and allowed, once again, the system to deteriorate.

There is no guarantee it will not. But with a commission in place, we will be in a much stronger position over the years to respond to these issues on a continuing basis.

I thank Senator BOND. His contribution was to the fraud area. Without him coming to the table and adding that element here, we might have left that out. It is a serious issue, one that deserves consideration. He has crafted some very sound provisions in this bill which add a very important leg to this.

With what I have talked about in the area of disabilities and provisional voting in addition to our requirement of statewide voter registration, these minimum standards, the broad provisions and the commission, we have not solved every problem at all. We are not dealing with every single issue that comes up. But that is one of the reasons why the commission can make a significant contribution.

I want to thank specifically our staff: Tam Sommerville and Brian Lewis of Senator MCCONNELL's Rule Committee staff; Julie Dammann and Jack Bartling of Senator BOND's office; Sharon Levin and Polly Trottenberg of Senator SCHUMER's office; Sarah Wills and Jennifer Leach of Senator TORRICELLI's office; and, in my office,

Kennie Gill, Veronica Gillesie, and Stacy Beck, along with Shawn Maher and others, for helping put this together.

I look forward, in the early part of the year, to debate and discussion on the subject matter.

Again, I appreciate the wonderful work of my colleagues.

It has been a long road but we think we have produced a very good piece of legislation. I look forward to working with my colleagues when we return.

I see the distinguished leader. I know he probably has other obligations. My colleague from Kentucky is here, but if the leader would care to make a comment on this, we welcome it.

Mr. DASCHLE. Mr. President, I will be very brief. I congratulate the distinguished Senators from Connecticut, Kentucky, and Missouri for their extraordinary work in this regard. I would not have bet we could have gotten to this point when the effort began many, many months ago.

There was a great deal of concern for how the last election was conducted—on both sides. Given the acrimony and difficulty in reaching even some consensus about how to approach this issue, I knew the odds were long. But these leaders overcame the odds. They articulated a vision for how this country ought to perform in every election and worked together, in spite of these difficulties, and have achieved a result that I think is extraordinary.

I do not think the Senator from Connecticut is far off when he talks about this being landmark legislation. Indeed, if it can incorporate the opportunities for millions of voters who have been disenfranchised, it will be landmark legislation. If we can deal with the fraud that has existed on occasion in elections in the past, it will be landmark legislation.

I cannot think of any higher priority. I cannot think of anything for which there is greater cause for excitement than the opportunity to address this issue in the comprehensive and very commendable way the Senators from Connecticut and Kentucky have.

I commit to work with the two Senators to find a time very early in the next session of Congress where we can take this bill up on a bipartisan basis, and maybe even set the tone that could be taken into other legislation as well. I think that would be conducive to bringing about the kind of result we would like as we begin all of our work in the next session. I will work with them. I will commit to them that we will find the time in the schedule to ensure that this legislation can be considered early.

I, again, congratulate both Senators for the extraordinary job they have done getting us to this point tonight.

I yield the floor.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I thank the distinguished majority leader for his kind comments about the work of the three of us here, and others, on this important piece of legislation. We are grateful that he thinks he will be able to schedule this debate sometime early next year.

Rarely do you get the feeling around here that you are involved in something that is truly unique and has the potential, as the Senator from Connecticut indicated, to be a landmark piece of legislation. We are all working on issues that are important to somebody in the country all the time. But nothing is more fundamental, obviously, than the right to vote.

I say at the outset to my friend from Connecticut, it has been a pleasure working with him. And to my colleague from Missouri, he has been a joy to work with.

We had three areas about which we cared a great deal. Senator DODD is a passionate advocate for the disability community and for reducing, to the maximum extent possible at the Federal level, any barrier to the ability to vote. They may not be intentional, but as a practical matter, barriers still exist. Senator DODD, as we worked through these 13 long months of negotiations, was always looking for a way to strengthen that part of the bill. If there is any hero in America to the disability community, it ought to be the Senator from Connecticut. On this legislation, he was constantly trying to strengthen it to the benefit of that community. I will be happy to testify on his behalf at any time that that was his focus.

The Senator from Missouri was relentless in pursuing the notion that we should, to the maximum extent possible at the Federal level, make it difficult to cheat. It has been a tradition in some parts of the country, including a number of counties in my State, that death not be a permanent disability to continuing to exercise the franchise. I think that practice is disapproved of by all ethical people, but it does go on.

Senator BOND was relentless in pursuing whatever avenues he could pursue to make it possible for this bill to deal with the business of cheating. We want everybody to vote, but only once. It is important that they still be alive when they exercise the franchise. If we were dedicating the various parts of the bill, the fraud part of the bill should be dedicated to the senior Senator from Missouri.

I was interested in the entity, the commission, that would oversee this subject matter down through the years. As the distinguished chairman of our committee indicated, it was my feeling, and I am pleased Senator DODD and Senator BOND agreed, that there be a permanent repository for the best, unbiased, objective evidence States and communities across America could go to for advice about their needs in conducting elections.

Right now the typical county official, or in some States the State official, is besieged by a hoard of vendors who want to sell their product. Where can you get objective advice about what might make sense for a sparsely populated State such as North Dakota versus a teeming mass in the city of New York? This new commission will hopefully be that place.

With this new commission, there will be no equipment to sell. It will be a place where you can get the best advice currently available in America about your particular election needs.

We structured this commission in such a way that it would operate on a bipartisan basis. I believe it is the case that in every precinct in America there is an equal number of Republicans and Democrats in that precinct who conduct the election, usually in a friendly manner. They keep an eye on each other. They insist that the business of administration of elections be fairly done. Occasionally the system malfunctions. But fairness is certainly the intent of the structure in every State in America.

The question of just how much the Federal Government should do in this regard is complicated. None of us wants to dictate a voting system from Washington to the rest of America. On the other hand, we collectively agreed that there ought to be some standards below which you would not be allowed to fall. If we did that, we were convinced we could improve the administration of elections in this country.

It was a long, tortuous process. We had 13 months of hearings, negotiations, compromises, offers, counter-offers, a bill, a compromise bill, a deal, and a new deal. By the time we finally were able to iron this out, I think we had about all the deliberations we could handle. On the other hand, it was a classic example, it seems to me, of the legislative process working as it should, because what we all have in common is the desire to do this job on a truly bipartisan basis.

What brought us together at the end was the common belief that America would be better off if we did this. None of us was trying to rig the system to the benefit of either side. I wasn't trying to make it easier for Republicans to win. Senator BOND wasn't either. Senators DODD, SCHUMER and TORRICELLI were not trying to make it easier for the Democrats to win. We were genuinely motivated by the desire to help, to the maximum extent possible at the Federal level, make the system better. And in doing that, for this to mean anything, there had to be some funds attached to it. We realized we needed to be able to spend some money in order to allow these communities to upgrade their systems.

We are here tonight knowing this is only the beginning and there is still a long road ahead of us. Even though the House has acted, we have to get this through the Senate and then through the conference.

I have a belief, which I think my colleagues share, that a lot of the hurdles we could have encountered on the floor we have already encountered, thought

through, and worked out. Hopefully, we can convince our colleagues when we get out here on the floor, where it is always potentially a free-for-all, that there is some rational basis for the decisions we reached. And on amendments which may unravel it, hopefully we can make a bipartisan argument that we have been there, we have talked about that, and we have worked our way through that and we can say this is why we think that is not a good idea and why we believe what we came out with is a superior position.

They may or may not take our advice. But at least we have spent a lot of time going into these uncharted waters wrestling with these issues and working them out.

As Senator DODD, the chairman of our committee, pointed out, there are not many people still around tonight. But we feel good about this. We thought we would share it with the Senate. We are pleased to be able to introduce this legislation today with a sense of real pride of accomplishment. We look forward to not only getting it through the Senate early next year, as the majority leader indicated, but getting it through the conference, getting it on the President's desk, and making a difference for America in the most basic thing we do—cast our votes.

The Senate is commonly known as the world's greatest deliberative body. After 13 months of hearings, negotiations, compromises, offers, counteroffers, bills compromise bills, deals, and new deals, I think I speak for all of us by saying: we have had about all of the deliberation we can handle on one issue.

Today's bill introduction is the result of 13 months of work and countless hours of negotiations.

Senator DODD and I began discussions about election reform at the Rules Committee more than one year ago.

Exactly one year ago last week, I introduced an election reform bill with Senator TORRICELLI.

Last winter, Senator DODD and I began a series of hearings on election reform.

Last May, I introduced a new bill with Senator SCHUMER and Senator TORRICELLI—that garnered strong bipartisan support with 71 Senator cosponsors. Although many in the press seem to have forgotten—We were fully prepared to go to the Senate floor and pass that bill last June—but were sidetracked on the way to the Senate floor with a little thing we'll simply call Senate reorganization.

The agreement we announced last week incorporates three key principles that I have been promoting since the original McConnell-Torricelli bill last year.

Those principles are:

No. 1, respect for the primary role of States and localities in election administration;

No. 2, establishment of an independent, bipartisan commission appointed by the President to provide nonpartisan election assistance to the states; and

No. 3, strong antifraud provisions to cleanup voter rolls and reduce fraud. No longer will we have dogs, cats, and dead people registering and voting by mail.

On this last point, I want to tip my hat to Senator BOND, who has been a tireless champion and advocate for strong anti-fraud provisions. His work on this issue has been instrumental in achieving today's agreement.

Today's bill is a classic example of compromise. None of us got everything we asked for, but all of us got what we wanted: a bipartisan bill to dramatically increase the resources for and improve the process of conducting elections in America.

My goal throughout this process has been to ensure that everyone who is legally entitled to vote is able to do so, and that everyone who does vote is legally entitled to do so—and does so only once.

I believe today's agreement will help us achieve this goal.

I thank Senator DODD for his unending and sometimes unrelenting devotion to this issue. I would also like to thank Senators SCHUMER, BOND, and TORRICELLI for their hard work and significant contributions to this legislation.

I thank the staffs of my colleagues who worked tirelessly on this effort over the past months. Specifically Kennie Gill and Veronica Gillespies of Senator DODD's staff, Julie Dammann and Jack Bartling of Senator BOND's staff; Sharon Levin of Senator SCHUMER's staff; Sarah Wills and Jennifer Leach of Senator TORRICELLI's staff; and Tamara Somerville, Brian Lewis, and Leon Sequeira of my staff.

The PRESIDING OFFICER. The Senator from Missouri.

Mr. BOND. Mr. President, I thank my colleagues, the distinguished Senator from Connecticut and the distinguished Senator from Kentucky. These Senators are experts in laws of elections. Having both served as chairman of the Rules Committee, they are well known as experts in this field. I appreciate their permitting me to join them as we work to craft what I think has rightly been described as a very important piece of legislation.

We are in this joyous holiday season. We hope we have delivered a package that is not only wrapped nicely but contains provisions that will be of significance and a significant improvement in our election system.

As has been said already, truly, voting in elections is the heart of our democracy. If you do not do it, if you exclude some people, and some people do not do it right, then our entire system suffers. One of the great freedoms we enjoy in this country is the freedom to have every qualified person vote.

As Senator DODD has pointed out, even if a person has certain disabilities, we ought to make it easier for that person to vote. People ought not be denied a right to vote where they are otherwise qualified if they are poor or in places where in the past they have not had adequate opportunity.

Senator DODD started to work on this process of reforming elections to make it easier to vote. I had some experiences that suggested to me we ought to add a second part to that; that is, make it easier to vote but tough to cheat. I think both sides of that equation are important if we are to assure the fullest and fairest participation in our electoral system. I think this compromise achieves that.

We need to make it easier to vote. For those who have been confused by machines or confounded by lack of phone lines to get questions answered, this proposal says we should let the voter know if he or she has made a mistake. If the system has made a mistake, then we set up a new system to give that voter an opportunity to cast the ballot which can be counted after the voter is identified as being a legitimate voter.

As has always been mentioned, we don't try to throw out any particular system. We don't say that ''one size fits all'' and Washington is going to tell every local election official that this is the kind of system you have to use.

Some 23 different States, I believe, use at least in part paper ballots. In some areas that is how they vote. In my hometown we vote by punch cards. I do not know when anybody has challenged the balloting there as having problems. Voter election officials might say check your card to make sure it is punched out. It is a simple thing. But it works. In St. Louis County, the largest voting jurisdiction in Missouri with the most diverse population—from some very wealthy areas to areas in great need which qualify as an enterprise and empowerment zone, a wonderful diversity of people with long-time residents and newly arrived immigrants—they use punch cards. Their error rate is 0.3 percent—one of the lowest in the country. Clearly, it isn't a problem there. We don't say you can't use punch cards.

For disabled voters, as has already been mentioned by Senator DODD, who has been a true champion, we require polling precincts to improve their voting system so voting machines are accessible even for those who are visually disabled. For those new citizens whose English proficiency is still a work in progress, we want to make sure that newly arrived people with different languages are not excluded from the protections of voting laws. If we have a credible population in a jurisdiction that speaks a different language and has literacy problems, we must publish the election information in their language. All of these steps go a long way toward achieving the goal of making it easier to vote.

Senator MCCONNELL's insistence on a commission—which would be a full-

time commission, a bipartisan commission, that would help solve these problems—is a tremendous contribution. I think that is going to make a difference.

But let me tell you how my interest and enthusiasm for challenging voter fraud was reignited. You have heard that old story about: Deja vu all over again. Well, on the night of the general election, in November of 2000, we were ready to see the votes start to come in in St. Louis.

But lo and behold, a case was filed in the court in St. Louis City challenging the voting process, saying that people were being illegally excluded. As a matter of fact, the plaintiff who filed the case had been dead for over a year. He alleged that long lines were keeping him from voting. I suggest that the long lines may not have been at the polls that kept him from voting. He probably had other problems that were keeping him from voting.

But we heard wind of this and lawyers went in and went to the court of appeals. And the court of appeals shut down that scheme within about an hour, after a few votes were cast.

I say deja vu all over again because—the funniest thing—I first ran for Governor in 1972. I am from an outstate area. I ran against a candidate who was from St. Louis City. I had a pretty good lead in the outstate area, and on election night we were starting to get ready to see the votes counted and we heard that in St. Louis City they kept the polls open. They kept the polls open hour after hour after hour, and it reached around midnight. The charge was that, in a Democratic-controlled city, in a Democratic-controlled State, the Democratic election officials were making it more difficult for Democratic voters to cast votes for Democratic candidates. Now, if that raises some eyebrows, I think it should.

But we set about cleaning up the system and getting good election boards in place. And we thought that old trick of keeping open the voting machines in areas where they are heavily partisan was over. But, no, it came back on election night 2000. We asked for an inquiry.

As we started kicking over damp rocks, more and more little election frauds crawled out.

We found out that, for example, there was sort of a system of provisional votes. Voters could go before a judge and say: I have been denied the right to vote.

And the judge would say: Here is an order. You can go vote.

Well, they voted. They cast their ballot. And they were not segregated. When we went back to look at them, we were kind of interested.

They said: You have to put down what your reasons for not being able to vote were. And one of them wrote on the line: I'm a convicted felon.

Sounds like a good reason for keeping them from voting. But the judge ordered that person be allowed to vote.

Another one said: I just moved here, and I wanted to vote for Al Gore.

It seemed like a good reason to that judge, so that person was allowed to vote.

The Missouri Secretary of State went back and examined those 1,300 ballots that were cast. Ninety-seven percent of them were illegal, people who were not lawfully registered as required under the Missouri Constitution. They were allowed to cast their votes anyhow.

There were 13,000 of those provisional votes in St. Louis County. We have not even completed an examination of those. But we also went and we started taking a look and doing some research, and we found there was some mess in the city of St. Louis. Some 25,000 voters—10 percent of the voters in St. Louis were double registered. Some voters were registered three times. Some were registered four times. The champions were registered five times.

We have not completed an investigation to find out how many of those people took advantage of their multiple registrations, but we believe there were significant numbers. There are investigations going on by the appropriate authorities. Obviously, if they find specific evidence, we trust they will take appropriate actions.

While I was accused of being partisan in calling attention to the St. Louis City fraud in November of 2000, something happened. There was a partisan primary for the mayor's race in March of this year. And lo and behold, on the last day of registration, 3,000 mail-in registration cards were dumped on the City Election Board. The interesting thing about them was that most of them were in the same handwriting and the same ink. Many people who had accused me of being partisan, though of the other party, now found it to be of great interest to look into the bona fides of these registrants.

Fortunately, we had a very aggressive and inquiring media in St. Louis that went out and started looking. It is amazing how many vacant lots in St. Louis City were teeming with voters. Where they were registered were empty lots.

The secretary of state did a little investigation of multiple registrations at one location. This is not apartment houses; this is supposedly a single family dwelling. They limited their examination to those places where eight or more adults were registered from one single family unit. They found over 250 of them—truly remarkable living conditions, and probably warrants some further investigation.

These drop houses were potential sites for massive voter fraud. Under the current system, mail-in registration allows you to register to vote by mail, motor-voter. When motor-voter passed, most people focused on registering people where you get your motor vehicle licenses. You have to show up. You are buying a car. You have an address. That makes a lot of sense.

But mail-in registrations required the local government to register those voters. Then they said the only way you could get off the rolls was if you showed up on the list of dead people, if you asked to be removed, or if you had not voted in two Federal elections.

The problem with people who were registering from these drop houses is, No. 1, there probably were not any people to die. They are not going to show up on the dead rolls. They certainly were not going to call in and ask their names be registered. Frankly, if you had gone to the trouble of registering a bunch of phony names, you certainly were not going to fail to vote them. Simple common sense.

Those things kind of heightened my interest. They got me looking at what we could do. We have agreed, in this bill, that, No. 1, one of the most important things we are going to do is have a statewide voter registration base, a database. This is important to make it easier to vote. And it is important to make it tougher to cheat. And that list has to be cleaned up. But it also says, if you are registering by mail, you cannot just send in a ballot with no further identification. We require some identification. Either you show up in person to vote the first time or you send in—either with your registration or with your vote—a photo ID or a bill mailed to you at that location with your name and address on it. If you pay a water bill there, and your name is on it, it is a pretty good indication that you are there. If you are paying bills from there, that is a start.

There are a lot of things that need to be done. I think there are a lot of jurisdictions, given the power that these new statewide databases will give them to check, to cross-check, that will be able to find if there are phony voters and clean up some of these multiple registrations, some of these double, triple, quadruple, quintuple registrations, and maybe begin to shut down on fraud.

There has not been any final determination other than the initial reviews of the secretary of state, but I can tell you, just in St. Louis City and St. Louis County, there was enough evidence of questionable voting that the warning given by the court of appeals in St. Louis should be taken to heart.

That is, that it is a significant denial of the right to vote if you have your vote diluted by multiple votes cast by some other person or by votes cast in the name of a nonexistent person. If people are not registered to vote and they are permitted to vote, that is a denial of the right of franchise. This bill takes very significant steps towards curing that.

One other thing. The Carter-Ford Commission said all people who register to vote must affirm their citizenship. That seems to be reasonable. I understand that one of the al-Qaida members actually voted in Colorado. A couple more illegal immigrants suspected of being involved with the September 11 activities were registered in Michigan. I don't know whether or not they managed to vote.

I guess my favorite, one that was uncovered by the media in St. Louis, was when they looked at the mail-in registrations, they did some groundwork and they focused on Ritzy Mecker. They went to inquire about the whereabouts of Ritzy Mecker. They finally tracked down her owner and found out it was a mixed-breed dog.

I don't know what Ritzy's preference in the election was. I don't know whether Ritzy was a Democrat or a Republican. Maybe she voted a split ticket; I don't know. But the kind of thing that went on there is a kind of Ritzy Mecker-voting system.

We want people who are adults, U.S. citizens, not felons, registered to vote, to be able to cast one vote, but the people who don't fall in that category should not be voting. And the dogs that don't fall in that category should not be voting.

One of my dear friends in State government when I served there, Tom Villa, his father was a legendary alderman, Red Villa, Albert ''Red'' Villa, legendary; he died in the early 1990s. But in this most wonderful of seasons, I can tell you that he came back to register for the 2000 election. Does your heart good to know that, yes, you can come back from the dead and register. We would like to see the photo ID of those people who have registered to make sure they have not departed us. As I said some time ago, I like dogs. I have a great respect for the dearly departed. But I really don't think they ought to vote.

When we talked about the fraud in the city of St. Louis, another good friend of mine, State representative Quincy Troupe, talking about the danger he saw in the primary of illegal registration, said about St. Louis:

> The only way you can win a close election in this town is to beat the cheat.

Time is long gone when we ought to have to ask candidates for office to beat the cheat if they want to hold office. This legislation we have crafted will be worked on in the Chamber. I imagine it will be worked over good, and we may be able to improve on it. But as my colleague from Kentucky said: We have hashed out a lot of these issues. I hope we can explain what we have done to our colleagues on both sides of the aisle so we can get strong support.

It is incumbent on us and the time is now. We have come to this place after a lot of blood, sweat, and tears that we and our staffs have put in, and I thank the staffs of my colleagues, my colleague from New York, Senator SCHUMER; my colleague from New Jersey, Senator TORRICELLI; their staffs. I thank particularly my chief of staff Julie Dammann and my counsel Jack Bartling. I haven't seen them for 3 months. I am looking forward to having them back in the normal office business after the Christmas recess.

I hope that the mutually worked on effort is going to produce something that will be a real present for all Americans in this holy season.

I thank my colleagues. I thank the Chair.

The PRESIDING OFFICER. The Senator from Kentucky.

Mr. MCCONNELL. Mr. President, I also thank the staffs of all of the Senators involved. I think we couldn't have made it without them.

I yield the floor.

The PRESIDING OFFICER. The Senator from New York.

Mr. SCHUMER. Mr. President, this could be a fairly historic moment for our country. I thank my friends from Connecticut and Kentucky and Missouri for their good work. This is an issue that is vital to the people of our country. In fact, in light of September 11, which caused such problems for my city and for our country, if you had to think of the No. 1 reason that those overseas, those terrorists, hate us, it is because we vote, because we don't have a dictator, religious or otherwise. It is because we vote.

We have to make voting as perfect as possible. It is never going to be perfect. But such a sacred right, such a vital right should be made perfect.

This bill comes a lot closer to doing that. It has taken a lot of work. We all know what the bill is. The week after the Florida election I said we had to do something and came out with the idea that we ought to give the States money if they upgrade their machines, and that is at the core of this bill.

We all worked together. I compliment my colleague, particularly from Connecticut, who pulled everybody together, who, as I mentioned earlier, had the patience of Job. And my colleague from Kentucky, he and I had a bill originally. It probably would have been the bill on the floor had Mr. JEFFORDS not switched. But this is a better bill. I am proud to be on it because it not only provides money, but it requires the States to upgrade.

I thank my colleague from Missouri as well. His addition in terms of election fraud is something of which we on this side of the aisle should not be afraid. When there is fraud in elections, it jaundices elections, and elections are sacred.

I am not going to go into the details of the bill. My colleagues have spoken eloquently about the need for the bill. It is a little sad that we came to our agreement only this week of this session, but Senator DODD has mentioned that our leader, the floor leader, the majority leader, Senator DASCHLE, has said we will move this bill early next year. That will give us enough time to make sure the Presidential election in 2004 is not a repeat of the election in 2000.

In New York State, we need help, too. I voted for the first time in 1969. I voted exactly on the same clunky old voting machine in 2001 for mayor a few weeks ago.

I want to share with you something that stays in my mind. You go to a polling place in the early evening. You find people, all kinds of people, working people in their plaid shirts and jeans, people who have worked in the office towers in their shirts and ties. They are tired. But they know it is their obligation to vote. They go over to the polling place. And in my city and in many parts of my State, because of the oldness of the machines, there are long lines. They wait patiently. Many are studying the ballot and studying the literature that has been given out, particularly these days with so many names on the ballot.

Then you ought to see the looks on their faces when they get up, ready to vote, and they say: You are at the wrong polling place, or we don't have your card here, or you can't vote for some reason. It is a look of complete and utter sadness and almost despondency. In this bill we found ways to avoid it. The number of people who will be turned away who should have the right to vote will be many fewer. We have made provisions for provisional voting so, if you are not on the list, you can vote by a paper ballot, and then they will check. And if your vote should be counted, it will be. If it shouldn't, they will notify you.

I thought that is a very clever and good provision in the bill. They will tell you why so you can correct it. Within a few years of this bill becoming law, not only will voting be modernized but fraud will decline, and the ability of people to vote quickly and easily and correctly will have greatly improved.

So I just again want to say that this could be a fairly historic moment in the history of the Republic. We have had poll taxes, limitations on voting by sex, by property, by income, and by race. Thank God, we have eliminated those. But we have also had limitations on voting just because of the method we vote. On its face, it may not be as pernicious as those others, but it is every bit as detrimental to the Democracy. We are going to end that with this legislation—or at least greatly reduce it.

I hope that when we return, we will move quickly. Again, I thank our leader in the Rules Committee, somebody who really has patiently and diligently tilled the vineyards, improved the product over and over again, and then came to a consensus. One of the reasons I look forward to coming back—and I look forward to coming back for many reasons—is to work to see that New York gets its $20 billion, to get a stimulus bill to move the economy and help the unemployed and those who don't have health insurance. We have so many things to do.

One of the main reasons I want to come back next year—and that is a short time away because it is late in the year—is to get this legislation passed and stop the scene that I mentioned before: People who wait and wait and wait and, through no fault of their own, are denied the right to vote.

I yield the floor.

The PRESIDING OFFICER (Mr. NELSON of Nebraska). The Senator from Connecticut.

## TERRORISM INSURANCE

Mr. DODD. Mr. President, I thank my colleague from New York. Before he arrived, I thanked him. In his presence, I thank him. The Senator played a very critical role in putting this product together. He is a new Member of the Senate, but he has already demonstrated, as others have pointed out, that he is very much a seasoned legislator. He brings from the New York legislature and from the other body years of experience, and it is a pleasure to do business with my colleague from the neighboring State of New York.

I hesitate to use the word ''landmark'' because we haven't finished it, but you can sense the enthusiasm we all feel about this compromise and at being able to arrive at a moment where we have the names already as cosponsors of a substitute that demonstrates a bipartisan commitment to this issue.

We don't claim perfection with this bill, but we do claim we are going to certainly improve the process immeasurably. My hope is that the leaders will find a time, if not as the first bill, as one of the early proposals we can bring to the floor for consideration.

I didn't want the Senator to leave the floor because I wanted to change the subject briefly. I will leave the record open for others who may want to comment about this bill. The hour is getting late and the time is running short. We all want to depart.

I want to mention the terrorism insurance bill, which is of critical importance to my colleague from New York. It is very important to many people across the country. I don't know what is going to happen with the so-called stimulus bill, but the terrorist insurance proposal is about as important a piece of legislation as this body could consider.

We have been at this now for a couple months trying to craft a proposal that would allow us to bridge this time from the September 11 events to a time when the industry would be able to calculate risk through the reinsurance efforts, and then through competitive pricing, be able to get back into this business.

It is a very complicated and arcane subject. It is not one that is going to be easily understood because the subject matter is complicated. Suffice it to say this: A critical leg of a healthy economy is the insurance industry. You cannot really have a healthy economy without it. People can't buy a home without fire insurance. You can't get loans today without having proper insurance.

The Presiding Officer, of course, brings a wealth of experience in this area because of his previous work in State government, where he dealt with insurance both in the private sector as well as a Governor. We have heard from Senator NELSON of Florida, also.

I know the Senator from New York is running off, but I hope—and it is my fervent plea this evening with a day left—there is still time for us to get this matter up. We are very close. I hope that Members on both sides will allow a motion to proceed to go forward. Give us a day, if that is what we can have, to consider various amendments on this bill. The House already passed one.

Bob Rubin, the former Secretary of the Treasury, when asked how he would calibrate the importance of this issue—and I can paraphrase his remarks and I think my friend from New York may have been there—said that this was as important, if not more important, than the stimulus package we have been considering.

Our failure to address and deal with this issue could mean that small businesses, construction projects, all across America, come January, will cease. Unemployment will go longer—not of CEOs of insurance companies, but of construction workers, small business people, shopkeepers—all of whom need to have this bill if they are going to get the bank loans to continue to operate.

This has to get done. If we don't do it, this body will be held accountable, in my view. We have known about this issue for weeks. Yet, we have not yet brought the matter to the floor. I hope that will change in the next 24 hours, because if we leave here and don't deal with this, more than 70 percent of these contracts are up for renewal, and we will create a further problem for our economy.

So I know it is not at an issue that attracts a lot of support automatically. It is complicated. There is no great affection for the issue of insurance. Those knowledgeable about the importance of this issue for the strength and vitality of our economy, to leave and go home for the holidays and leave this unattended to, I think, is a problem. I think we need to come back over the next day and address this. We may not succeed, but you have to try. I hope this matter will come up on the floor so we can at least debate it and, hopefully, pass it.

I know my colleague has a deep interest in the subject matter because of the facts concerning his own city and State. I wanted to give him an opportunity to comment on this as well. I am happy to yield to him or have him claim the floor in his own right.

Mr. SCHUMER. I thank the Senator for yielding. He is so right. If there was ever a time when the perfect should not be the enemy of the good, it is on this insurance bill. If you think this doesn't affect you because it is the arcane Dickensian, almost, world of insurance, it does. My colleague is exactly right. If we don't have terrorism insurance, and as of January 1—less than 2 weeks away—no one will write terrorism insurance, then your banks, whether they be in small towns or in large cities, will not lend to new projects. They may not even refinance existing loans, and that means, as my friend has correctly pointed out, new projects come to a halt. No more new jobs. No construction jobs. No jobs that those projects create.

Each of us in the course of these few weeks as we debated this has had a different view as to how to do this better. But no one disputes that we have to do it. I don't know hardly a person in this body—maybe 10 of the 100—who would say we should not do anything. And so if there were ever a time that we all should sort of give in a little bit and say, well, it is not going to be done my way—if I had my druthers, I would have an FDIC for terrorism insurance. That is what I would do.

Warren Buffet, from the State of the Presiding Officer, proposed that. But that is not going to happen. I know there is too much opposition in the other body and in the White House for that.

So the proposal that the Senator from Connecticut and my good friend from Maryland, our chairman of the Banking Committee, and the Senator from Texas, the ranking member from the other side, and I, and the Senator from New Jersey, and so many others have put together, is sort of a grand compromise. Is it perfect? No. Is it a lot better than letting terrorism insurance lapse? You bet.

This is a test, I say to my friend from Connecticut, for this body, this Congress, this Government. If in the post-September 11 world, when we have new necessities and new urgencies, we all cannot pull together a little bit to deal with the problems and instead we let rumor-mongering, egos, or whatever else get in the way, we are going to hurt this country.

This ain't beanbag, as Boss Tweed said in Plunket's book on New York City politics. This ain't beanbag, this is serious stuff. As my friend from Connecticut said, it probably means more to the country, even though it is more esoteric than the stimulus package in terms of the economy heading south. If we do not try to grapple with this difficult, thorny issue, it is at our own peril.

I join my colleague in his heartfelt plea that we make an effort to take this bill up and deal with one of the hidden but very seriously vexing problems facing our economy in the post-September 11 world.

I yield back to my friend.

Mr. DODD. Mr. President, I thank my colleague. I know Senator DASCHLE and others are working on this. Colleagues who are paying attention to this and heard the comments of our colleague from New York and myself, there are matters involved in this that I know are important to some but, in terms of the centerpiece of what we are trying to do, are really extraneous.

We are talking about a brief period of time for this bill to work. I know there are matters others would like to use dealing with other, more profound, long-term issues on this bill, and I urge

them to hold up if they can and not allow a larger debate on those questions and not stop the debate on something that needs to be dealt with in the next 24 hours before we recess for the year.

The President has urged us to do this. Every single industry group I know of beyond the insurance industry—the private sector—is calling on us to deal with this issue. Even the Consumer Federation has different ideas but understands our failure to act could create a serious problem. For us to not even try I think would be a huge mistake.

I urge before we recess that we make an effort, starting early tomorrow, to give this body time to hear some of the various ideas my colleagues may have. I may disagree with them on those ideas, but I am prepared to spend the time necessary tomorrow to engage in debate on those ideas, resolve them one way or another, and send this bill from this Chamber to conference with the one adopted in the House and resolve it, so we can finish the business of giving the President a proposal that will avoid the kinds of problems the Senator from New York has very properly described.

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

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

## JUDICIAL NOMINATIONS

Mr. HATCH. Mr. President, I understand some of my colleagues were on the floor today trying to make some points about judges, and I would like to set the record straight because I think they protest too much. There is just far too much protesting and far too much misinformation being given out about judges by some in this body.

Having been intimately involved in trying to get as many judges through as I could over the last 7 years, I have to say I find some of the comments that were made were a little unctuous and perhaps to some people who have been involved and have worked so hard to do a good job a little bit irritating and maybe offensive.

As Congress nears the end of its current session, we are beginning to see the end result of the systematic and calculated effort by some Senate Democrats to confirm the absolute minimum number of President Bush's judicial nominees they believe will be acceptable to the American public.

Some of the Senate Democrats want us to believe they have done everything that can be expected because they have confirmed as many judges during President Bush's first year in office as were confirmed in President Clinton's first year 8 years ago. What they are not telling the public is the Senate has purposefully ignored more judicial nominees than in any other President's first year in office in recent history.

Thirty-two of President Bush's nominees have been prohibited from even having a hearing, the first step in the Senate's constitutionally-required process of advice and consent.

Some Senate Democrats want to use an inaccurate measure of performance focused on the end result of 8 years ago rather than exposing the percentage of their work they left uncompleted this year. The percentage is a much more appropriate gauge for the simple reason our current President Bush sent many more judicial nominations to the Senate than the previous President did in his first year.

So let us look at the percentages. The Senate has exercised its advice and consent duty on only 21 percent of President Bush's circuit nominees this year. The other 79 percent of our work remains unfinished. This is despite the fact that President Bush sent his first batch of 11 circuit nominations to the Senate on May 9 of this year, which gave the Judiciary Committee plenty of time to act on them. Even so, only 3 of those 11 have been confirmed. A significant number of those have the highest possible rating from the American Bar Association. Even so, only three, as I say, have been confirmed. President Clinton, on the other hand, did not send his first circuit nominations to the Senate until August 1993, but still saw 60 percent of his circuit court nominees confirmed before the Senate adjourned in November of 1993.

The Senate's record on overall judicial nominations is not much better than our record on circuit nominees. Since some of my colleagues on the other side of the aisle are so fond of comparing their record to the first year of the Clinton and first Bush administrations, let us see how they stack up. President Clinton had nominated 32 judges by October 31 of his first year in office. Eighty-eight percent of those, or 28 nominees, were confirmed by the time Congress went out of session in 1993. The first President Bush had nominated 18 judges by October 31, 1989, of which 89 percent, 16 nominees, were confirmed by the time Congress recessed at the end of that year. In contrast, as of today, the current President Bush has nominated 66 judges and only 27 have been confirmed, a mere 41 percent. (I hope that tomorrow we will confirm the five who are presently on the Senate calendar.)

The importance of this percentage is that the Senate has done only 41 percent of its job this year. In other words, nearly 60 percent of judicial nominees are somewhere in the Senate's black hole. We will conclude our work by leaving nearly 100 vacancies in the judicial branch, which means more than 11 percent of all Federal courtrooms in this country are presided over by an empty chair.

Some of my Democratic colleagues recently asserted the present vacancy crisis is the result of Republican inaction on judicial nominees during the Clinton administration. Incredibly, some have asserted that the vacancy rate increased 60 percent under Republican control of the Senate. That is a wild exaggeration. The truth is that, during the 6 years when I was chairman of the judiciary committee, the vacancy rate was never above 8 percent at the end of any session of Congress.

In December 1995, there were 63 vacancies in the Federal courts, which is a vacancy rate of 7.4 percent. In December 1996, after Congress had been out of session for nearly 2 months during which it could not immediately fill any vacancies, there were 75 openings in the Federal judiciary. December 1997, 81 vacancies; December 1998, only 54 vacancies; December 1999, 68 vacancies, and last year, only 67 vacancies. All tolled, the average number of vacancies under my chairmanship in the month of December is 68—a vacancy rate of 8 percent.

Contrast this to 2001: We are about to adjourn with nearly 100 vacancies, a rate of over 11 percent. This year will indeed go down in history as a black hole—and a black mark—for the failure to confirm judicial nominees.

Of course, trying to shift the blame for this present vacancy crisis ignores the end result of how Republicans treated President Clinton's judicial nominees. During the Clinton Administration, the Senate confirmed 377 judicial nominees. This number is only 5 short of the all-time record of 382 judges confirmed during the Reagan administration. And keep in mind, for 6 years of the Reagan administration the Senate was controlled by the President's party. But for 6 of President Clinton's 8 years, the Senate was controlled by Republicans. So the Republican—controlled Senate confirmed essentially the same number of judges for Clinton as it did for Reagan. We have not heard a single Democratic Senator acknowledge this fact because it proves that the Republicans treated Democratic nominees fairly. The fact is, contrary to the assertion that Republicans held up President Clinton's judicial nominees, the Republicans who controlled the Senate during 6 years of the Clinton administration put a near record number of judges on the bench. What is more, those 377 confirmed judges represent nearly 80 percent of all of President Clinton's judicial nominees.

As for the pace of moving nominees, it is worth noting that 20 Clinton judicial nominees received a hearing within 2 weeks of their nomination. Thirty-four Clinton judicial nominees received a hearing within 3 weeks of their nomination, and 66 received a hearing within a month of their nomination.

In contrast to the Republican Senate, the present Democratic-controlled Senate has only contributed to the vacancy crisis. In the first 4 months of

Democratic control this year, only six Federal judges were confirmed. At several hearings, the Judiciary Committee considered only one or two judges at a time. The Senate has been behind the curve ever since, and the Federal judiciary continues to suffer for it. The number of judicial emergencies has increased by 17 in the last year.

Now I must pause a moment to talk about the Tenth Circuit since it encompasses my home state of Utah. Several of my Democratic colleagues remarked that the present leadership held the first hearing for a Tenth Circuit nominee since 1995. The implication, of course, is that the Republican-controlled Senate failed to approve Clinton nominees for the Tenth Circuit.

A closer examination of the facts reveals that there were no Tenth Circuit nominees for most of the 6 years the Democrats cite. After the confirmation of three Tenth Circuit Clinton nominees in 1995, there was not another Tenth Circuit nominee until 1999, and that nomination was subsequently withdrawn. The next Clinton Tenth Circuit nominee was not nominated until just before August recess in 2000, which left the Senate little time to act on the nomination given the dynamics of last year's election.

So the suggestion that the Republicans deliberately failed to act on Clinton nominees for the Tenth Circuit for 6 years is inaccurate at best and downright misleading at worst.

Unfortunately, the same cannot be said of the Judiciary Committee's present leadership. We have an eminently well qualified candidate from Utah for the 10th Circuit, Michael McConnell, who has been awaiting a hearing for more than 7 months. He received the highest rating given by the American Bar Association and is considered one of the true legal intellects in the country today.

Not long ago, I talked with one of the leading law deans in the country. He is a very liberal Democrat. I asked him about Michael McConnell. He knows him intimately. He said: I have met two absolute legal geniuses in my lifetime and Michael McConnell is one of them.

In addition, both Timothy Tymkovich of Colorado and Terrence O'Brien of Wyoming are awaiting hearings on their nominations to the Tenth Circuit. So, despite the recent confirmation of one Tenth Circuit nominee, there is still substantial work left undone in the Tenth Circuit.

The Senate's constitutional obligation to provide President Bush advice and consent on his judicial nominations is not a game, as some of my Democratic colleagues seem to believe. This is not football, or baseball, or basketball, where the whole point is to beat the other team. Neither the Senate nor the American public scores a victory when some Senate Democrats execute a deliberate strategy of ignoring more than half of President Bush's picks for the Federal Judiciary.

Any excuse for not moving a nominee that hinges on his or her supposed ideology is just that—an excuse. If we start imposing an ideological litmus test, then we will not get people of substance to sit on the Federal benches in this country. If we start denying hearings to nominees simply because they are personally pro-abortion or pro-life, it would be a tremendous mistake.

We should confirm the President's nominees where we can. Sometimes there are reasons why we cannot. I understand that. I have been there. I have had people on both sides of this floor mad at me, and I was doing everything I could to support President Clinton's nominees through the Senate process. I don't expect the current Judiciary Committee chairman to have an easy time, either. He is a friend. But the fact of the matter is, I don't think the job is getting done.

There are myriad reasons why political ideology has not been, and is not, an appropriate measure of judicial qualifications. A nominee's personal opinions are largely irrelevant so long as a nominee can set those opinions aside and follow the law fairly and impartially as a judge. I am very concerned that the statements made today by some of my Democratic colleagues indicate a renewed intention to subject judicial nominees to a political litmus test, instead of focusing on their intellectual capacity, integrity, temperament, health, and willingness to follow precedent.

Despite the unfortunate decisions made this year, I believe there is some room for hope in 2002. The same results-oriented strategy that led the Judiciary Committee this year to match President Clinton's first year, should lead the committee to equal his second year, as well. During President Clinton's second year in office, the Senate confirmed 100 of his judicial nominees. The American people should join me in expecting Senate Democrats to do the same for President Bush. In fact, I think we should take this year's systematic and calculated performance as a pledge that the Senate will confirm at least 100 of President Bush's judicial nominees in 2002.

Mr. President, there is another fact that I think ought to be brought up. That is, when the first President Bush left office, there were around 67 vacancies and 54 nominations pending that were never acted upon. But on election day of 2000, only about 42 Clinton nominees were left pending, several of whom were sent here so late in the year that there was no way the Judiciary Committee could have processed them.

I tried to do my best as Judiciary Committee chairman, and I don't think anybody on the other side has a right to complain. Admittedly, there were a few judges that we just couldn't get through, but it wasn't for lack of trying. There are some Senators in each party who may not want to see many of the other party's judges get through, and they make it tough. But those Members are very much in the minority. I think most Members in both parties would like to see a better job done.

Now, I have great hope we will do a better job next year. It is an absolute disgrace to allow 79 percent of President Bush's circuit court nominees to languish. In particular, I will mention three of them.

Michael McConnell is one of the greatest minds in the field of law today. He has all kinds of Democrat support, but one or more single-issue special interest groups are mouthing off against him. He has wide bipartisan support and everybody that knows him knows he would make a great circuit court of appeals judge. I would like to see him on the Tenth Circuit Court of Appeals because I think he would help that court a great deal.

Another one is Miguel Estrada. Here is one of the leading minorities in the country today, an immigrant who graduated from Columbia University and Harvard Law School. But the Senate leadership has been sitting on his nomination for 7 months, preventing him from having a hearing. He received the American Bar Association's highest rating, which some Democrats have touted as the gold standard for nominees, but still cannot get the time of day from the Judiciary Committee.

John Roberts is another excellent nominee. He is considered one of the greatest appellate lawyers in the country today. My friends on the other side left him languishing as a nominee of the first President Bush, back in 1992. Here he is, languishing for another 7 months, not even being given a chance to have a vote up or down.

Now let me just say a few words about two executive branch nominees who also have been mistreated. One is Eugene Scalia, the nominee for Solicitor of Labor. Listening to his critics, you might think the plan is to turn OSHA over to Eugene Scalia, who disagrees with the efficacy of some of the rules on ergonomics. But he will have nothing to do with that. And besides, both Houses rejected those rules by a majority vote. The Solicitor of Labor basically has no power other than to issue legal opinions, and Scalia is one of the brightest young legal minds in the country today.

I suggested last week that Mr. Scalia's nomination is being stopped for two reasons—at least these are the ones that keep cropping up. And I hope these are not the true reasons why any Senator would stop an executive branch nominee. I would be tremendously disappointed at our Senate if they were the true reasons.

The first is that he is a pro-life Catholic. This is not a persuasive argument for voting against Eugene Scalia's nomination. It is offensive to me if anyone in this body would actually vote against someone for that reason. The fact that he is a pro-life Catholic has nothing to do with whether or not he can do a good job as Solicitor of Labor. Everybody knows he is

an excellent lawyer. He has said he will abide by the law, whatever it is. Whether he agrees or disagrees with it, he will enforce the law. What more can you ask of a nominee? And he is the President's choice for this position. He deserves to have a vote.

If people feel so strongly against him that they want to vote him down, let them vote against him. But at least let this man, and the President, have a vote on this nomination.

The second reason that Eugene Scalia's nomination is being stopped, is that some may hold it against him that his father happens to be Justice Antonin Scalia on the U.S. Supreme Court. I hope nobody in this body would hold it against a son, the fact that they might disagree with the father. I do not have to speak in favor of Antonin Scalia. He is one of the greatest men in this country. He is a strong, morally upright, decent, honorable, intellectually sound, brilliant jurist—just the type we ought to have in the Federal courts. The fact that he may be more conservative than some in this body is irrelevant.

But even if there were some good reason to criticize Justice Scalia, there is no basis at all for using such a criticism against his son, who is a decent, honorable, intelligent, intellectual, brilliant young attorney who deserves the opportunity to serve his Government, and who has already said that as Solicitor of Labor he will abide by the law whether he agrees with it or not. Knowing how honorable he is, I know he will do exactly that.

The second executive branch nomination I want to mention is Joseph Schmitz for Inspector General of the Department of Defense. I happen to know a lot about him; he is one of the brightest people I have ever met. He is not even getting a committee vote. At least Mr. Scalia got a vote in committee—he received a majority vote in his favor in the HELP Committee. But Mr. Schmitz isn't even getting a vote in committee. That is no way to treat a nominee, or the President who nominated him.

Frankly, these jobs—solicitor and inspector general—are not politically sensitive positions. And both of these men I know personally to be honest, decent, honorable men. They deserve votes in this body. If they lose, then I can live with that result. I do not believe they will lose.

The purposeful delay on all of these nominations bother me a great deal, and I hope we do something about it. If we can't do anything before the end of the current session, then I hope we will do it shortly after we get back.

I will continue to do my very best to work as closely as I can with Senator LEAHY. We are friends, and I respect him. I want to support him in every way. But some of the comments I have heard in this Chamber today are nothing more than a distortion of the facts, a distortion of the numbers, and a distortion of the record. I personally resent it.

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

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. 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.

## ADMINISTRATIVE SIMPLIFICATION COMPLIANCE ACT

Mr. BINGAMAN. Mr. President, on December 12, 2001, the Senate passed the Administrative Simplification Compliance Act, by unanimous consent. As the title states, this is a bill about compliance with the ''Administrative Simplification Act'' and not a proposal to delay enforcement of it.

This bill permits healthcare organizations, health plans, providers and clearinghouses, which cannot meet the current deadline for compliance with the transactions and code sets rule, to seek and obtain a one-year delay. Such flexibility was necessary due to the complexity and novel nature of the changes mandated under the Administrative Simplification Act. At the same time, certain provisions were built into the rule to allay concerns that entitles that request the delay may merely continue to avoid preparing for compliance. The first of the provisions designed to provide compliance impetus is the requirement to submit a plan no later than October 16, 2002, stating, among other things, how the covered entity will come into compliance by October 16, 2003.

These plans must include: (1) an analysis reflecting the extent to which, and the reasons, why, the person is not in compliance; (2) a budget, schedule, work plan, and implementation strategy for achieving compliance; (3) whether the person plans to use or might use a contractor or other vendor to assist the person in achieving compliance; and (4) a timeframe for testing that begins not later than April 15, 2003.

I am concerned that there will be a year in which some covered entities are using compliant standard transactions, as prescribed by the Administrative Simplification Act, and others who are not compliant and sought the delay according to them by H.R. 3323. For those in compliance, it is important that they are not penalized for using a compliant standard transaction format, as prescribed by the Administrative Simplification Act, after the original compliance date of October 15, 2002. That is, transactions should not be rejected, burdened, or penalized with additional costs, for being in conformity to the standard transaction format.

In order to avoid burdening complying health care entities, those entities seeking delay should also set forth how they will accept and not unduly burden conforming transactions from compliant health care entities between October 16, 2002, and October 16, 2003.

I look forward to working with my colleagues to ensure that Administrative Simplification Act accomplishes what it was set out to do, which is to save money for covered entities on transactions costs, provided administrative efficiency, and protect the privacy of personally identifiable health information.

## HOLD ON S. 1803

Mr. GRASSLEY. Mr. President, in keeping with my policy on public disclosure of holds, today I placed a hold on further action on S. 1803, legislation reported out by the Senate Foreign Relations Committee to authorize appropriations under the Arms Export Control Act and the Foreign Assistance Act of 1961.

I am particularly concerned with Section 602 of this legislation.

Section 602(a) expresses the sense of Congress that the United States Trade Representative should seek to ensure that Free Trade Agreements are accompanied by specific commitments relating to nonproliferation and export controls.

Section 602(b) specifically directs the United States Trade Representative to ensure that any Free Trade Agreement with Singapore contains or is accompanied by a variety of specific nonproliferation and export control commitments.

Both of these matters—what sort of commitments Free Trade Agreements should contain, and specific negotiating instructions to USTR relating to the United States-Singapore FTA negotiations—are matters under the jurisdiction of the Senate Finance Committee.

Apart from the fact that Section 602 deals with matters that pertain to the jurisdiction of the Finance Committee, I have an additional practical concern as well.

According to the Trade Act of 1974, the United States Trade Representative is required to consult with and report to Members of the Senate Finance Committee and the House Committee on Ways and Means on the status of trade negotiations. This includes ongoing negotiations, like the US-Singapore FTA talks, and future FTAs in general.

If enacted into law, Section 602 would likely result in a confusing situation in which the Senate Foreign Relations Committee is advancing negotiating instructions to USTR on behalf of Congress, even though the oversight responsibility for such negotiations lies with the Finance Committee. USTR would have to consult with the Finance Committee about its implementation of negotiating instructions developed by the Foreign Relations Committee, instructions Finance Committee Members had no role in developing, and are not familiar with.

As far as I know, no Member of the Finance Committee has even seen Section 602 before.

Just a few days ago, the Finance Committee approved a bipartisan Trade Promotion Authority bill by a vote of 18–3. This bill contains specific and detailed negotiating instructions relating to multilateral, regional, and bilateral trade negotiations. The issues raised in Section 602, especially those framed as negotiating instructions, should have been considered by the Finance Committee in the context of the mark-up of TPA legislation, not on the floor in the context of legislation authorizing appropriations under the Arms Export Control Act.

For these reasons, Mr. President, I will continue to hold this legislation until the concerns I have raised here are addressed.

## CAMBODIA KILLINGS

Mr. MCCONNELL. Mr. President, an article in last week's New York Times highlighting the continued problem of wildlife poaching in Cambodia. A conservation expert predicted that within the next 3 to 5 years several species will cease to be biologically viable. Without a doubt, this is a legitimate concern and I applaud efforts to protect these endangered species.

But there are other species which may be endangered that the New York Times did not cite—these species are called ''Cambodian democrats''.

The killing of democracy activists in Cambodia deserve increase attention from the press and the international community. A total of 11 political activists and candidates from the royalist FUNCINPEC party and the opposition Sam Rainsy Party have been killed in the runup to local election scheduled for February, 2002.

Officials from the ruling Cambodian People's Party (CPP) have blamed these murders on witchcraft and business deals gone sour. This is poppycock. Diplomats in Phnom Penh must show some spine in demanding the CPP to cease the killings and to hold credible and competitive elections—something they did not do prior to the 1998 parliamentary elections. I hope that the importance of free and fair commune elections in 2002 and parliamentary elections in 2003 is not lost on this crowd, who seem more willing to embrace ''stability'' at the expense of democracy and the rule of law. Long term development in Cambodia is possible only under new and dynamic leadership.

There will come a day when the CPP is held accountable for its extrajudicial and corrupt activities. This Senator has not forgotten those killed and injured in the horrific grenade attack against the democratic opposition in March 1997—nor American Ron Abney, injured by shrapnel and who continues to bear physical reminders of that awful day. I have not forgotten the 100 FUNCINPEC supporters killed during the July 1997 coup d'etat organized and executed by CPP Prime Minister Hun Sen. Nor have I forgotten those killed and injured during the July 1998 elections. I ask Hun Sen: what kind of government kills Buddhist monks?

The international community can be part of the problem or part of the solution. It is past time they held the CPP and Prime Minister Hun Sen accountable for their repressive actions. Failure to do so will ensure that ''Cambodian democrats'' will join the list of species facing extinction in this Southeast Asian nation.

## EMERGENCY SMALL BUSINESS LOAN ASSISTANCE

Mr. KYL. Mr. President, I rise today to share concerns raised by the Bush administration and some of my colleagues regarding S. 1499, authored by my colleague from Massachusetts, Mr. KERRY.

I strongly believe that we must come to the aid of small businesses hurt hard by the September 11 attacks. That is why I have enthusiastically endorsed the Bush administration's ongoing, active, and aggressive efforts to provide emergency small-business loan assistance.

Unfortunately, S. 1499 came to the Senate floor without debate, without committee hearings, and without an opportunity for concerns about the bill to be raised and addressed. No CBO score was released, depriving those who are fiscally-responsible of a cost estimate of this legislation. Yet the Senate leadership attempted to pass this bill without affording us any opportunity to offer amendments.

Scarcely any explanation of this bill's provisions was ever offered before it was moved to the Senate floor—and that is extremely troubling.

We do know now that the costs of this bill—as much as $815 million—would actually exceed the entire 2002 budget for the Small Business Administration, nearly doubling it, at a time of a economic slowdown.

Additionally, the agency responsible for carrying out this legislation—the Small Business Administration (SBA)—has raised a number of concerns about this bill that have not been adequately addressed.

First, some of the provisions of the Kerry bill duplicate efforts already underway by the Bush administration. After the terrorist attacks, the SBA established the September 11 Emergency Injury Disaster Loan, EIDL, assistance program to make loans available to small businesses throughout the United States, who could demonstrate economic injury as a result of the terrorist attacks.

This was an appropriate and necessary response. I emphasize, Mr. President: these loans already are being made available.

In addition to duplication of ongoing efforts, the SBA also expressed the concern that provisions of the Kerry bill would actually increase the number of small-business loan defaults, at the expense of the American taxpayer.

As the SBA wrote in a letter to the sponsors of this measure:

> By relaxing credit requirements, reducing interest rates, eliminating fees, increasing the government guarantee, deferring principal payments, forgiving interest and increasing government liability, S. 1499 could make government-guaranteed small business loans more attractive than conventional loans, potentially displacing private sector options. In addition, S. 1499 significantly reduces lender and borrower stakes in a loan, thereby increasing the likelihood of default.

Certainly the sponsors of this measure do not want to promote defaults. After all, the goal of small-business assistance is to help entrepreneurs build, sustain and grow small businesses, with sound and fiscally-responsible loan assistance programs.

The existing EIDL assistance program provides a reasonable mechanism for needed aid by offering up to $1.5 million in emergency loans to small businesses at four percent interest over 30 years. Loans are not intended purely as a means of disaster relief.

Additionally, S. 1499's language is so broad that loan assistance could be provided to any small business that have ''been, or, that (are) likely to be directly or indirectly adversely affected'' by the terrorist attacks. Obviously, such language is ripe for abuse and could lead to exorbitant costs for the American taxpayer. Surely, this is not what the bill sponsors intended from this provision.

Lastly, the Small Business Administration expresses concerns regarding S. 1499's provisions providing emergency relief for Federal contractors. The provisions would allow an increase in the price of a federal contract that is performed by a small business in order to offset losses resulting from increased security measures taken by the Federal government at Federal facilities. As the SBA points out: ''providing equitable relief through SBA acting as a central clearing house would prove inefficient, costly, and burdensome on the Federal acquisition process.''

All of us want to come to the aid of small businesses adversely affected by the September 11 attacks and their aftermath. But we can do so in a cost-effective and responsible way, instead of a rushed, haphazard process designed to thwart compromise.

I am confident that a bipartisan compromise on this issue can be found in the near-term, so that the concerns raised by the administration can be taken into account, and we can pass something the President will support.

## LOCAL LAW ENFORCEMENT ACT OF 2001

Mr. SMITH of Oregon. Mr. President, I rise today to speak about hate crimes legislation I introduced with Senator KENNEDY in March of 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 October 7, 1998 in Traverse City, MI. A gay man was attacked by two men yelling anti-gay epithets. The assailants, Jeremy Jamrog, 21, and James Johnson, 24, were charged with aggravated assault in connection with the incident.

I believe that government's first duty is to defend its citizens, to defend them against the harms that come out of hate. The Local Law Enforcement Enhancement Act of 2001 is now a symbol that can become substance. I believe that by passing this legislation, we can change hearts and minds as well.

## LEGISLATIVE BRANCH EMERGENCY PREPAREDNESS TASK FORCE

Ms. LANDRIEU. Mr. President, I stand here today to pay tribute to a group of Americans who have worked tirelessly to protect all of us. Following the tragic events of September 11, Al Lenhardt, the Senate Sergeant at Arms and Chairman of the U.S. Capitol Police Board recognized the value of bringing together a group of experts from outside the legislative branch to provide the expertise necessary to respond to this unprecedented attack on America. He brought in a team of experts and created the Legislative Branch Emergency Preparedness Task Force to conduct a comprehensive assessment of the Capitol Complex and provide recommendations that would enhance our security .

This extraordinary group of experts could quite easily have taken a simplistic approach and recommended turning the Capitol into an armed camp. Fortunately, they recognized that this building, known throughout the world as a symbol of freedom and democracy, is first and foremost the public's domain and must remain so. Instead of taking the easy route, they developed a carefully crafted series of measures which enhanced the security of everyone who walks through these doors Members of Congress, staff and visitors alike without denying the American people their right to see and meet with their elected representatives. They ensured that the Capitol remained ''the People's House.''

Mr. Gary Quay of the Department of Defense, Colonel Richard Majauskas, Lieutenant Colonel Donald Salo and Lieutenant Colonel Stanley Tunstall of the Army, Lieutenant Commander David Klain of the Navy, Deputy Chief Chris McGaffin and Captain Edward Bailor of the U.S. Capitol Police, Mr. Michael DiSilvestro of the Office of Senate Security, Mr. Michael Johnson of the Senate Sergeant at Arms, Mr. Kevin Brennan of the House Sergeant at Arms, and Mr. Bill Weidemeyer and Mr. Jim Powers of the Architect of the Capitol dedicated themselves to the task of looking at every aspect of emergency preparedness on Capitol Hill.

All of us remember the confusion that reigned on September 11. In light of what happened, that confusion was perfectly understandable. After all, never before had someone turned one commercial airliner into a weapon of mass destruction, let alone four. I am convinced that the rapid implementation of the Task Force's recommendations by Jeri Thomson, the Secretary of the Senate, Alan Hantman, the Architect of the Capitol, and Jim Varey, Chief of the U.S. Capitol Police, has significantly enhanced our ability to respond to emergencies and will prevent a repeat of that day's confusion.

In a world where cynicism and selfishness rule the day for some, I am proud to say this is not the case for these dedicated Americans. The safety of our nation's Capitol, and all who work in and visit it, is enhanced by their efforts. On behalf of Americans everywhere and the 107th Congress in particular, I am proud to stand here today and say ''Thank you—job well done!''

## PRESIDENTIAL COMMISSION TO ESTABLISH AN AFRICAN AMERICAN HISTORY AND CULTURE MUSEUM

Mr. BROWNBACK. Mr. President, one of the most important chapters in our national story of human freedom and dignity is the history and legacy of the African American march toward freedom, legal equality and full participation in American society. Yet in our Nation's front yard, the national mall, there is no museum set aside to honor this legacy.

Yesterday, the Senate began the very important step toward establishing a national museum in Washington, DC to honor the rich history of African Americans.

With the passage of H.R. 3442, a bill that creates a Presidential commission that will develop a plan to establish and maintain the National Museum of African American History and Culture, the Senate has taken a tremendous step closer to honoring those African Americans who not only fought for their own freedom but fought for the freedoms in this country that we enjoy today.

I thank my colleague Senator MAX CLELAND for his leadership in the Senate on this issue. Senator CLELAND worked diligently with me to draft a bill that would properly honor the history of African Americans. This legislation will enable our Nation to start the process that will honor this important aspect of American history.

Specifically, the legislation creates a 19-member commission made up of individuals who specialize in African American history, education and museum professionals. The commission has 9 months to present its recommendations to the President and Congress regarding an action plan for creating a national museum honoring African Americans.

The commission will decide the structure and makeup of the museum, devise a governing board for the museum, and among other action items, will consider planning the museum within the Smithsonian's arts and industries building, which is the last existing space on the national mall.

As a Kansan, I feel a special connection to honoring the legacy of African Americans. The State of Kansas not only played a significant role in the civil war but also was chosen by many African American families as a place to begin their new life of freedom and prosperity in the ''exodus'' to Kansas.

I believe that it is long over due that we properly honor African American history by establishing a world class museum that showcases the achievements of African Americans in this country. I look forward to the commission's recommendations for establishing this museum on the national mall in Washington, DC, where African American history belongs.

I do not pretend that this legislation is a cure-all for the problem of racial division, it is, however, an important and productive step toward healing our nation's racial wounds. This museum will both celebrate African American achievement and serve as a landmark of national conscience on the historical facts of slavery, the reconstruction, the civil rights struggle and beyond.

Dr. King expressed his hope for national reconciliation. I too hope ''That the dark clouds of [misconceptions] will soon pass away and the deep fog of misunderstanding will be lifted from our fear-drenched communities and in some not too distant tomorrow the radiant stars of love and brotherhood will shine over our great nation with all their scintillating beauty.''

Today, we are one step closer to fulfilling this goal. I am proud to be a part of honoring this magnificent history. As a nation we have an extraordinary opportunity before us—a chance to learn, understand and remember together our nation's history and to honor the significant contribution of African Americans to our history and culture.

Mr. SMITH of New Hampshire. Mr. President, the gas additive MTBE has become a huge concern for millions across the nation because of the contamination that it has caused.

That is certainly true of many communities throughout New Hampshire where it has become a crisis, and the crisis will continue to escalate unless it is dealt with.

I have been fighting for the past two years to get the Senate to act on legislation that will solve this problem and up to now, unfortunate roadblocks have prevented this from happening.

I was pleased last week when the majority leader made a commitment to me that the Senate will vote on MTBE legislation before the end of February and I know that the majority leader will honor that commitment and I want to express my appreciation to him for working with me.

Until the day that vote arrives, I will continue to come to the floor to remind Senators of the terrible impact that MTBE is having on the nation and remind them why it is important that we act now.

Make no mistake about it—cleaning up MTBE contamination and preventing further contamination is something that the residents of New Hampshire are demanding and I will do all that I can to solve this problem.

Let me step back and provide some background on how we got where we are and why this legislation is so important to those many States that have suffered from MTBE contamination.

MTBE has been a component of our fuel supply for two decades.

In 1990, the Clean Air Act was amended to include a clean gasoline program.

That program mandated the use of an oxygenate in our fuel—MTBE was one of two options to be used.

The problem with MTBE is its ability to migrate through the ground very quickly and into the water table.

Several States have had gasoline leaks or spills lead to the closure of wells because of MTBE.

MTBE is only a suspected carcinogen, but its smell and taste do render water unusable.

Many homes in New Hampshire and across the nation have lost use of their water supply because of MTBE contamination.

According to the New Hampshire Department of Environmental Services, there may be up to 40,000 private wells with some MTBE contamination and of those, up to 8,000 may have MTBE contamination over State health standards.

Because of MTBE, New Hampshire has been left with no option but to divert funds from other programs in order to pay for safe water for residents with contaminated wells, in many instances, the State has had to provide bottled water.

They are also installing and maintaining extremely expensive treatment equipment and these costs are so expensive that an average family could not afford to have clean drinking water without assistance.

Yesterday, I came to the Senate floor to talk about the hardships faced by many in the Western part of New Hampshire and I focused on the plight a small business owner and two families in the Richmond area.

Today I want to talk about those in the Southern part of New Hampshire that have faced similar problems.

This past spring, as chairman of the Environment and Public Works Committee, I held a hearing in Salem, NH, at the hearing, the committee heard about the nightmares caused by MTBE.

I want to take a moment to tell you about one particular witness who lives in Derry, NH, Mrs. Christina Miller shared with the committee the experience that her family and neighbors have been dealing with because of MTBE.

Mrs. Miller, her husband Greg, and their infant son Nathan live in the Frost Road community in Derry, the area has been particularly hard hit by MTBE.

The gas additive was first detected there a little over three years ago and the concentration of MTBE in the well water was over ten times higher than the level where a person can smell it and taste it.

Since the discovery of MTBE in the wells, testing in the neighborhood has been on-going.

Currently, some 40 homes in the Frost Road community are being monitored for MTBE and so far, seven treatment systems, including one in the Miller home, have been installed in homes on and around Frost Road.

In April of last year, while Mrs. Miller was pregnant with Nathan, a water sample from the Miller well showed a high MTBE contamination level, and due to this discovery, the Millers began receiving bottled water from the State to replace the contaminated drinking water.

But while bottled water is fine for drinking, Mrs. Miller pointed out that it doesn't help with other daily needs such as: bathing; washing fruits and vegetables; and cooking.

There is also the potential health concerns associated with the contamination and not much is known about the health affects of MTBE—but when you have a new born, as the Miller's do with Nathan, the health uncertainties add to the already existing anxiety.

The State has installed a treatment system in their basement and it is a large, cumbersome intrusion in their house—it is also expensive.

This system consists of a residential air stripper and two carbon filter units and while the State is currently paying for the system, there is the concern about how long this will last and whether they will pay for any upgrades as well.

Needless to say, with the MTBE contamination and the presence of a large treatment system in their home, the Millers' are quite concerned with impact on the home's resale value.

What adds to the concerns is that the State still has not been able to determine the source of the MTBE.

It is a bad situation—one that begs for a remedy and the people of Derry are looking for help and relief from this federally mandated gas additive that has caused so much pain.

This problem is not unique to new Hampshire, it exists in Maine California, Nevada, Texas, New York, and on and on.

In fact, in Maine, one single car accident rendered 12 drinking wells unusable—just like that—we must do something.

I have a bill that has been reported out of committee two years in a tow—briefly, the bill will: Authorize $400 million out of the Leaking Underground Storage Tank Fund (LUST Fund) to help the states clean up MTBE contamination; Ban MTBE four years after enactment of this bill; Allow Governors to waive the gasoline oxygenate requirement of the Clean Air Act; Preserve environmental benefits on air toxics, and; Provide funds to help transition from MTBE to other clean, safe fuels.

Also, I am very pleased to be joining our subcommittee ranking member, Senator CHAFEE in introducing a new underground storage tank bill that includes MTBE cleanup funding.

The time to act is now—Just as I said yesterday, I will continue to come to the floor until the Senate acts on this issue. It is time to help out the families who have fallen victim to a Federal mandate.

## PORT AND MARITIME SECURITY ACT

Mr. HOLLINGS. Mr. President, we worked hard with the administration to incorporate many of their suggested changes in this bill to sharpen the policy and create a better legislative product. I had intended to work with Chairman LEAHY of the Judiciary Committee to modernize and update some of our maritime criminal laws to reflect the realities following the attacks of September 11th, and to strengthen our laws to protect against maritime terrorism. Unfortunately, the administration did not consult or share with the Judiciary Committee the changes in criminal laws and other matters within the Judiciary Committee's jurisdiction that were provided to me. I ask the chairman of the Judiciary Committee if he would be willing to work to work with me and Senator MCCAIN next year to consider whether new criminal provisions are necessary to enhance seaport security?

Mr. LEAHY. Mr. President, I am also very concerned that we develop policies to more adequately protect our maritime vulnerabilities and protect the public from the threats emerging as a result of maritime trade. I would be happy to work with Chairman HOLLINGS and Ranking Member MCCAIN next year to evaluate whether any gaps in our criminal laws to protect our maritime safety and seaport security exist and the appropriate steps we should take to close those gaps.

Additionally, I have expressed to Chairman HOLLINGS my concerns that we properly limit access to and use of sensitive law enforcement information relating to background checks which are provided for in this bill. Chairman HOLLINGS has assured me that the bill sets strict and appropriate limits as to both when such access will be required and how the information will be used once obtained. I would like to ask Chairman HOLLINGS if he could explain those provisions?

Mr. HOLLINGS. Mr. President, I share Chairman LEAHY's concern that we provide adequate safeguards for both access to and use of this sensitive

information. That is why we have included important protections and limitations for such use and access in the bill. Background checks will be limited to those employees who have access to sensitive cargo information or unrestricted access to segregated ''controlled access areas,'' that is defined areas within ports, terminals, or affiliated maritime infrastructure which present a demonstrable security concern. In addition, under this bill the use of such material, once it is obtained, will be restricted to the minimum necessary to disqualify an ineligible employee. In other words, only the minimum amount of law enforcement information necessary to make eligibility decisions will be shared with port authorities or maritime terminal operators.

## ADDITIONAL STATEMENTS

### CHARLES KRAUTHAMMER ON PRESIDENTIAL LEADERSHIP IN FOREIGN POLICY

• Mr. KYL. Mr. President, I commend to my colleagues a recent column by Charles Krauthammer entitled ''Unilateral? Yes, Indeed.'' It ran in the December 14 issue of the Washington Post.

Once again, Krauthammer has done a fine job of articulating sentiments shared by many of us regarding the President's conduct of foreign policy. The essence of the issue can be summarized in one word: leadership. Since the start of his presidency, George W. Bush has been the target of innumerable criticisms emanating from his approach to the conduct of foreign policy. Greatly exaggerated fears of isolationism have been voiced by the president's critics, both at home and abroad. With the conduct of the war against terrorism and the decision to withdraw from the Anti-Ballistic Missile Treaty, however, the President has demonstrated not isolationism, but leadership. Leadership, as defined by the willingness to make unpopular decisions and accept the consequences out of a conviction that the decisions in question are in the best interests of the United States.

Pre-war concerns that the entire Muslim world would rise up against us if we went after Al Qaeda and its Taleban protectors have proven unfounded. Worst-case scenarios surrounding the President's decision to withdraw from the ABM Treaty have similarly failed to materialize. There are consequences to both decisions, but they were the right decisions and the consequences are far less than the benefits accruing to the United States from their having been implemented.

I urge my colleagues to take a minute to read the article by Charles Krauthammer. It articulates better than could I the importance of leadership in international affairs, and I highly recommend it.

I ask that the article be printed in the RECORD.

The article follows.

[From the Washington Post, Dec. 14, 2001]

UNILATERAL? YES, INDEED

(By Charles Krauthammer)

Last month's Putin-Bush summit at Crawford was deemed an arms control failure because the rumored deal—Russia agrees to let us partially test, but not deploy, defenses that violate the 1972 Anti-Ballistic Missile Treaty—never came off.

In fact, it was a triumph. Like Reagan at the famous 1986 Reykjavik summit, at which he would not give up the Strategic Defense Initiative to Gorbachev, Bush was not about to allow Putin to lock the United States into any deal that would prevent us from building ABM defenses.

Bush proved that yesterday when he dropped the bombshell and unilaterally withdrew the United States from the treaty, and thus from all its absurd restrictions on ABM technology.

This is deeply significant, not just because it marks a return to strategic sanity, formally recognizing that the ballistic missile will be to the 21st century what the tank and the bomber were to the 20th, but because it unashamedly reasserts the major theme of the Bush foreign policy: unilateralism.

After Sept. 11, the critics (the usual troika: liberal media, foreign policy establishment, Democratic ex-officials) were clucking about how the Bush administration has beaten a hasty retreat from reckless unilateralism. President Bush ''is strongly supported by the American people,'' explained former Senate leader George Mitchell, ''in part because he has simply discarded almost everything he said on foreign policy prior to Sept. 11.''

Bush had wanted to go it alone in the world, said the critics. But he dare not. ''It's hard to see the President restoring the unilateralist tinge that colored so many of his early foreign policy choices,'' wrote columnist E. J. Dionne just two months ago. ''Winning the battle against terror required an end to unilateralism.''

We need friends, they said. We need allies. We need coalition partners. We cannot alienate them again and again. We cannot have a president who kills the Kyoto Protocol on greenhouse gases, summarily rejects the ''enforcement provisions'' of the bioweapons treaty, trashes the ABM Treaty—and expect to build the coalition we need to fight the war on terrorism.

We cannot? We did.

Three months is all it took to make nonsense of these multilateralist protests. Coalition? The whole idea that the Afghan war is being fought by a ''coalition'' is comical. What exactly has Egypt contributed? France sent troops into Mazar-e Sharif after the fighting had stopped, noted that renowned military analyst Jay Leno. (''Their mission?'' asked Leno. ''To teach the Taliban how to surrender.'') There is a coalition office somewhere in Islamabad. Can anyone even name the coalition spokesman who makes announcements about the war?

The ''coalition'' consists of little more than U.S. aircraft, U.S. special forces, and Afghan friends-of-the-moments on the ground. Like the Gulf War, the Afghan war is unilateralism dressed up as multilateralism. We made it plain that even if no one followed us, we would go it alone. Surprise: Others followed.

A unilateralist does not object to people joining our fight. He only objects when the multilateralists, like Clinton in Kosovo, give 18 countries veto power over bombing targets.

The Afghan war is not a war run by committee. We made tough bilateral deals with useful neighbors. Pakistan, Uzbekistan, Tajikistan, Russia. The Brits and the Australians added a sprinkling of guys on the ground risking their lives, and we will always be grateful for their solidarity. But everyone knows whose war it is.

The result? The Taliban are destroyed. Al Qaeda is on the run. Pakistan has made a historic pro-American strategic pivot, as have the former Soviet republics, even Russia itself. The Europeans are cooperating on prosecutions. Even the Arab states have muted their anti-American and anti-Israeli rhetoric, with the Egyptian foreign minister traveling to Jerusalem for the first time in three years.

Not because they love us. Not because we have embraced multilateralism. But because we have demonstrated astonishing military power and the will to defend vital American interests, unilaterally if necessary.

Where is the great Bush retreat from unilateralism? The ABM Treaty is dead. Kyoto is dead. The new provisions of the totally useless biological weapons treaty are even deader: Just six days before pulling out of the ABM Treaty, the administration broke up six years of absurd word-mongering over a bio treaty so worthless that Iraq is a signatory in good standing.

And the world has not risen up against us—no more than did the ''Arab street'' (over the Afghan war), as another set of foreign policy experts were warning just weeks ago.

The essence of unilateralism is that we do not allow others, no matter how well-meaning, to deter us from pursuing the fundamental security interests of the United States and the free world. It is the driving motif of the Bush foreign policy. And that is the reason it has been so successful.•

### RUSSIA AND ENERGY SECURITY

• Mr. BIDEN. Mr. President, I rise to point out that while the attention of the world is now rightly focused on Afghanistan and the war against terrorism there, we should not forget that a large part of the oil and gas consumed by the United States and the rest of the industrialized world comes from the conflict-ridden Middle East.

In addition to addressing the issue of energy independence through new domestic sources of supply, conservation, and the development of renewable energy resources, it is imperative for us to be thinking abut the best possible way of protecting the security of alternative sources of oil and gas outside the United States. The Caspian Sea is also on Russia's doorstep, and we should encourage development that will foster positive political as well as economic relations with the world's second largest oil exporter.

Russia's recent refusal to follow OPEC's lead in slashing production is one more example of its ability to play a positive role on world oil markets, and the recently opened $2.5 billion Caspian oil pipeline, Russia's largest joint investment to date, and one in which U.S. firms hold more than a one-third interest, is an example of the kind of project that will encourage Moscow to continue to look westward.

Akezhan Kazhegeldin, an economist, businessman, and former prime minister of oil-rich Kazakhstan, has written a thoughtful article on these subjects that appeared in the Russian

journal Vremya Novostei on October 15, 2001. In his article, Dr. Kazhegeldin states that oil and gas from Kazakhstan and the other energy producing nations of the former Soviet Union could provide an important backup source of energy, complementing what now comes from the Persian Gulf countries.

Moreover, referring to the debate surrounding the route of future, additional pipelines carrying oil to consuming countries, Dr. Kazhegeldin asserts that there is no reason for the West and Russia to be at loggerheads now that the Cold War is over. He goes on to describe how the West and Russia could, in his view, work together on a comprehensive pipeline solution that would benefit everyone.

Some of Dr. Kazhegeldin's ideas will undoubtedly elicit healthy debate. I urge my colleagues to read his provocative article, and I ask that the text be printed in the RECORD.

The article follows.

[From Vremya Novostei, Oct. 15, 2001]

''GLOBAL ARC OF STABILITY: THE WAY RUSSIA AND THE CASPIAN CAN MAKE THE WORLD STABLE''

(By Akezhan Kazhegeldin)

The September 11 tragic events and launching of the Afghan campaign, seen as the first stage in ''the global war against terror'', have changed the world dramatically. Protection of peaceful citizens from possible terror acts appears as just a tip of the huge pyramid of new problems. We are facing an acute and more global problem, the problem of ensuring the industrial world's economic safety.

The supply of the developed nations' energy, above all, oil and gas, is a critical and vulnerable element in the world's economic relations. A great part of the developed oil fields are concentrated in the highly insecure and conflict-ridden Middle Eastern region, which makes the threat of oil blockade and energy crisis for the industrial countries, the main oil and gas consumers, a perpetual nightmare. Unpredictable dictators are no less dangerous than terrorist groups. Should the interests of both in the region coincide, the rest of the world would find itself in an impasse.

Even if everything goes very well and the antiterrorist campaign ends quickly, the community of industrial countries will have to make sure that the threat of energy blackmail is ruled out in principle. In the global energy system, it is necessary to use reserve and back-up methods in order to ensure safety. Caspian oil reserves can play a major role here.

For the past decade, politicians and journalists have been debating about the problem of Caspian oil perhaps more heatedly than the industry professionals. It has almost been made into a stake in the new Great Game, the U.S-Russian rivalry over the control of the region and its riches. This confrontation has become the legacy of the old ''bloc'' model of the world. Wayne Merry, a former U.S. State Department and Pentagon official, now a senior associate at the American Foreign Policy Council in Washington, describes its sources: ''. . . Washington concentrated its efforts on one great strategic project to assure US primacy in the region. . . . The idea was to bypass existing pipelines in Russia, squeeze out Iran, bring energy supplies from the Caspian region to a transhipment point in a NATO country, and thereby assure the independent futures of the producing and transit countries.''

Understandably, Moscow clearly saw the threat to its interests and resisted U.S. plans. However, both sides played their parts by force of habit, without their usual passion. The reason is that the interests of Russia and the West (not only the U.S.) in the region are actually not conflicting. Some regional leaders tried to artificially keep alive the conflict between them as they hoped to secure foreign support for their authoritarian regimes.

Now that many old patterns have been left behind in the 20th century for good, the common interests of the industrial and democratic countries allow them to work out joint approaches to ensure their energy independence. Owing to this, Kazakhstan, Azerbaijan and Turkmenistan have a historic opportunity to become stable partners of both Russia and the West, and to be integrated into the world economy.

Naturally, this integration should entail bringing their political systems in line with the international democratic and market economy standards. ''A glance at other post-colonial regions in Africa and Asia shows that the first generation of 'Big Man' leaders often does as much harm to their countries as did the departing imperial powers, creating a painful legacy for future generations to sort out,'' concludes Wayne Merry. ''American long-term interests in Central Asia are best served by seeking to engage tomorrow's leaders and assuring that, when the region's energy reserves do become important to the outside world, these leaders will look to the United States as a friend and not as yet another external exploiter.''

Setting aside the controversial definition of the Central Asian countries as post-colonial ones, one should admit that the time when the region's energy reserves do become important to the outside world is nearing. Though geological exploration of the Caspian shelf is far from being completed, and many experts are not inclined to share the fanciful expectations of ''dozens of new Kuwaits'', it is clear that the region's oil and gas reserves are extremely large. However, energy projects can't become global automatically, thanks only to rich oilfields. Stable export routes are required to deliver oil and gas to the global markets. Even all the reserves of the Caspian states put together won't make the Caspian project global. It is necessary to select and develop the routes to transport oil and gas to the global markets—to the consumers in Europe, U.S., and Asian countries.

The most politically and economically viable option is to transport the Caspian ''big oil'' up to the north, into Russia and further on into Eastern and Western Europe, to the consumers and transshipment ports. Economically, this option seems much more attractive, since the construction is to take place on a plain, in populated areas with a developed infrastructure. Russia's European region has enough qualified manpower and electricity for oil pumping. Russian plants produce pipes and other equipment. Stability in Russia and the neighboring countries guarantees safety of the route and its uninterrupted operation.

If chosen, the Russian option would mean turning the energy flow from south to north. It will permit the in-depth integration of Russia and Central Asia into a united Europe and simultaneously charge Europe and Russia with a common political mission of ensuring energy independence for the industrial countries. It will allow oil-producing countries of the Caspian region to play a major role in the global energy market. Russia, Kazakhstan, Azerbaijan, and—in the long term, Turkmenistan, could, along with the North Sea oil producing countries, become a real alternative to OPEC and get significant political benefits.

The main advantage of the northern export route for Caspian oil consists in the availability of a branched pipeline network in Russia. It is much easier and cheaper to improve and develop the existing system than to construct a new one. I mean the pipelines owned by the Transneft company and the recently constructed CPC line from Western Kazakhstan to the Black Sea. The CPC alone cannot provide exporters with access to the global market. For natural reasons, the Bosporus and Dardanelles have a limited carrying capacity. The Black Sea ecosystem is vulnerable, as this sea is warm and almost closed. Turkey has already announced its intention to limit the number of giant tankers passing through its straits. Instead of forcing Turkey to agree by means of political pressure, we should respect its fundamental interests and seek other solutions in addition to the CPC capacities.

The pipeline would enable Russia to solve several of its specific problems. For instance, to strengthen the special status of the Kaliningrad region as Russia's outpost in Western Europe. If the pipeline goes via the Kaliningrad region, the region could not only solve some of its economic problems, but also get additional security guarantees in case of NATO's expansion to the East. A place of its own in the EU economy would be the best guarantee for the region.

In any case, with any combination of routes, Russia would be the main player in a Caspian-European project. Moreover, Russia should initiate its realization. Technological and economic calculations will give optimal solutions. However, political will and vision are still primary considerations. History teaches us that it is they rather than mathematical and economic calculations that have brought into existence such giant projects as the Suez and Panama Canals that formed the global markets of those days.

Looking into the future and putting aside the required political decisions, I would like to stress that the Russian route could give an incredibly promising opportunity of opening up global markets for Eurasian oil and gas. This opportunity includes building an oil-carrier port in the Murmansk region on the Barents Sea. The non-freezing, deep-sea port would become the gateway to the global market for Caspian, Siberian and, prospectively, for Timanoperchersk oil as well, as the northern oil will require outlets to world markets. In the Murmansk region, some former military ports can reportedly be used right now by tankers. From there, they can quickly and safely reach not only Western European ports, but also the U.S. and Canada's eastern coast.

If gas-liquefying installations are built there, it would be hard to imagine a more natural route for a pipeline which will transport gas from the Russian polar regions and the Arctic Ocean's shelf.

In addition to the oil pipeline, a parallel gas pipeline should be built to provide Kazakh and Turkmen gas access to global markets that will not compete with the existing Russian gas routes to Western Europe. Constructing gas and oil pipelines simultaneously will make it possible to significantly cut capital expenditures and make transportation for long distances economically viable. By the way, the length of this route can be compared to the gas export line running from Tyumen's north to Western Europe.

Today's situation on the gas market is such that the Central Asian countries will long sit on their riches waiting for investors hindered by the lack of access to global markets. I am speaking not only about the

Turkmen gas. The share of gas in the Caspian hydrocarbon reserves can be much higher than those suggested by the most optimistic forecasts. On the one hand, Caspian gas should be available when the industrial world needs it badly. On the other hand, Caspian gas won't be a rival for Russian gas and a source of contention between Russia and its neighbors in Central Asia.

Where the two huge pipelines run side by side, where a joint exploitation system exists, one will naturally expect to have a transcontinental highway and info-highway—a powerful communication line originating from Europe and going further to the south.

These prospects are both exciting and distant. However, they should be taken into account when addressing today's problems. No doubt, the global economy does have enough investment resources for such a large-scale project. The U.S. Congress has given $40 billion for primary measures to safeguard national security. Much less investment is needed to ensure energy security of the industrial states. Especially as it is much more reasonable and profitable to invest in crisis prevention than in recovering from them.

A pipeline bridge between the Caspian region and Western Europe, Central Asia and the world's oceans will help solve the problem of the globalization of Eurasian energy resources. It could become a basis for an ''arc of stability'' in Europe. It not only shifts the so-called arc of tension running close to Russia from the Balkans via the Caucasus, Central Asia, Iran, and Afghanistan, but will also exclude the Caspian states—the critical link—from this chain. When involved in the global economy, these countries could turn into strongholds of stability in a part of Asia that today poses major threats to the world.●

## IN HONOR OF LUCY S. CICILLINE ON HER 90TH BIRTHDAY

● Mr. REED. Mr. President. I would like to take a moment to recognize a dear friend on her 90th birthday.

Lucy Cicilline, the daughter of Italian immigrants, was born Lucy Miragliuolo on December 26, 1911 in Providence, RI.

Lucy is the mother of four, the grandmother of twenty-one and the great grandmother of twenty-five. But more than this, Lucy is a vital, active personality who has always lent a helping hand to others.

When I was a boy, Lucy lived close to our family's summer home at Scarborough Beach in Narragansett, RI. Together with her husband, John, and her children, she was a wonderful friend to me and to my family. Always a kind and caring person, she showered her affection and attention on all her neighbors. As a nurse, it was Lucy who tended to my injured elbows and knees, and sometimes bruised spirit, during all the times I fell down and encountered the other mishaps of childhood.

As a Registered Nurse, employed at St. Joseph's Hospital in Providence, Lucy shared her kind and giving personality with her patients until her retirement.

But retirement did not stop her either. In 1980, at the age of sixty-nine and after the death of her husband of forty-seven years, Lucy decided it was time for her to learn how to drive.

Lucy approached this task with the same dogged determination and positive attitude that she has with everything in her life. She took driving lessons, received her license and continued to drive for the next ten years until her declining eyesight took her off the road.

Still, despite her eyesight and her getting on in years, Lucy is an important member of her community. For over fifty years, she has been contributing to the St. Joseph's Indian Tribe and has been named an honorary member of their community.

Now at the Village at Waterman Lake in Smithfield, RI, Lucy is an active adult who exercises and socializes with her fellow residents.

When I think of Lucy Cicilline, I recall the magic days of youth when I was surrounded and protected by adults like my parents and the Cicillines who set an extraordinary example of kindness and commitment to faith and family and country. At many moments in my life, I drew on those memories for inspiration and strength. Her example is with me today.

So today, I would like to thank Lucy for her kindness and her friendship and also wish her the happiest of birthdays.●

## THE URGENT NEED FOR BALLISTIC MISSILE DEFENSE

● Mr. KYL. Mr. President, I rise to submit for the RECORD an article written by Brian T. Kennedy, vice president of the Claremont Institute, entitled ''The Urgent Need for Ballistic Missile Defense.'' Published in the Imprimis publication of Hillsdale College, Mr. Kennedy persuasively argues that ''the United States is defenseless against [the] mortal danger . . . of a ballistic missile attack.''

In view of the events of September 11, I commend this article to the Senate for review as a cautionary warning to the U.S. Government of the potential danger of failing to meet its fundamental constitutional obligation to ''provide for the common defense.''

The article follows.

[From Imprimis, Nov. 2001]

### THE URGENT NEED FOR BALLISTIC MISSILE DEFENSE

(By Brian T. Kennedy)

On September 11, our nation's enemies attacked us using hijacked airliners. Next time, the vehicles of death and destruction might well be ballistic missiles armed with nuclear, chemical, or biological warheads. And let us be clear: The United States is defenseless against this mortal danger. We would today have to suffer helplessly a ballistic missile attack, just as we suffered helplessly on September 11. But the dead would number in the millions and a constitutional crisis would likely ensue, because the survivors would wonder—with good reason—if their government were capable of carrying out its primary constitutional duty to ''provide for the common defense.''

#### THE THREAT IS REAL

The attack of September 11 should not be seen as a fanatical act of individuals like Osama Bin Laden, but as deliberate act of a consortium of nations who hope to remove the U.S. from its strategic positions in the Middle East, in Asia and the Pacific, and in Europe. It is the belief of such nations that the U.S. can be made to abandon its allies, such as Israel, if the cost of standing by them becomes too high. It is not altogether unreasonable for our enemies to act on such a belief. The failure of U.S. political leadership, over a period of two decades, to respond proportionately to terrorist attacks on Americans in Lebanon, to the first World Trade Center bombing, to the attack on the Khobar Towers in Saudi Arabia, to the bombings of U.S. embassies abroad, and most recently to the attack on the USS Cole in Yemen, likely emboldened them. They may also have been encouraged by observing our government's unwillingness to defend Americans against ballistic missiles. For all of the intelligence failures leading up to September 11, we know with absolute certainty that various nations are spending billions of dollars to build or acquire strategic ballistic missiles with which to attack and blackmail the United States. Yet even now, under a president who supports it, missile defense advances at a glacial pace.

Who are these enemy nations, in whose interest it is to press the U.S. into retreating from the world stage? Despite the kind words of Russian President Vladimir Putin, encouraging a ''tough response'' to the terrorist attack of September 11, we know that it is the Russian and Chinese governments that are supplying our enemies in Iraq. Iran, Libya, and North Korea with the ballistic missile technology to terrorize our nation. Is it possible that Russia and China don't understand the consequences of transferring this technology? Are Vladimir Putin and Jiang Zemin unaware that countries like Iran and Iraq are known sponsors of terrorism? In light of the absurdity of these questions, it is reasonable to assume that Russia and China transfer this technology as a matter of high government policy, using these rogue states as proxies to destabilize the West because they have an interest in expanding their power, and because they know that only the U.S. can stand in their way.

We should also note that ballistic missiles can be used not only to kill and destroy, but to commit geopolitical blackmail. In February of 1996, during a confrontation between mainland China and our democratic ally on Taiwan, Lt. Gen. Xiong Guang Kai, a senior Chinese official, made an implicit nuclear threat against the U.S., warning our government not to interfere because Americans ''care more about Los Angeles than they do Taipei.'' With a minimum of 20 Chinese intercontinental ballistic missiles (ICBMs) currently aimed at the U.S., such threats must be taken seriously.

#### THE STRATEGIC TERROR OF BALLISTIC MISSILES

China possesses the DF–5 ballistic missile with a single, four-megaton warhead. Such a warhead could destroy an area of 87.5 square miles, or roughly all of Manhattan, with its daily population of three million people. Even more devastating is the Russian SS–18, which has a range of 7,500 miles and is capable of carrying a single, 24-megaton warhead or multiple warheads ranging from 550 to 750 kilotons.

Imagine a ballistic missile attack on New York or Los Angeles, resulting in the death of three to eight million Americans. Beyond the staggering loss of human life, this would take a devastating political and economic toll. Americans' faith in their government—a government that allowed such an attack—would be shaken to its core. As for the economic shock, consider that damages from the September 11 attack, minor by comparison, are estimated by some economists to be

nearly 1.3 trillion dollars, roughly one-fifth of GNP.

Missile defense critics insist that such an attack could never happen, based on the expectation that the U.S. would immediately strike back at whomever launched it with an equal fury. They point to the success of the Cold War theory of Mutually Assured Destruction (MAD). But even MAD is premised on the idea that the U.S. would ''absorb'' a nuclear strike, much like we ''absorbed'' the attack of September 11. Afterwards the President, or surviving political leadership, would estimate the losses and then employ our submarines, bombers, and remaining land-based ICBMs to launch a counterattack. This would fulfill the premise of MAD, but it would also almost certainly guarantee additional ballistic missile attacks from elsewhere.

Consider another scenario. What if a president, in order to avoid the complete annihilation of the nation, came to terms with our enemies? What rational leader wouldn't consider such an option, given the unprecedented horror of the alternative? Considering how Americans value human life, would a Bill Clinton or a George Bush order the unthinkable? Would any president launch a retaliatory nuclear strike against a country, even one as small as Iraq, if it meant further massive casualties to American citizens? Should we not agree that an American president ought not to have to make such a decision? President Reagan expressed this simply when he said that it would be better to prevent a nuclear attack than to suffer one and retaliate.

Then there is the blackmail scenario. What if Osama Bin Laden were to obtain a nuclear ballistic missile from Pakistan (which, after all, helped to install the Taliban regime), place it on a ship somewhere off our coast, and demand that the U.S. not intervene in the destruction of Israel? Would we trade Los Angeles or New York for Tel Aviv or Jerusalem? Looked at this way, nuclear blackmail would be as devastating politically as nuclear war would be physically.

ROADBLOCK TO DEFENSE: THE ABM TREATY

Signed by the Soviet Union and the United States in 1972, the Anti-Ballistic Missile Treaty forbids a national missile defense. Article I, Section II reads: ''Each Party undertakes not to deploy ABM systems for a defense of the territory of its country and not to provide a base for such a defense, and not to deploy ABM systems for defense of an individual region except as provided for in Article III of this Treaty.'' Article III allows each side to build a defense for an individual region that contains an offensive nuclear force. in other words, the ABM Treaty prohibits our government from defending the American people, while allowing it to defend missiles to destroy other peoples.

Although legal scholars believe that this treaty no longer has legal standing, given that the Soviet Union no longer exists, it has been upheld as law by successive administrations—especially the Clinton administration—and by powerful opponents of American missile defense in the U.S. Senate.

As a side note, we now know that the Soviets violated the ABM Treaty almost immediately. Thus the Russians possess today the world's only operable missile defense system. Retired CIA Analyst William Lee, in the ABM Treaty Charade, describes a 9,000-interceptor system around Moscow that is capable of protecting 75 percent of the Russian population. In other words, the Russians did not share the belief of U.S. arms-control experts in the moral superiority of purposefully remaining vulnerable to missile attack.

HOW TO STOP BALLISTIC MISSILES

For all the bad news about the ballistic missile threat to the U.S., there is the good news that missile defense is well within our technological capabilities. As far back as 1962, a test missile fired from the Kwajaleen Atoll was intercepted (within 500 yards) by an anti-ballistic missile launched from Vanderberg Air Force Base. The idea at the time was to use a small nuclear warhead in the upper atmosphere to destroy incoming enemy warheads. But it was deemed politically incorrect—as it is still today—to use a nuclear explosion to destroy a nuclear warhead, even if that warhead is racing toward an American city. (Again, only we seem to be squeamish in this regard: Russia's aforementioned 9,000 interceptors bear nuclear warheads.) So U.S. research since President Reagan reintroduced the idea of missile defense in 1983 has been aimed primarily at developing the means to destroy enemy missiles through direct impact or ''hit-to-kill'' methods.

American missile defense research has included ground-based, sea-based and space-based interceptors, and air-based and space-based lasers. Each of these systems has undergone successful, if limited, testing. The space-based systems are especially effective since they seek to destroy enemy missiles in their first minutes of flight, known also as the boost phase. During this phase, missiles are easily detectible, have yet to deploy any so-called decoys or countermeasures, and are especially vulnerable to space-based interceptors and lasers.

The best near-term option for ballistic missile defense, recommended by former Reagan administration defense strategist Frank Gaffney, is to place a new generation of interceptors, currently in research, aboard U.S. Navy Aegis Cruisers. These ships could then provide at least some missile defense while more effective systems are built. Also under consideration is a ground-based system in the strategically important state of Alaska, at Fort Greely and Kodiak Island. This would represent another key component in a comprehensive ''layered'' missile defense that will include land, sea, air and space.

ARGUMENTS AGAINST MISSILE DEFENSE

Opponents of missile defense present four basic arguments. The first is that ABM systems are technologically unrealistic, since ''hitting bullets with bullets'' leaves no room for error. They point to recent tests of ground-based interceptors that have had mixed results. Two things are important to note about these tests: First, many of the problems stem from the fact that the tests are being conducted under ABM Treaty restrictions on the speed of interceptors, and on their interface with satellites and radar. Second, some recent test failures involve science and technology that the U.S. perfected 30 years ago, such as rocket separation. But putting all this aside, as President Reagan's former science advisor William Graham points out, the difficulty of ''hitting bullets with bullets'' could be simply overcome by placing small nuclear charges on ''hit-to-kill'' vehicles as a ''fail safe'' for when they miss their targets. This would result in small nuclear explosions in space, but that is surely more acceptable than the alternative of enemy warheads detonating over American cities.

The second argument against missile defense is that no enemy would dare launch a missile attack at the U.S., for fear of swift retaliation. But as the CIA pointed out two years ago—and as Secretary of Defense Rumsfeld reiterated recently in Russia—an enemy could launch a ballistic missile from a ship off one of our coasts, scuttle the ship, and leave us wondering, as on September 11, who was responsible.

The third argument is that missile defense can't work against ship-launched missiles. But over a decade ago U.S. nuclear laboratories, with the help of scientists like Greg Canavan and Lowell Wood, conducted successful tests on space-based interceptors that could stop ballistic missiles in their boost phase from whatever location they were launched.

Finally, missile defense opponents argue that building a defense will ignite an expensive arms race. But the production cost of a space-based interceptor is roughly one to two million dollars. A constellation of 5,000 such interceptors might then cost ten billion dollars, a fraction of America's defense budget. By contrast, a single Russian SS–18 costs approximately $100 million, a North Korean Taepo Dong II missile close to $10 million, and an Iraqi Scud B missile about $2 million. In other words, if we get into an arms race, our enemies will go broke. The soviet Union found it could not compete with us in such a race in the 1980s. Nor will the Russians or the Chinese or their proxies be able to compete today.

TIME FOR LEADERSHIP

Building a missile defense is not possible as long as the U.S. remains bound by the ABM Treaty of 1972. President Bush has said that he will give the Russian government notice of our withdrawal from that treaty when his testing program comes into conflict with it. But given the severity of the ballistic missile threat, it is cause for concern that we have not done so already.

Our greatest near-term potential attacker, Iraq, is expected to have ballistic missile capability in the next three years. Only direct military intervention will prevent it from deploying this capability before the U.S. can deploy a missile defense. This should be undertaken as soon as possible.

Our longer-term potential attackers, Russia and China, possess today the means to destroy us. We must work and hope for peaceful relations, but we must also be mindful of the possibility that they have other plans. Secretary Powell has invited Russia and China to join the coalition to defeat terrorism. This is ironic, since both countries have been active supporters of the regimes that sponsor terrorism. And one wonders what they might demand in exchange. Might they ask us to delay building a missile defense? Or to renegotiate the ABM Treaty?

So far the Bush administration has not demonstrated the urgency that the ballistic missile threat warrants. It is also troublesome that the President's newly appointed director of Homeland Security, Pennsylvania Governor Tom Ridge, has consistently opposed missile defense—a fact surely noted with approval in Moscow and Beijing. On the other hand, President Bush has consistently supported missile defense, both in the 2000 campaign and since taking office, and he has the power to carry through with his promises.

Had the September 11 attack been visited by ballistic missiles, resulting in the deaths of three to six million Americans, a massive effort would have immediately been launched to build and deploy a ballistic missile defense. America, thankfully, has a window of opportunity—however narrow—to do so now, before it is too late.

Let us begin in earnest.●

## MARGARET MEAD'S 100TH BIRTHDAY

● Mrs. CLINTON. Mr. President, I ask that the following statement, and the excerpt from the Mead Centennial press release, be printed in the RECORD in honor of Margaret Mead's 100th birthday:

On December 16, Margaret Mead would have celebrated her 100th birthday. As one of New York's Senators, I am proud that Margaret Mead called New York home for so many years. New York State has such a rich history of women who have made a difference at home and throughout the world.

As my colleague Senator CHUCK HAGEL stated so well, Margaret Mead ''was an American patriot who dedicated her life to understanding the people and nations of our world. She respected the distinctiveness of various cultures . . . Margaret Mead took her responsibilities of citizenship seriously by sharing her knowledge with those engaged in public service.''

On the occasion of the Margaret Mead centennial, I hope that more of today's youth will be exposed to the lifework of this great woman, and will be inspired to learn about cultures around the world. She devoted her life to studying other cultures, and to encouraging Americans to develop a desire to learn about other cultures.

The following excerpt from a Mead Centennial 2001 press release captures Margaret Mead's accomplishments, and their relevance to our country today:

HAPPY BIRTHDAY, MARGARET MEAD: IN THE 21ST CENTURY HER IDEAS RING TRUE

''How to describe Margaret Mead? Physically, she was short and pudgy, walked with a light, firm step, wore a distinctive cape and carried a tall, forked walking stick. As an American icon, anthropologist, futurologist, environmentalist, feminist, curmudgeon, and 'grandmother to the world,' she stood for many different things in people's mind. Above all she stood for the need for Americans to understand other cultures. Since September 11, it has become clear that this is an idea that urgently needs to be reinforced.

As a young scientist, Mead traveled to Samoa, New Guinea, and Bali in the 1920s and '30s to study more 'primitive' societies, wanting to see what she, as an American and a westerner, could learn from cultures that were so different from our own. Mead's theories about adolescence, sexuality, aggression, gender roles, and education opened up new ways of thinking about our own society. In later years, she studied more contemporary cultures, but always with an eye toward learning about how better to understand ourselves and to interact in what was rapidly becoming a multicultural world. Mead's ideas and thoughts are inextricably interwoven in our fabric today, many decades after her first studies of cultures, and nearly a quarter century after her death. While some still attract lively controversy, many of the concepts we take for granted today in any discussion of cultural difference, community, peace, gender, or human rights—were brought to the forefront by Mead in the '30s, '40s, and '50s.

More than thirty books, dozens of films, and thousands of articles later, her ideas continue to thrive and inspire. Her famous admonition, 'Never doubt that a small group of thoughtful, committed citizens can change the world,' has become the motto of hundreds of community action groups. For the Centennial, more than a dozen of her books have been reissued with new and timely introductions. Many organizations and individuals across this country and around the world are taking time to remember Mead and reacquaint themselves with what she stood for, her work, and its implications for the future. The Institute for Intercultural Studies (IIS), founded by Mead in 1944, continues under the guidance of Mary Catherine Bateson, author, cultural anthropologist and Mead's only child. The Institute's mission, an increasingly important one, is to advance knowledge by creating and funding projects that are likely to affect contemporary intercultural and international relations. The IIS maintains a website, www.mead2001.org.

'If my mother were alive today, I know she would be on-line, using the internet to communicate rapidly, to gather and discuss ideas, to bring people together,' says Bateson. 'It is the continued interchange around her ideas that we hope to foster in commemorating her 100th birthday.' Happy birthday, Margaret Mead—and let intercultural and international understanding reign in this new century.''●

## 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 Committee on the Judiciary.

(The nominations received today are printed at the end of the Senate proceedings.)

## REPORT ON AERONAUTICS AND SPACE ACTIVITIES FOR FISCAL YEAR 2000—MESSAGE FROM THE PRESIDENT—PM 62

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report; which was referred to the Committee on Commerce, Science, and Transportation.

*To the Congress of the United States:*

I am pleased to transmit this report on the Nation's achievements in aeronautics and space during Fiscal Year (FY) 2000, as required under section 206 of the National Aeronautics and Space Act of 1958, as amended (42 U.S.C. 2476). Aeronautics and space activities involved 11 contributing departments and agencies of the Federal Government, and the results of their ongoing research and development affect the Nation in many ways.

A wide variety of aeronautics and space developments took place during FY 2000. The National Aeronautics and Space Administration (NASA) successfully completed four Space shuttle flights. In terms of robotic space flights, there were 24 U.S. expendable launch vehicle launches in FY 2000. Five of these launches were NASA-managed missions, nine were Department of Defense (DOD)—managed missions, and eight were FAA-licensed commercial launches. In addition, NASA flew on payload as a secondary payload on one of the FAA licensed commercial launches. This year, two new launch vehicles debuted: the Lockheed Martin Atlas IIIA and the Boeing Delta III, each serving as transition vehicles leading the way for the new generation of evolved expendable launch vehicles.

Scientists also made some dramatic new discoveries in various space-related fields such as space science, Earth science and remote sensing, and life and microgravity science. In aerospace, achievements included the demonstration of technologies that will reduce the environmental impact of aircraft operations, reinvigorate the general aviation industry, improve the safety and efficiency of U.S. commercial airlines and air traffic control system, and reduce the future cost of access to space.

The United States also entered into many new agreements for cooperation with its international partners around the world in many areas of space activity.

Thus, FY 2000 was a very successful one for U.S. aeronautics and space programs. Efforts in their areas have contributed significantly to the Nation's scientific and technical knowledge, international cooperation, a healthier environment, and a more competitive economy.

GEORGE W. BUSH.

THE WHITE HOUSE, *December 19, 2001*.

## MESSAGES FROM THE HOUSE

At 11:33 a.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 107. An act to require that the Secretary of the Interior conduct a study to identify sites and resources, to recommend alternatives for commemorating and interpreting the Cold War, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 2187. An act to amend title 10, United States Code, to make receipts collected from mineral leasing activities on certain naval oil shale reserves available to cover environmental restoration, waste management, and environmental compliance cots incurred by the United States with respect to the reserves; to the Committee on Armed Services.

H.R. 3054. An act to award congressional gold medals on behalf of government workers who responded to the attacks on the World Trade Center and perished and on behalf of people aboard United States Airlines Flight 93 who helped resist the hijackers and caused the plane to crash.

H.R. 3072. An act to designate the facility of the United States Postal Service located at 125 Main Street in Forest City, North Carolina, as the ''Vernon Tarlton Post Office Building''; to the Committee on Governmental Affairs.

H.R. 3178. An act to authorize the Environmental Protection Agency to provide funding to support research and development projects for the security of water infrastructure.

H.R. 3334. An act to designate the Richard J. Guadagno Headquarters and Visitors Center at Humboldt Bay National Wildlife Refuge, California.

H.R. 3379. An act to designate the facility of the United States Postal Service located at 375 Carlls Path in Deer Park, New York, as the ''Raymond M. Downey Post Office Building''; to the Committee on Governmental Affairs.

The message also announced that the House has agreed to the following concurrent resolution, in which it requests the concurrence of the Senate:

H. Con. Res. 273. Concurrent resolution reaffirming the special relationship between the United States and the Republic of the Philippines; to the Committee on Foreign Relations.

The message further announced that the House has passed the following bill with an amendment, in which it requests the concurrence of the Senate:

S. 1389. An act to provide for the conveyance of certain real property in South Dakota to the state of South Dakota with indemnification by the United States government, and for other purposes.

The message also announced that the House has passed the following bill, without amendment:

S. 1789. An act to amend the Federal Food, Drug, and Cosmetic Act to improve the safety and efficacy of pharmaceuticals for children.

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At 3:54 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 3343. An act to amend title X of the Energy Policy Act of 1992, and for other purposes.

The message also announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (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, and for other purposes.

The message further announced that pursuant to section 205(a) of the Vietnam Education Foundation Act of 2000 (Public Law 106–552), and upon the recommendation of the majority leader, the Speaker appoints the following Member of the House of Representatives to the Board of Directors of the Vietnam Education Foundation: Mr. SMITH of New Jersey.

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At 5:21 p.m., a message from the House of Representatives, delivered by Ms. Niland, one of its reading clerks, announced that the House has agreed to the report of the committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 2506) making appropriations for foreign operations, export financing, and related programs for the fiscal year ending September 30, 2002, and for other purposes.

## MEASURES REFERRED

The following bills were read the first and the second times by unanimous consent, and referred as indicated:

H.R. 107. An act to require that the Secretary of the Interior conduct a study to identify sites and resources, to recommend alternatives for commemorating and interpreting the Cold War, and for other purposes; to the Committee on Energy and Natural Resources.

H.R. 2187. An act to amend title, 10 United States Code, to make receipts collected from mineral leasing activities on certain naval oil shale reserves available to cover environmental restoration, waste management, and environmental compliance costs incurred by the United States with respect to the reserves; to the Committee on Armed Services.

H.R. 3054. An act to award congressional gold medals on behalf of government workers who responded to the attacks on the World Trade Center and perished and on behalf of people aboard United States Airlines Flight 93 who helped resist the hijackers and caused the plane to crash.

H.R. 3072. An act to designate the facility of the United States Postal Service located at 125 Main Street in Forest City, North Carolina, as the ''Vernon Tarlton Post Office Building''; to the Committee on Governmental Affairs.

H.R. 3379. An act to designate the facility of the United States Postal Service located at 375 Carlls Path in Deer Park, New York, as the ''Raymond M. Downey Post Office Building''; to the Committee on Governmental Affairs.

The following concurrent resolution was read, and referred as indicated:

H. Con. Res. 273. Concurrent resolution reaffirming the special relationship between the United States and the Republic of the Philippines; to the Committee on Foreign Relations.

## MEASURES PLACED ON THE CALENDAR

The following bill was read the first and second times by unanimous consent, and placed on the calendar:

H.R. 3178. An act to authorize the Environmental Protection Agency to provide funding to support research, development, and demonstration projects for the security of water infrastructure.

## MEASURES READ THE FIRST TIME

The following bill was read the first time:

H.R. 3343. An act to amend title X of the Energy Policy Act of 1992, and for other purposes.

## EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC–4939. A communication from the Assistant Secretary of Legislative Affairs, Department of State, transmitting, pursuant to law, the report of a rule entitled ''Amendment to the List of Proscribed Destinations'' (22 CFR Part 126) received on December 18, 2001; to the Committee on Foreign Relations.

EC–4940. A communication from the General Counsel of the Department of the Treasury, transmitting, a draft of proposed legislation to provide for direct billing for water and sanitary sewer usage by the District of Columbia to Federal agencies, and direct payment by those agencies in the District of Columbia; to the Committee on Governmental Affairs.

EC–4941. A communication from the Executive Director of the Federal Retirement Thrift Investment Board, transmitting, a draft of proposed legislation to clarify the authority of the Executive Director of the Federal Retirement Thrift Investment Board to bring suit on behalf of the Thrift Saving Fund in the District Courts of the United States; to the Committee on Governmental Affairs.

EC–4942. A communication from the Special Assistant to the President and Director of the Office of Administration, Executive Office of the President, transmitting, pursuant to law, a Aggregate Report on Personnel for Fiscal Year 2001; to the Committee on Governmental Affairs.

EC–4943. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Sodium thiosulfate; Exemption from the Requirement of a Tolerance'' (FRL6811–6) received on December 18, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4944. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Imazapic; Pesticide Tolerance'' (FRL6816–2) received on December 18, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4945. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Fluthiacet-methy; Pesticide Tolerance'' (FRL6806–7) received on December 18, 2001; to the Committee on Agriculture, Nutrition, and Forestry.

EC–4946. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Flightcrew Compartment Access and Door Designs'' ((RIN2120–AH52)(2001–0002)) received on December 10, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4947. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Rolls-Royce plc. RB211 535 Turbofan Engines, Correction'' ((RIN2120–AA64)(2001–0578)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4948. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation,

transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Raytheon Model Beech 400, 400A, and 400T Series Airplanes, Model Mitsubishi MU–300 Airplanes, and Model Beech MU–300–10 Airplanes'' ((RIN2120–AA64)(2001–0577)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4949. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Dassault Model Mystere-Falcon 50 Series Airplanes'' ((RIN2120–AA64)(2001–0575)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4950. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 757 Series Airplanes'' ((RIN2120–AA64)(2001–0573)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4951. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Aeromat-Industria Mecanico Metalurgica Itda. Models AMT–100 and AMT–200 Powered Sailplanes'' ((RIN2120–AA64)(2001–0574)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4952. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Modification of the Dimensions of the Grand Canyon National Park Special Flight Rules Area and Flight Free Zones'' ((RIN2120–AG74)(2001–0004)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4953. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Standard Instrument Approach Procedures; Miscellaneous Amendments (72); Amdt. No. 2078'' ((RIN2120–AA65)(2001–0061)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4954. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Fokker Model F.28 Mark 0100 Series Airplanes'' ((RIN2120–AA64)(2001–0570)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4955. A communication from the Program Analyst of the Federal Aviation Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Airworthiness Directives: Boeing Model 737 Series Airplanes'' ((RIN2120–AA64)(2001–0571)) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4956. A communication from the Attorney-Advisor of the National Highway Traffic Safety Administration, Department of Transportation, transmitting, pursuant to law, the report of a rule entitled ''Hybrid III Type 3-Year-Old Size Test Dummy (Response to Petitions for Reconsideration)'' (RIN2127–AI02) received on December 14, 2001; to the Committee on Commerce, Science, and Transportation.

EC–4957. A communication from the Acting Director of the Fish and Wildlife Service, Department of the Interior, transmitting, pursuant to law, the report of a rule entitled ''Endangered and Threatened Wildlife and Plants; Listing the Tumbling Creek Cavesnail as Endangered (Emergency Rule)'' (RIN1018–AI19) received on December 17, 2001; to the Committee on Environment and Public Works.

EC–4958. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a letter clarifying how revisions to the Mixture and Derived-From rules apply to the 40CFR 261.3(g) exclusion; to the Committee on Environment and Public Works.

EC–4959. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, a letter addressing the Regulatory Determination on the Status of CAtoxid Units; to the Committee on Environment and Public Works.

EC–4960. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of Implementation Plans and Designation of Areas for Air Quality Planning Purposes; State of Louisiana; Redesignation of Lafourche Parish Ozone Nonattainment Area to Attainment for Ozone'' (FRL7121–4) received on December 18, 2001; to the Committee on Environment and Public Works.

EC–4961. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval and Promulgation of State Plans for Designated Facilities and Pollutants; Control of Emissions From Hospital/Medical/Infectious Waste Incinerators; State of Kansas'' (FRL7120–2) received on December 18, 2001; to the Committee on Environment and Public Works.

EC–4962. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Approval of Section 112(1) Authority for Hazardous Air Pollutants; District of Columbia; Department of Health'' (FRL7121–7) received on December 18, 2001; to the Committee on Environment and Public Works.

EC–4963. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Kentucky: Final Authorization of State Hazardous Waste Management Program Revision'' (FRL7120–8) received on December 18, 2001; to the Committee on Environment and Public Works.

EC–4964. A communication from the Principal Deputy Associate Administrator of the Environmental Protection Agency, transmitting, pursuant to law, the report of a rule entitled ''Tennessee: Final Authorization of State Hazardous Waste Management Program Revision'' (FRL7121–1) received on December 18, 2001; to the Committee on Environment and Public Works.

## REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. HOLLINGS, from the Committee on Commerce, Science, and Transportation, with an amendment in the nature of a substitute:

S. 415: A bill to amend title 49, United States Code, to require that air carriers meet public convenience and necessity requirements by ensuring competitive access by commercial air carriers to major cities, and for other purposes. (Rept. No. 107–130).

## EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. SARBANES for the Committee on Banking, Housing, and Urban Affairs.

*Vickers B. Meadows, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

*Diane Leneghan Tomb, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

By Mr. HOLLINGS for the Committee on Commerce, Science, and Transportation.

*Emil H. Frankel, of Connecticut, to be an Assistant Secretary of Transportation.

*Jeffrey Shane, of the District of Columbia, to be Associate Deputy Secretary of Transportation.

*Sean O'Keefe, of New York, to be Administrator of the National Aeronautics and Space Administration.

*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.

## 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. ALLEN:

S. 1848. A bill to provide mortgage payment assistance for employees who are separated from employment; to the Committee on Health, Education, Labor, and Pensions.

By Mr. SCHUMER (for himself and Mrs. CLINTON):

S. 1849. A bill for the relief of Thomas J. Sansone, Jr; to the Committee on Health, Education, Labor, and Pensions.

By Mr. CHAFEE (for himself, Mr. CARPER, Mr. SMITH of New Hampshire, Mr. JEFFORDS, and Mr. INHOFE):

S. 1850. A bill to amend the Solid Waste Disposal Act to bring underground storage tanks into compliance with subtitle I of that Act, to promote cleanup of leaking underground storage tanks, to provide sufficient resources for such compliance and cleanup, and for other purposes; to the Committee on Environment and Public Works.

By Mr. BINGAMAN (for himself, Mr. CHAFEE, Mr. ROCKEFELLER, Mr. KENNEDY, Mr. FEINGOLD, Mr. CORZINE, Mr. REED, Mrs. CLINTON, Mr. KERRY, and Mr. KOHL):

S. 1851. A bill to amend part C of title XVIII of the Social Security Act to provide for continuous open enrollment and disenrollment in Medicare+Choice plans and for other purposes; to the Committee on Finance.

By Mr. THOMAS:

S. 1852. A bill to extend the deadline for commencement of construction of a hydroelectric project in the State of Wyoming; to the Committee on Energy and Natural Resources.

By Mr. DODD (for himself and Mr. ROCKEFELLER):

S. 1853. A bill to authorize the President of the United States, on behalf of the Congress, to present a gold medal to Sargent Shriver; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. JOHNSON:

S. 1854. A bill to authorize the President to present congressional gold medals to the Native American Code Talkers in recognition of

their contributions to the Nation during World War I and World War II; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. ALLEN (for himself and Mr. MCCAIN):

S. 1855. A bill to amend title 38, United States Code, to enact into law eligibility of certain veterans and their dependents for burial in Arlington National Cemetery; to the Committee on Veterans' Affairs.

By Mr. KERRY (for himself, Mr. BURNS, Mr. CORZINE, and Mr. BAUCUS):

S. 1856. A bill to amend the Internal Revenue Code of 1986 to promote employer and employee participation in telework arrangements, and for other purposes; to the Committee on Finance.

By Mr. CAMPBELL (for himself and Mr. INOUYE):

S. 1857. A bill to Encourage the Negotiated Settlement of Tribal Claims; to the Committee on Indian Affairs.

By Mr. ALLEN (for himself and Mr. KERRY):

S. 1858. A bill to permit the closed circuit televising of the criminal trial of Zacarias Moussaoui for the victims of September 11th; to the Committee on the Judiciary.

By Mr. SCHUMER (for himself and Mr. CHAFEE):

S. 1859. A bill to extend the deadline for granting posthumous citizenship to individuals who die while on active-duty service in the Armed Forces; to the Committee on the Judiciary.

## SUBMISSION OF CONCURRENT AND SENATE RESOLUTIONS

The following concurrent resolutions and Senate resolutions were read, and referred (or acted upon), as indicated:

By Mr. DASCHLE (for himself and Mr. LOTT):

S. Res. 193. A resolution authorizing certain employees of the Senate who perform service in the uniformed services to be placed in a leave without pay status, and for other purposes; considered and agreed to.

## ADDITIONAL COSPONSORS

S. 94

At the request of Mr. DORGAN, the names of the Senator from Washington (Ms. CANTWELL) and the Senator from California (Mrs. FEINSTEIN) were added as cosponsors of S. 94, a bill to amend the Internal Revenue Code of 1986 to provide a 5-year extension of the credit for electricity produced form wind.

S. 267

At the request of Mr. DASCHLE, the name of the Senator from Vermont (Mr. LEAHY) 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. 321

At the request of Mr. GRASSLEY, the name of the Senator from Delaware (Mr. CARPER) was added as a cosponsor of S. 321, a bill to amend title XIX of the Social Security Act to provide families of disabled children with the opportunity to purchase coverage under the medicaid program for such children, and for other purposes.

S. 351

At the request of Ms. COLLINS, the name of the Senator from Rhode Island (Mr. REED) was added as a cosponsor of S. 351, a bill to amend the Solid Waste Disposal Act to reduce the quantity of mercury in the environment by limiting use of mercury fever thermometers and improving collection, recycling, and disposal of mercury, and for other purposes.

S. 683

At the request of Mr. SANTORUM, the name of the Senator from Alabama (Mr. SHELBY) was added as a cosponsor of S. 683, a bill to amend the Internal Revenue Code of 1986 to allow individuals a refundable credit against income tax for the purchase of private health insurance, and to establish State health insurance safety-net programs.

S. 990

At the request of Mr. JOHNSON, his name was added as a cosponsor of S. 990, a bill to amend the Pittman-Robertson Wildlife Restoration Act to improve the provisions relating to wildlife conservation and restoration programs, and for other purposes.

S. 1209

At the request of Mr. BINGAMAN, the names of the Senator from Michigan (Mr. LEVIN) and the Senator from North Carolina (Mr. EDWARDS) were added as cosponsors of S. 1209, a bill to amend the Trade Act of 1974 to consolidate and improve the trade adjustment assistance programs, to provide community-based economic development assistance for trade-affected communities, and for other purposes.

S. 1317

At the request of Mr. SCHUMER, the name of the Senator from California (Mrs. FEINSTEIN) was added as a cosponsor of S. 1317, a bill to amend title XVIII of the Social Security Act to provide for equitable reimbursement rates under the medicare program to Medicare+Choice organizations.

S. 1335

At the request of Mr. KENNEDY, the name of the Senator from Georgia (Mr. CLELAND) was added as a cosponsor of S. 1335, a bill to support business incubation in academic settings.

S. 1478

At the request of Mr. LEAHY, his name 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. 1626

At the request of Mr. BINGAMAN, the name of the Senator from Nebraska (Mr. HAGEL) was added as a cosponsor of S. 1626, a bill to provide disadvantaged children with access to dental services.

S. 1707

At the request of Mr. JEFFORDS, the names of the Senator from Oregon (Mr. WYDEN) and the Senator from Rhode Island (Mr. REED) 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 Michigan (Mr. LEVIN), the Senator from Florida (Mr. NELSON), and the Senator from Oklahoma (Mr. NICKLES) were added as cosponsors of S. 1749, a bill to enhance the border security of the United States, and for other purposes.

S. 1754

At the request of Mr. LEAHY, the name of the Senator from Washington (Ms. CANTWELL) was added as a cosponsor of S. 1754, a bill to authorize appropriations for the United States Patent and Trademark Office for fiscal years 2002 through 2007, and for other purposes.

S. 1842

At the request of Mr. CLELAND, the name of the Senator from Georgia (Mr. MILLER) was added as a cosponsor of S. 1842, a bill to modify the project for beach erosion control, Tybee Island, Georgia.

AMENDMENT NO. 2533

At the request of Mr. CRAPO, the names of the Senator from New Mexico (Mr. DOMENICI), the Senator from Wyoming (Mr. THOMAS), the Senator from Nevada (Mr. ENSIGN), the Senator from Colorado (Mr. ALLARD), the Senator from Colorado (Mr. CAMPBELL), and the Senator from Nebraska (Mr. HAGEL) were added as cosponsors of amendment No. 2533 intended to be proposed to S. 1731, an original bill 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.

## STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. ALLEN:

S. 1848. A bill to provide mortgage payment assistance for employees who are separated from employment; to the Committee on Health, Education, Labor, and Pensions.

Mr. ALLEN. Mr. President, today I rise to introduce the Homestead Preservation Act.

It is a bill to provide displaced workers with access to low-interest loans to help cover monthly home mortgage payments while they are looking for a new job. This is commonsense, compassionate legislation designed to help working families, who through no fault of their own, are adversely affected by international competition.

During the past months, all Americans have been deluged with grim news

of recessions, plummeting consumer confidence and rising unemployment. Since October of last year, unemployment has jumped 1.8 percent, bringing the unemployment rate to 5.7 percent, the highest in over 6 years. This is more than just a statistic. The 5.7 percent represents 8.2 million people who are now without a job, a paycheck, and the means by which to provide their family with a sense of economic security, knowing that the bills will be paid, food is on the table, gifts will be under the Christmas tree.

Virginia has not escaped the effects of the recession. While the unemployment is not as high as the national average, we have seen a 1.4 percent increase in unemployment from October 2000 to October 2001. There were 20 mass layoffs in October, an increase of 8 from the year before. And there have been 2,713 new claims for unemployment benefits in October—almost double from October 2000.

While these are uneasy times for everyone, regions such as Southwest Virginia and Southside, with heavy concentrations in manufacturing—especially the textile and apparel industries—have been especially hard hit. Nationwide, employment in apparel manufacturing lost more than 10,000 jobs just last month. Factory employment has plummeted in the past year and a half. One of every three layoffs in Virginia is from the manufacturing industry, although only one in six jobs throughout the Commonwealth are in this sector. In Virginia, October was the 15th consecutive month of factory job losses.

Virginia's Southside and Southwest regions are already suffering from the economic effects of international competition, such as NAFTA. Nationwide, an average of 37,500 Americans lose their jobs because of NAFTA-related competition each year. During the 1990s, Virginians saw the loss of 15,400 apparel jobs—a decline of 54.3 percent—and 15,300 textile jobs—a decline of 36 percent.

Fair and free trade is necessary if American businesses are to have the opportunity to promote their goods and services and continue to expand through growth abroad. NAFTA has created a net increase in employment. As Governor of Virginia, I led several trade missions abroad to promote our products. We brought back agreements that initially meant half a billion dollars in new investment and sales for Virginia, investments made possible only through fair and free trade.

But, while trade is helping our economy as a whole, there are many good, hard working families, who have been adversely affected by international competition—especially in the textile and apparel industries. Anytime a factory closes, it is a devastating blow to all of the families and businesses in the community and region.

While I was proud of the outstanding way the close-knit Southside and Southwest communities in Virginia came together to help those who lost their jobs, when companies like Pluma and Tultex closed their doors, they should not be forced to go through these times alone. After the Tultex plant closing in Martinsville in early December of 1999, people donated toys to the Salvation Army to make sure that Christmas came to the homes of the thousands of laid off workers.

I am proposing that the Federal Government do its part to help people through these tough times. There are already thoughtful programs in place, such as the NAFTA Transitional Adjustment Assistance program, that helps workers get additional job skills training and employment assistance, and, provides extended unemployment benefits during job training. These programs are the result of the commonsense, logical conclusion that good, working people can lose their jobs because of trade—not because they did anything wrong or because they don't want to work.

We ought to find a way to ease the stress and turmoil for people whose lives are unexpectedly thrown into transition after years of steady employment with a company that suddenly disappears. While these hard-working folks are finding appropriate employment, they should not fear losing their homes. For most people and families, their home is the largest investment they make in life. Many have considerable equity build up.

Government agencies already have low-interest loan programs in place to help families who have met with unexpected economic disaster, such as a natural disaster like a hurricane, flood or tornado.

When a factory closes, it is an economic disaster to these families and their communities. The effects are just as far reaching and certainly as economically devastating. Like a natural disaster, families displaced by international competition are not responsible for the events leading to the factory closings. The Federal Government ought to make the same disaster loan assistance programs available to our displaced workers.

This is my rationale for introducing the Homestead Preservation Act. This legislation will provide temporary home mortgage assistance to displaced workers, helping them make ends meet during their search for a new job.

Specifically, the Homestead Preservation Act authorizes the Department of Labor to administer a low-interest loan program—4 percent—for workers displaced due to international competition. The loan is for up to the amount of 12 monthly home mortgage payments. The program is authorized at $10 million per year, for 5 years. It distributes the loan through an account, providing monthly allocations to cover the amount of the worker's home mortgage payment. The loans could be paid off or repaid over a period of 5 years. No payments would be required until 6 months after the borrower has returned to work full-time. The loan is available only for the cost of a monthly home mortgage payment and covers only those workers displaced due to international competition and those who qualify for benefits under the NAFTA–TAAP and TAA benefits programs.

Like the NAFTA–TAAP and TAA benefits programs, the Homestead Preservation Act recognizes that some temporary assistance is needed as workers take the time to become retrained and reeducated, expand upon their skills and search for new employment.

As Governor, there was nothing I enjoyed more than being able to recruit and land investment from new or expanding enterprises in Virginia. By recruiting businesses, we brought new and better jobs for the hard-working, caring people of Virginia. One example is Drake Extrusion from the United Kingdom, which chose Martinsville Industrial Park for its new carpet and bedding fiber manufacturing plant. It was announced as a $12 million investment. It doubled in value at the official opening in 1996. It brought in additional small businesses. As of last year, Drake employed over 180 people.

Unfortunately, it can take time to bring in new companies and industries to a region, just as it takes time to learn a new skill or earn a degree. Displaced families do not have time; they have monthly bills that must be paid, in full, no excuses. The Homestead Preservation Act provides the financial assistance necessary to bridge the time it takes to find employment. Without this bridge, many working families would not be able to take advantage of the opportunities our there for them. They would be denied the necessary tools to help them succeed in the changing economy.

The current recession has made it even more vital that the Federal Government do what is right by our workers in the textile and apparel industries—in all industries suffering high rates of job losses due to international competition. Because of international competition, textile and apparel workers are even more vulnerable to the current economic situation making them ill-equipped to weather an economic downturn. For example, in 1999, the average wage rates in Virginia for a textile or apparel worker were 77 percent and 57 percent, respectively, of the overall average wage rate for Virginians. This provides for less money in the family's ''rainy day'' savings account. And right now, it is storming for these families. These jobs are not coming back. Only about 70 percent of displaced factory workers find reemployment, well below the access-industry average.

Losses are expected to continue accumulating as the industries brace for worldwide open trade, which is scheduled to begin in 2005. When these workers are displaced, meager savings and temporary unemployment benefits are

frequently not enough to cover expenses that had previously fit within the family budget. Without immediate help, these families, at the minimum, risk ruining their credit ratings and, in the worst-case scenario, could lose their home or car.

The Homestead Preservation Act would provide families vital temporary financial assistance, enabling them to keep them to keep their homes and to protect their credit ratings as they work toward strengthening and updating their skills and continue their search for a new job. Hard-working Americans, facing such a harrowing situation, ought to have a response to help them. People need transitional help now.

The Homestead Preservation Act provides the temporary financial tools necessary for displaced workers to get back on their feet and succeed. It is a caring, logical and responsible response.

Mr. President, as I said, I rise today to introduce the Homestead Preservation Act. This is a commonsense, compassionate place of legislation that is designed to help working families who, through no fault of their own, lose their jobs as a result of international competition.

It is a bill to provide displaced workers with access to low-interest loans to help cover monthly home mortgage payments while they are out looking for a job.

During the past few months, all Americans have been deluged with grim news of recessions, plummeting consumer confidence, and rising unemployment

Clearly, these are uneasy times for everyone in all regions of the country, whether in the South, the Midwest, the Northeast, and out West as well, but particularly in the areas where there are heavy concentrations of manufacturing. The textile and apparel industries have been especially hard hit. That industry is generally in the South and, to some extent, in the Midwest.

Nationwide, employment in apparel manufacturing lost more than 10,000 jobs just last month. That is in Virginia, North Carolina, South Carolina, Mississippi, Alabama, Georgia, Arkansas, Missouri, and various other States.

Factory employment has plummeted in the past year and a half. In Virginia alone, about one out of every six jobs is in manufacturing. But as far as the layoffs, one out of every three layoffs in Virginia is from the manufacturing industry.

I am a supporter of fair and free trade. I think trade is good for American consumers. It is good for our retailers and our farmers. I think it is necessary for our businesses and farmers to have opportunities to promote their goods, their products, their services abroad. That allows them to expand and grow.

I think NAFTA has created a net increase in employment. As Governor of Virginia, I led several trade missions abroad, whether to Canada, Mexico, various countries in Western and Central Europe, as well as East Asia. We brought back agreements that initially meant over a half a billion dollars in new investment and sales for Virginia products. These investments and sales in Virginia were only made possible by fair and free trade.

But while trade is helping our economy as a whole, there are many good, hard-working people and families who have been adversely affected by international competition, particularly in the textile and apparel industries.

Any time a factory closes, it is a devastating blow to all of the families and, indeed, all of the businesses in the communities in that region. You can see, with great pride, how communities come together—close knit communities—and try to help out if a major manufacturer shuts down.

I remember back in December 2 years ago—in early December, 1999—when Tultex shut down. Thousands of jobs were lost. People donated toys to the Salvation Army, though, to make sure Christmas would come to every family.

What I am proposing is that the Federal Government does its part to help people through these tough times, so that people and communities are not alone during these transitions.

There are already thoughtful programs in place. The NAFTA Transitional Adjustment Assistance Program helps workers get additional job skills in training and employment assistance, as well as provides extended unemployment benefits during job training.

These programs are the result of the good, commonsense, logical conclusion that working people can lose their jobs because of trade, not because they did anything wrong or because they did not want to work. They do want to work.

We ought to find a way to help ease the stress and turmoil for people whose lives are unexpectedly thrown into transition after years of steady employment with a company that suddenly disappears. Especially in textile areas, you see folks who have worked there for decades; some of their parents may have worked at that same mill or facility.

These are hard-working people. They are trying to find employment. But while they are doing so, they should not have to worry about or fear losing their homes.

For most people, and most families, their home is the largest investment they will make in their lives. Many have considerable equity built up in their homes that could be lost.

Government agencies already have low-interest loan programs in place to help families who have been hit with unexpected disasters—such as a natural disaster, such as a hurricane or a tornado or a flood.

Whan a factory closes, it is truly an economic disaster to these families and communities. The effects are just as far reaching and certainly as economically devastating. Like a natural disaster, families displaced by international competition are not responsible for the events leading to those factory closings.

The Federal Government ought to make similar disaster loan assistance programs available to our displaced workers. That is the rationale of my introduction of the Homestead Preservation Act.

This legislation would provide temporary mortgage assistance to displaced workers, helping them make ends meet during the search for a new job.

Specifically, the Homestead Preservation Act authorizes the Department of Labor to administer a low-interest loan program—4 percent—for workers displaced due to international competition.

The loan is for up to the amount of 12 monthly home mortgage payments. The program is authorized at $10 million per year for 5 years. It distributes the loan through an account providing a monthly allocation to cover the amount of the worker's home mortgage payment. The loans would be paid or repaid and paid off over 5 years, but no payments would be required until 6 months after the worker has gotten back on his or her feet in gainful employment. The loan would be available only for the cost of the monthly home mortgage payment and covers only those workers displaced due to international competition and who would qualify for the benefits under the NAFTA–TAAP and the transitional adjustment assistance benefits programs.

Working within the parameters and the certification and qualifications of the NAFTA–TAAP and the TAA benefits programs, the Homestead Preservation Act recognizes some temporary assistance is needed as workers take time to retrain and be reeducated and expand upon their skills and search for new employment.

This will provide, in effect, a bridge loan assistance to these displaced workers. If you look at it, the unemployment benefits are fine, but usually they are not enough to cover the expenses which previously fit within a family budget.

Without immediate help, these families, at a minimum, risk ruining their credit ratings and, in the worst case scenario, could lose their car or even their home. The Homestead Preservation Act would provide families with vital temporary financial assistance, enabling them to keep their homes, protect their credit ratings, and, as they work toward strengthening and improving their skills, to continue to be able to search for a job without worrying about losing their homes. They are under a harrowing situation. We ought to have a response to help them.

There are many people who need transitional help right away. As we move forward to expand trade opportunities, let's also improve the transitional adjustment assistance programs.

The Homestead Preservation Act provides the temporary financial tools necessary for displaced workers to get them back on their feet and to succeed. In my view, it is a very caring, logical and responsible response.

I trust my colleagues will agree and support this reasonable, balanced idea.

I ask unanimous consent that the text of the bill and the section-by-section analysis be printed in the RECORD.

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

S. 1848

*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 Preservation Act''.

**SEC. 2. MORTGAGE PAYMENT ASSISTANCE.**

(a) ESTABLISHMENT OF PROGRAM.—The Secretary of Labor (referred to in this section as the ''Secretary'') shall establish a program under which the Secretary shall award low-interest loans to eligible individuals to enable such individuals to continue to make mortgage payments with respect to the primary residences of such individuals.

(b) ELIGIBILITY.—To be eligible to receive a loan under the program established under subsection (a), an individual shall—

(1) be—

(A) an adversely affected worker with respect to whom a certification of eligibility has been issued by the Secretary of Labor under chapter 2 of title II of the Trade Act of 1974 (19 U.S.C. 2271 et seq.); or

(B) an individual who would be an individual described in subparagraph (A) but who resides in a State that has not entered into an agreement under section 239 of such Act (19 U.S.C. 2311);

(2) be a borrower under a loan which requires the individual to make monthly mortgage payments with respect to the primary place of residence of the individual; and

(3) be enrolled in a job training or job assistance program.

(c) LOAN REQUIREMENTS.—

(1) IN GENERAL.—A loan provided to an eligible individual under this section shall—

(A) be for a period of not to exceed 12 months;

(B) be for an amount that does not exceed the sum of—

(i) the amount of the monthly mortgage payment owed by the individual; and

(ii) the number of months for which the loan is provided;

(C) have an applicable rate of interest that equals 4 percent;

(D) require repayment as provided for in subsection (d); and

(E) be subject to such other terms and conditions as the Secretary determines appropriate.

(2) ACCOUNT.—A loan awarded to an individual under this section shall be deposited into an account from which a monthly mortgage payment will be made in accordance with the terms and conditions of such loan.

(d) REPAYMENT.—

(1) IN GENERAL.—An individual to which a loan has been awarded under this section shall be required to begin making repayments on the loan on the earlier of—

(A) the date on which the individual has been employed on a full-time basis for 6 consecutive months; or

(B) the date that is 1 year after the date on which the loan has been approved under this section.

(2) REPAYMENT PERIOD AND AMOUNT.—

(A) REPAYMENT PERIOD.—A loan awarded under this section shall be repaid on a monthly basis over the 5-year period beginning on the date determined under paragraph (1).

(B) AMOUNT.—The amount of the monthly payment described in subparagraph (A) shall be determined by dividing the total amount provided under the loan (plus interest) by 60.

(C) RULE OF CONSTRUCTION.—Nothing in this paragraph shall be construed to prohibit an individual from—

(i) paying off a loan awarded under this section in less than 5 years; or

(ii) from paying a monthly amount under such loan in excess of the monthly amount determined under subparagraph (B) with respect to the loan.

(e) REGULATIONS.—Not later than 6 weeks after the date of enactment of this Act, the Secretary shall promulgate regulations necessary to carry out this section, including regulations that permit an individual to certify that the individual is an eligible individual under subsection (b).

(f) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section, $10,000,000 for each of fiscal years 2003 through 2007.

THE HOMESTEAD PRESERVATION ACT—SECTION-BY-SECTION ANALYSIS

A bill to provide mortgage payment assistance for employees who are separated from employment.

SECTION I. SHORT TITLE

This Act may be cited as the ''Homestead Preservation Act''.

SECTION II. MORTGAGE PAYMENT ASSISTANCE

This section establishes the program, sets program perimeters, and defines eligibility for program participation.

The Secretary of Labor (Secretary) is authorized to establish a low-interest loan program to cover the cost of mortgage payments of the borrower's primary residence.

Eligibility for participation is defined as a displaced worker who has received a certification of eligibility by the Secretary under chapter 2, title II of the Trade Act of 1974 (NAFTA–TAAP; TAA) or would be qualified if his or her State of residence had entered into an agreement allowing for NAFTA–TAAP and TAA participation. The borrower must be enrolled in a job training or job assistance program.

The terms of the loan must require the borrower to use the loan to make monthly payments on the mortgage of his or her primary residence.

The loan perimeters are established to limit the life of the loan to a period of one year and to an amount that does not exceed amount of the mortgage payments due over the number of months for which the loan is provided. The interest rate on the loans is capped at 4 percent.

The loan shall be deposited into an account from which the monthly mortgage payment will be made.

Loan repayment begins one year from the date of loan approval or the date on which the borrower has been employed full-time, for six months.

Loan repayment shall be completed within five years with a monthly payment determined by dividing the total amount of the loan, plus interest, by 60. Borrowers may pay the loan early or pay more than the per-month amount required without penalty.

The Secretary has six weeks to promulgate the regulations necessary to implement this Act, including regulations that permit a resident of a non-participating State in NAFTA–TAAP or TAA, to certify that he or she is qualified for loan participation as a displaced worker.

There is authorized to be appropriated, $10 million, per year, for five years.

Mr. WELLSTONE. Mr. President, I thank the Senator from Virginia. His proposal sounds very interesting and very important. I look forward to looking at the specifics of it. I appreciate his words. I appreciate what he is talking about. It may be legislation that provides people with that temporary assistance because people want to get the jobs on which they can support their families. I think it is an important endeavor. I thank my colleague.

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By Mr. CHAFEE (for himself, Mr. CARPER, Mr. SMITH of New Hampshire, Mr. JEFFORDS, and Mr. INHOFE):

S. 1850. A bill to amend the Solid Waste Disposal Act to bring underground storage tanks into compliance with subtitle I of that Act, to promote cleanup of leaking underground storage tanks, to provide sufficient resources for such compliance and cleanup, and for other purposes; to the Committee on Environment and Public Works.

Mr. CHAFEE. Mr. President, today I introduce the Underground Storage Tank Compliance Act of 2001. This legislation will bring all underground storage tanks, USTs, into compliance with Federal law and finish the work begun seventeen years ago with enactment of the UST provisions of the Solid Waste Disposal Act. The legislation will emphasize leak prevention and compliance with existing statutes. In addition, this bipartisan bill will assist communities in coping with the contamination of groundwater and oil by methl tertiary butyl ether, MTBE.

In 1984, Congress enacted as Subtitle I of the Solid Waste Disposal Act a comprehensive program to address the problem of leaking underground storage tanks. With the goal of protecting the Nation's groundwater from leaking tanks, the 1984 law imposed minimum Federal requirements for leak detection and prevention standards for USTs. In 1988, owners and operators of existing underground storage tank systems were given a ten-year window to upgrade, replace, or close tanks that didn't meet minimum federal requirements for spill, overfill, and corrosion protection. As the deadline passed on December 22, 1988, many underground storage tanks failed to meet the federal standards.

To assess the situation, Senator SMITH of New Hampshire and I commissioned the U.S. General Accounting Office, GAO, to examine compliance of USTs with Federal requirements. GAO concluded in May 2001 that only 89 percent of tanks were meeting Federal equipment standards. In addition, it also discovered that only 71 percent were being operated and maintained properly. GAO cited infrequent tank inspections and limited funding among the contributing factors.

Communities across the Nation have borne the brunt of our failure to prevent tank releases. Gasoline and fuel

additives, such as MTBE, have contaminated groundwater and rendered it undrinkable. The Village of Pascoag, RI is just one community that has suffered from MTBE contamination that can be traced to leaking underground storage tanks. For months, residents of Pascoag have been unable to use the water supply for drinking, bathing, or cooking. Hundreds of thousands of dollars are being spent to dilute the water with a neighboring communities' supply, to install water filtration systems, and to bring new wells on-line. Additional money will be spent to remediate the contamination and to take enforcement action against the owners of the leaking tanks. Unfortunately, this is not an isolated incident. A similar story can be told in countless communities from New Hampshire, to New York, to California.

To address these issues, the legislation that I introduce today, together with Senators CARPER, SMITH of New Hampshire, JEFFORDS, and INHOFE, requires the inspection of all tanks every two years and increases Federal emphasis on the training tank operators. It simply does not make sense to install modern, protective equipment if the people who operate them do so improperly. Enforcement of existing requirements, rather than creating new requirements, is an important element of our bill. In addition, the legislation emphasizes compliance of tanks owned by Federal, State, and local governments, and provides $200 million for cleanup of sites contaminated by MTBE. Finally, the legislation provides increased funding to carry out the program, which the GAO has identified as critical to the success of the UST program.

Since its inception in 1984, the UST program has been largely successful. More than one million outdated tanks have successfully been closed or removed, and countless cleanups have been undertaken. We have come a long way, but we must go further. Our legislation will build upon the successes of yesterday, so that we may enjoy the successes of tomorrow. I look forward to working with all of my colleagues to move this important bipartisan legislation.

I ask unanimous consent that the text of the bill be printed in the RECORD.

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

S. 1850

*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 ''Underground Storage Tank Compliance Act of 2001''.

**SEC. 2. LEAKING UNDERGROUND STORAGE TANKS.**

Section 9004 of the Solid Waste Disposal Act (42 U.S.C. 6991c) is amended by adding at the end the following:

''(f) TRUST FUND DISTRIBUTION.—

''(1) IN GENERAL.—

''(A) AMOUNT AND PERMITTED USES OF DISTRIBUTION.—The Administrator shall distribute to States not less than 80 percent of the funds from the Trust Fund that are made available to the Administrator under section 9013(2)(A) for each fiscal year for use in paying the reasonable costs, incurred under a cooperative agreement with any State, of—

''(i) actions taken by the State under section 9003(h)(7)(A);

''(ii) necessary administrative expenses, as determined by the Administrator, that are directly related to corrective action and compensation programs under subsection (c)(1);

''(iii) any corrective action and compensation program carried out under subsection (c)(1) for a release from an underground storage tank regulated under this subtitle to the extent that, as determined by the State in accordance with guidelines developed jointly by the Administrator and the State, the financial resources of the owner or operator of the underground storage tank (including resources provided by a program in accordance with subsection (c)(1)) are not adequate to pay the cost of a corrective action without significantly impairing the ability of the owner or operator to continue in business;

''(iv) enforcement by the State or a local government of—

''(I) the State program approved under this section; or

''(II) State or local requirements concerning underground storage tanks that are similar or identical to the requirements of this subtitle; or

''(v) State or local corrective actions carried out under regulations promulgated under section 9003(c)(4).

''(B) USE OF FUNDS FOR ENFORCEMENT.—In addition to the uses of funds authorized under subparagraph (A), the Administrator may use funds from the Trust Fund that are not distributed to States under subparagraph (A) for enforcement of any regulation promulgated by the Administrator under this subtitle.

''(C) PROHIBITED USES.—Except as provided in subparagraph (A)(iii), under any similar requirement of a State program approved under this section, or in any similar State or local provision as determined by the Administrator, funds provided to a State by the Administrator under subparagraph (A) shall not be used by the State to provide financial assistance to an owner or operator to meet any requirement relating to underground storage tanks under part 280 of title 40, Code of Federal Regulations (as in effect on the date of enactment of this subsection).

''(2) ALLOCATION.—

''(A) PROCESS.—Subject to subparagraph (B), in the case of a State with which the Administrator has entered into a cooperative agreement under section 9003(h)(7)(A), the Administrator shall distribute funds from the Trust Fund to the State using the allocation process developed by the Administrator under the cooperative agreement.

''(B) REVISIONS TO PROCESS.—The Administrator may revise the allocation process referred to in subparagraph (A) with respect to a State only after—

''(i) consulting with—

''(I) State agencies responsible for overseeing corrective action for releases from underground storage tanks;

''(II) owners; and

''(III) operators; and

''(ii) taking into consideration, at a minimum—

''(I) the total tax revenue contributed to the Trust Fund from all sources within the State;

''(II) the number of confirmed releases from leaking underground storage tanks in the State;

''(III) the number of petroleum storage tanks in the State;

''(IV) the percentage of the population of the State that uses groundwater for any beneficial purpose;

''(V) the performance of the State in implementing and enforcing the program;

''(VI) the financial needs of the State; and

''(VII) the ability of the State to use the funds referred to in subparagraph (A) in any year.

''(3) DISTRIBUTIONS TO STATE AGENCIES.—

''(A) IN GENERAL.—Distributions from the Trust Fund under this subsection shall be made directly to a State agency that—

''(i) enters into a cooperative agreement referred to in paragraph (2)(A); or

''(ii) is enforcing a State program approved under this section.

''(B) ADMINISTRATIVE EXPENSES.—A State agency that receives funds under this subsection shall limit the proportion of those funds that are used to pay administrative expenses to such percentage as the State may establish by law.

''(4) COST RECOVERY PROHIBITION.—Funds from the Trust Fund provided by States to owners or operators for programs under subsection (c)(1) relating to releases from underground storage tanks shall not be subject to cost recovery by the Administrator under section 9003(h)(6).''.

**SEC. 3. INSPECTION OF UNDERGROUND STORAGE TANKS.**

Section 9005 of the Solid Waste Disposal Act (42 U.S.C. 6991d) is amended—

(1) by redesignating subsections (a) and (b) as subsections (b) and (c), respectively; and

(2) by inserting before subsection (b) (as redesignated by paragraph (1)) the following:

''(a) INSPECTION REQUIREMENTS.—Not later than 2 years after the date of enactment of the Underground Storage Tank Compliance Act of 2001, and at least once every 2 years thereafter, the Administrator or a State with a program approved under section 9004, as appropriate, shall require that all underground storage tanks regulated under this subtitle be inspected for compliance with regulations promulgated under section 9003(c).''.

**SEC. 4. OPERATOR TRAINING.**

Subtitle I of the Solid Waste Disposal Act (42 U.S.C. 6991 et seq.) is amended by striking section 9010 and inserting the following:

**''SEC. 9010. OPERATOR TRAINING.**

''(a) GUIDELINES.—

''(1) IN GENERAL.—Not later than 18 months after the date of enactment of the Underground Storage Tank Compliance Act of 2001, in cooperation with States, owners, and operators, the Administrator shall publish in the Federal Register, after public notice and opportunity for comment, guidelines that specify methods for training operators of underground storage tanks.

''(2) CONSIDERATIONS.—The guidelines described in paragraph (1) shall take into account—

''(A) State training programs in existence as of the date of publication of the guidelines;

''(B) training programs that are being employed by owners and operators as of the date of enactment of this paragraph;

''(C) the high turnover rate of operators;

''(D) the frequency of improvement in underground storage tank equipment technology;

''(E) the nature of the businesses in which the operators are engaged; and

''(F) such other factors as the Administrator determines to be necessary to carry out this section.

''(b) STATE PROGRAMS.—

''(1) IN GENERAL.—Not later than 2 years after the date on which the Administrator

publishes the guidelines under subsection (a)(1), each State shall develop and implement a strategy for the training of operators of underground storage tanks that is consistent with paragraph (2).

''(2) REQUIREMENTS.—A State strategy described in paragraph (1) shall—

''(A) be consistent with subsection (a);

''(B) be developed in cooperation with owners and operators; and

''(C) take into consideration training programs implemented by owners and operators as of the date of enactment of this subsection.

''(3) FINANCIAL INCENTIVE.—The Administrator may award to a State that develops and implements a strategy described in paragraph (1), in addition to any funds that the State is entitled to receive under this subtitle, not more than $50,000, to be used to carry out the strategy.''.

**SEC. 5. REMEDIATION OF MTBE CONTAMINATION.**

Section 9003(h) of the Solid Waste Disposal Act (42 U.S.C. 6991b(h)) is amended—

(1) in paragraph (7)(A)—

(A) by striking ''paragraphs (1) and (2) of this subsection'' and inserting ''paragraphs (1), (2), and (12)''; and

(B) by striking '', and including the authorities of paragraphs (4), (6), and (8) of this subsection'' and inserting ''and the authority under section 9011 and paragraphs (4), (6), and (8),''; and

(2) by adding at the end the following:

''(12) REMEDIATION OF MTBE CONTAMINATION.—

''(A) IN GENERAL.—The Administrator and the States may use funds made available under section 9013(2)(B) to carry out corrective actions with respect to a release of methyl tertiary butyl ether that presents a threat to human health or welfare or the environment.

''(B) APPLICABLE AUTHORITY.—The Administrator or a State shall carry out subparagraph (A)—

''(i) in accordance with paragraph (2); and

''(ii) in the case of a State, in accordance with a cooperative agreement entered into by the Administrator and the State under paragraph (7).''.

**SEC. 6. RELEASE PREVENTION, COMPLIANCE, AND ENFORCEMENT.**

(a) RELEASE PREVENTION AND COMPLIANCE.—Subtitle I of the Solid Waste Disposal Act (42 U.S.C. 6991 et seq.) (as amended by section 4) is amended by adding at the end the following:

**''SEC. 9011. RELEASE PREVENTION AND COMPLIANCE.**

''Funds made available under section 9013(2)(D) from the Trust Fund may be used to conduct inspections, issue orders, or bring actions under this subtitle—

''(1) by a State, in accordance with section 9003(h)(7), acting under—

''(A) a program approved under section 9004; or

''(B) any State requirement concerning the regulation of underground storage tanks that is similar or identical to a requirement under this subtitle, as determined by the Administrator; and

''(2) by the Administrator, under this subtitle (including under a State program approved under section 9004).''.

(b) GOVERNMENT-OWNED TANKS.—Section 9003 of the Solid Waste Disposal Act (42 U.S.C. 6991b) is amended by adding at the end the following:

''(i) GOVERNMENT-OWNED TANKS.—

''(1) COMPLIANCE STRATEGY.—Not later than 2 years after the date of enactment of this subsection, each State shall submit to the Administrator a strategy to ensure compliance with regulations promulgated under subsection (c) of any underground storage tank that is—

''(A) regulated under this subtitle; and

''(B) owned or operated by the State government or any local government.

''(2) FINANCIAL INCENTIVE.—The Administrator may award to a State that develops and implements a strategy described in paragraph (1), in addition to any funds that the State is entitled to receive under this subtitle, not more than $50,000, to be used to carry out the strategy.''.

(c) INCENTIVES FOR PERFORMANCE.—Section 9006 of the Solid Waste Disposal Act (42 U.S.C. 6991e) is amended by adding at the end the following:

''(e) INCENTIVES FOR PERFORMANCE.—In determining the terms of, or whether to issue, a compliance order under subsection (a), or the amount of, or whether to impose, a civil penalty under subsection (d), the Administrator, or a State under a program approved under section 9004, shall take into consideration whether an owner or operator has—

''(1) a history of operating underground storage tanks of the owner or operator in accordance with—

''(A) this subtitle; or

''(B) a State program approved under section 9004; or

''(2) implemented a program, consistent with guidelines published under section 9010, that provides training to persons responsible for operating any underground storage tank of the owner or operator.''.

(d) AUTHORITY TO PROHIBIT CERTAIN DELIVERIES.—Section 9006 of the Solid Waste Disposal Act (42 U.S.C. 6991e) (as amended by subsection (c)) is amended by adding at the end the following:

''(f) AUTHORITY TO PROHIBIT CERTAIN DELIVERIES.—

''(1) IN GENERAL.—After the date on which the Administrator promulgates regulations under paragraph (2), the Administrator, or a State with a program approved under section 9004, may prohibit the delivery of regulated substances to underground storage tanks that are not in compliance with—

''(A) a requirement or standard promulgated by the Administrator under section 9003; or

''(B) a requirement or standard of a State program approved under section 9004.

''(2) AUTHORITY.—Not later than 2 years after the date of enactment of this subsection, the Administrator, after consultation with States, shall promulgate regulations that specify—

''(A) the circumstances under which the authority provided by paragraph (1) may be used;

''(B) the process by which the authority provided by paragraph (1) will be used consistently and fairly; and

''(C) such other factors as the Administrator, in cooperation with States, determines to be necessary to carry out this subsection.''.

(e) PUBLIC RECORD.—Section 9002 of the Solid Waste Disposal Act (42 U.S.C. 6991a) is amended by adding at the end the following:

''(d) PUBLIC RECORD.—

''(1) IN GENERAL.—The Administrator shall require each State and Indian tribe that receives funds under this subtitle to maintain, update at least annually, and make available to the public, in such manner and form as the Administrator shall prescribe (after consultation with States and Indian tribes), a record of underground storage tanks regulated under this subtitle.

''(2) CONSIDERATIONS.—To the maximum extent practicable, the public record of a State or Indian tribe, respectively, shall include, for each year—

''(A) the number, sources, and causes of underground storage tank releases in the State or on tribal land;

''(B) the record of compliance by underground storage tanks in the State or on tribal land with—

''(i) this subtitle; or

''(ii) an applicable State program approved under section 9004; and

''(C) data on the number of underground storage tank equipment failures in the State or on tribal land.

''(3) AVAILABILITY.—The Administrator shall make the public record of each State and Indian tribe under this section available to the public electronically.''.

**SEC. 7. FEDERAL FACILITIES.**

Section 9007 of the Solid Waste Disposal Act (42 U.S.C. 6991f) is amended by adding at the end the following:

''(c) REVIEW OF FEDERAL UNDERGROUND STORAGE TANKS.—Not later than 1 year after the date of enactment of this subsection, the Administrator, in cooperation with each Federal agency that owns or operates 1 or more underground storage tanks or that manages land on which 1 or more underground storage tanks are located, shall review the status of compliance of those underground storage tanks with this subtitle.

''(d) COMPLIANCE STRATEGIES.—Not later than 2 years after the date of enactment of this subsection, each Federal agency described in subsection (c) shall submit to the Administrator and to each State in which an underground storage tank described in subsection (c) is located, a strategy to ensure the compliance of those underground storage tanks with this subtitle.''.

**SEC. 8. TANKS UNDER THE JURISDICTION OF INDIAN TRIBES.**

Subtitle I of the Solid Waste Disposal Act (42 U.S.C. 6991 et seq.) is amended by inserting after section 9011 (as added by section 6(a)) the following:

**''SEC. 9012. TANKS UNDER THE JURISDICTION OF INDIAN TRIBES.**

''The Administrator, in coordination with Indian tribes, shall—

''(1) not later than 1 year after the date of enactment of this section, develop and implement a strategy—

''(A) giving priority to releases that present the greatest threat to human health or the environment, to take necessary corrective action in response to releases from leaking underground storage tanks located wholly within the boundaries of—

''(i) an Indian reservation; or

''(ii) any other area under the jurisdiction of an Indian tribe; and

''(B) to implement and enforce requirements concerning underground storage tanks located wholly within the boundaries of—

''(i) an Indian reservation; or

''(ii) any other area under the jurisdiction of an Indian tribe; and

''(2) not later than 2 years after the date of enactment of this section and every 2 years thereafter, submit to Congress a report that summarizes the status of implementation and enforcement of the leaking underground storage tank program in areas located wholly within—

''(A) the boundaries of Indian reservations; and

''(B) any other areas under the jurisdiction of an Indian tribe.''.

**SEC. 9. AUTHORIZATION OF APPROPRIATIONS.**

Subtitle I of the Solid Waste Disposal Act (42 U.S.C. 6991 et seq.) (as amended by section 8) is amended by adding at the end the following:

**''SEC. 9013. AUTHORIZATION OF APPROPRIATIONS.**

''There are authorized to be appropriated to the Administrator—

''(1) to carry out subtitle I (except sections 9003(h), 9005(a), and 9011) $25,000,000 for each of fiscal years 2003 through 2007; and

''(2) from the Trust Fund, notwithstanding section 9508(c)(1) of the Internal Revenue Code of 1986—

''(A) to carry out section 9003(h) (except section 9003(h)(12)) $100,000,000 for each of fiscal years 2003 through 2007;

''(B) to carry out section 9003(h)(12), $200,000,000 for fiscal year 2003, to remain available until expended;

''(C) to carry out section 9005(a)—

''(i) $35,000,000 for each of fiscal years 2003 and 2004; and

''(ii) $20,000,000 for each of fiscal years 2005 through 2008; and

''(D) to carry out section 9011—

''(i) $50,000,000 for fiscal year 2003; and

''(ii) $30,000,000 for each of fiscal years 2004 through 2008.''.

**SEC. 10. CONFORMING AMENDMENTS.**

(a) IN GENERAL.—Section 9001 of the Solid Waste Disposal Act (42 U.S.C. 6991) is amended—

(1) by striking ''For the purposes of this subtitle—'' and inserting ''In this subtitle:'';

(2) by redesignating paragraphs (1), (2), (3), (4), (5), (6), (7), and (8) as paragraphs (10), (7), (4), (3), (8), (5), (2), and (6), respectively;

(3) by inserting before paragraph (2) (as redesignated by paragraph (2)) the following:

''(1) 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).''; and

(4) by inserting after paragraph (8) (as redesignated by paragraph (2)) the following:

''(9) TRUST FUND.—The term 'Trust Fund' means the Leaking Underground Storage Tank Trust Fund established by section 9508 of the Internal Revenue Code of 1986.''.

(b) CONFORMING AMENDMENTS.—

(1) Section 9003(f) of the Solid Waste Disposal Act (42 U.S.C. 6991b(f)) is amended—

(A) in paragraph (1), by striking ''9001(2)(B)'' and inserting ''9001(7)(B)''; and

(B) in paragraphs (2) and (3), by striking ''9001(2)(A)'' each place it appears and inserting ''9001(7)(A)''.

(2) Section 9003(h) of the Solid Waste Disposal Act (42 U.S.C. 6991b(h)) is amended in paragraphs (1), (2)(C), (7)(A), and (11) by striking ''Leaking Underground Storage Tank Trust Fund'' each place it appears and inserting ''Trust Fund''.

(3) Section 9009 of the Solid Waste Disposal Act (42 U.S.C. 6991h) is amended—

(A) in subsection (a), by striking ''9001(2)(B)'' and inserting ''9001(7)(B)''; and

(B) in subsection (d), by striking ''section 9001(1) (A) and (B)'' and inserting ''subparagraphs (A) and (B) of section 9001(10)''.

**SEC. 11. TECHNICAL AMENDMENTS.**

(a) Section 9001(4)(A) of the Solid Waste Disposal Act (42 U.S.C. 6991(4)(A)) (as amended by section 9(a)(2)) is amended by striking ''sustances'' and inserting ''substances''.

(b) Section 9003(f)(1) of the Solid Waste Disposal Act (42 U.S.C. 6991b(f)(1)) is amended by striking ''subsection (c) and (d) of this section'' and inserting ''subsections (c) and (d)''.

(c) Section 9004(a) of the Solid Waste Disposal Act (42 U.S.C. 6991c(a)) is amended by striking ''in 9001(2) (A) or (B) or both'' and inserting ''in subparagraph (A) or (B) of section 9001(7)''.

(d) Section 9005 of the Solid Waste Disposal Act (42 U.S.C. 6991d) (as amended by section 3) is amended—

(1) in subsection (b), by striking ''study taking'' and inserting ''study, taking'';

(2) in subsection (c)(1), by striking ''relevent'' and inserting ''relevant''; and

(3) in subsection (c)(4), by striking ''Evironmental'' and inserting ''Environmental''.

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By Mr. BINGAMAN (for himself, Mr. CHAFEE, Mr. ROCKEFELLER, Mr. KENNEDY, Mr. FEINGOLD, Mr. CORZINE, Mr. REED, Mrs. CLINTON, Mr. KERRY, and Mr. KOHL):

S. 1851. A bill to amend part C of title XVIII, of the Social Security Act to provide for continuous open enrollment and disenrollment in Medicare+Choice plans and for other purposes; to the Committee on Finance.

Mr. BINGAMAN. Mr. President, the legislation I am introducing today with Senators CHAFEE, ROCKEFELLER, KENNEDY, FEINGOLD, CORZINE, REED, CLINTON, KERRY, and KOHL entitled the Medicare+Choice Consumer Protection Act is designed to ensure protections for Medicare+Choice beneficiaries that are witnessing increased costs, decreased benefits, and fewer options to obtain affordable supplemental coverage for Medicare.

This legislation is a companion bill to H.R. 3267, legislation introduced by Representative PETE STARK.

The Medicare+Choice program is an important option for many seniors and the disabled in this country, including 15 percent of seniors in the State of New Mexico. This option must remain a viable one in the Medicare program, but due to the recent rounds of plan withdrawals, benefit reductions, and cost increases that plans have undertaken within the program, there has been a growing level of insecurity among Medicare beneficiaries with respect to their health coverage.

Last year, I sponsored legislation, S. 2905, the Medicare+Choice Program Improvement Act of 2000, to increase payments, including the minimum payment amount to Medicare+Choice plans. However, despite payment increases approved by the Congress last year, including some substantial increases in certain more rural areas of the country, we have witnessed over 530,000 people recently lose their Medicare+Choice coverage as a result of HMO pull-outs from the Medicare program, including some in areas that received these much higher payments.

Many others have also experienced increases in their costs through the HMO or benefit reductions, including the elimination or substantial reduction of prescription drug coverage.

Therefore, while we must continue to explore mechanisms to ensure that the Medicare+Choice program remains a viable one, it is clear that even if their push for higher payments is met that the plans may still choose to pull-out of areas, decrease benefits, or increase costs to seniors. Despite ads being run by some Medicare+Choice plans that they will provide ''health care for life,'' Medicare beneficiaries are seeing constant turmoil and change on a yearly basis. Some Medicare Beneficiaries have been dropped to have seen their benefits reduced or costs increased by HMO's on yearly basis since the creation of the Medicare+Choice program in 1997.

In New Mexico, the result of last year's payment increases have resulted in a mixed outcome. Presbyterian's Medicare+Choice plan has reported that they are on track to achieve a profit margin of 3 to 4 percent on its M+C product in 2001 compared to a loss of around 15 percent in the prior year. In contrast, St. Joseph's M+C plan received the substantial increase in its Medicare payment, and yet, eliminated prescription drug coverage to seniors through its HMO without notice to some seniors this past March and still reports the system is up for sale and may completely change this coming year.

Beneficiaries are often left confused and uncertain. As 96 year-old Beulah Torrez of Espanola, New Mexico, said after the last round of Medicare+Choice plan changes, ''I just finally gave up. I couldn't afford anything. I couldn't afford the HMOs.''

As we continue to seek ways to improve Medicare+Choice coverage, we should take immediate action to extend important consumer protections to Medicare beneficiaries who find themselves in a plan that no longer meets their needs. To achieve these goals, the bill we are introducing today would.

(1) Eliminate the Medicare+Choice lock-in scheduled to go into effect in January 2002.

(2) Extend the existing Medigap protections that apply to people whose Medicare+Choice plan withdraws from the program to anyone whose Medicare+Choice plan changes benefits or whose doctor or hospital leaves the plan.

(3) Prevent Medicare+Choice plans from charging higher cost-sharing for a service than Medicare charges in the fee-for-service program.

Eliminating the lock-in would ensure that seniors and people with disabilities continue to be allowed to leave a health plan that is not meeting their needs. When St. Joseph's health plan eliminated prescription drug coverage from its Medicare plan earlier this year, Medicare beneficiaries were left without drug coverage but were at least able to change their health plan at the end of the month. This flexibility will end in January 2002 unless this legislation is passed. It is important that Medicare beneficiaries, often our nation's most vulnerable citizens, know that if they test an HMO and do not like its system, arrangements and rules that they will be able to leave and choose a Medicare option that better suits their specific needs. Both advocates and the managed care industry support this provision.

In addition, if a Medicare+Choice plan withdraws from a community or Medicare entirely, you can under current law move into a select category of Medigap plans, (A, B, C and F, without any individual health underwriting. this provision ensures that Medicare beneficiaries have affordable supplemental Medicare options available to them when, through no fault of their own, their Medicare+Choice plan withdrawals.

However, these protections for Medicare beneficiaries currently do not apply with Medicare+Choice plans that make significant changes, such as eliminating benefits, increasing cost sharing, or changing available providers, within the HMO but stop short of completely withdrawing from the Medicare program. In the St. Joseph's case I mentioned above, seniors were unable to receive important Medigap or supplemental Medicare coverage since the plan did not completely withdraw from the service area.

For Medicare beneficiaries whose needs no longer are met by the HMO due to such changes, a Medigap supplemental policy and a return to Medicare fee-for-service may often make better sense. Therefore, it is critical to extend the current Medigap protections for when a plan terminates Medicare participation to beneficiaries in plans that have made important changes to the benefits, cost sharing, or provider options.

And finally, the third provision of the bill would prevent Medicare+Choice plans from charging higher cost-sharing for individual services than occurs in the Medicare fee-for-service program. According to testimony before the House Ways and Means Health Subcommittee by Thomas Scully, Administrator for the Centers for Medicare and Medicaid Services, CMS, on December 4, 2001,

> . . . this year we have found that some plans proposed charging beneficiaries what we believed were unreasonably high copays for particular services . . . Thus, we have a new challenge balancing the need for plans to make decisions about their benefit packages and cost sharing amounts with the important requirement that plan designs do not discourage enrollment. The concern is always that high cost sharing could discourage beneficiaries, who have greater health care needs, from enrolling in or remaining a member of these particular plans.

In the case of UnitedHealth Group's Medicare Complete option in Wisconsin, that plan will begin charging a deductible of $295 a day for a hospital stay up to a cap of $4,800 compared to a similar stay under fee-for-service Medicare which has a deductible of $812. While CMS did require the plan to reduce their proposed deductible from $350 to $295 per day, overall out-of-pocket costs can far exceed those that would occur in fee-for-service for many beneficiaries.

As Stephanie Sue Stein, Director of the Milwaukee County Department on Aging, said at the same House Ways and Means Health Subcommittee hearing on December 4, 2001,

> Beneficiaries will still be expected to pay up to $4,800 out-of-pocket in addition to the $55 monthly premium for United's coverage and the $54 monthly premium for Medicare Part B. The excessive cost-sharing proposed by United raises questions about the value of this so-called insurance. It is now clear that many of the 16,000 seniors who have previously relied on UnitedHealthcare to provide access to affordable health care can no longer do so. It looks to us as though the benefit changes for 2002 are designed to discourage enrollment to beneficiaries who have health needs.

The question arises why we would allow Medicare+Choice plans to effectively diminish the value of Medicare benefits in this manner. While the Secretary has the authority under current law to prohibit or reduce some of the new cost-sharing arrangements that plans are preparing to impose, the change proposed by this legislation makes it clear that Medicare+Choice plans cannot charge patients more for a service than the patient would face under the Medicare fee-for-service plan.

In fact, the ability of Medicare+Choice plans to charge higher cost-sharing for benefits or services than in fee-for-service results in further risk avoidance, or what is referred to as ''cherry picking,'' as plans seek to avoid or deny services to the chronically or severely ill. This can have an adverse consequence for the health of people with disabilities, limit their choices, and result in higher costs for the Medicare program. For all of these reasons, we should enact this provision in short order.

While we are undertaking efforts to ensure that Medicare-Choice remains a viable option for Medicare beneficiaries, we must also ensure additional protections for beneficiaries.

As Ms. Stein said in her testimony,

> These plans now call themselves new things, complete and secure and healthy, but they are not complete or secure or healthy. They are radically different. These Medicare+Choice policies are not the same ones people bought when they took advantage of what they perceived to be the value-added benefits sold to them as Medicare+Choice. In fact, they are left with Medicare minus protection, Medicare minus the ability to buy a Medigap policy, Medicare minus the ability to choose different insurance.

In fact, according to a report by the Commonwealth Fund in April 2001, ''31 percent of Medicare+Choice enrollees are in contracts where the basic plan has a copayment requirement for hospital admissions, compared with just 13 percent in 2000. Outpatient hospital copayments are being required of 45 percent of Medicare+Choice enrollees in 2001, compared with only 29 percent in 2000.'' This will only increase further in 2002.

Therefore, to improve fundamental financial protections and health care options for our nation's Medicare seniors and disabled enrollees, I urge the swift passage of this legislation.

The following organizations have expressed their support for this legislation: AFSCME Retiree Program, Alliance for Retired Americans, American Association of Homes and Service for the Aging, American Association for International Aging, American Federation of Teachers Program on Retirement and Retirees, American Society of Consultant Pharmacists, Association for Gerontology and Human Development in Historically Black Colleges and Universities, B'nai B'rith Center for Senior Housing and Services, California Health Advocates, Center for Medicare Advocacy, Congress of California Seniors, Eldercare America, Families USA, International Union—UAW, National Academy of Elder Law Attorneys, National Association of Area Agencies on Aging, National Association of Professional Geriatric Care Managers, National Association of Retired and Senior Volunteer Program Directors, National Association of Retired Federal Employees, National Association of Senior Companion Program Directors, National Association of State Units on Aging, National Committee to Preserve Social Security and Medicare, National Council on the Aging, National Renal Administrators Association, National Senior Citizens Law Center, and OWL—Voice for Midlife and Older Women.

I request unanimous consent that a fact sheet and the text of the bill be printed in the RECORD.

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

S. 1851

*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 ''Medicare+Choice Consumer Protection Act of 2001''.

**SEC. 2. CONTINUOUS OPEN ENROLLMENT AND DISENROLLMENT.**

(a) IN GENERAL.—Section 1851(e)(2) of the Social Security Act (42 U.S.C. 1395w–21(e)(2)) is amended to read as follows:

''(2) CONTINUOUS OPEN ENROLLMENT AND DISENROLLMENT.—Subject to paragraph (5), a Medicare+Choice eligible individual may change the election under subsection (a)(1) at any time.''.

(b) CONFORMING AMENDMENTS.—

(1) MEDICARE+CHOICE.—Section 1851(e) of such Act (42 U.S.C. 1395w–21(e)) is amended—

(A) in paragraph (4)—

(i) by striking ''Effective as of January 1, 2002, an'' and inserting ''An'';

(ii) by striking ''other than during an annual, coordinated election period'';

(iii) by inserting ''in a special election period for such purpose'' after ''make a new election under this section''; and

(iv) by striking the second sentence; and

(B) in paragraphs (5)(B) and (6)(A), by striking ''the first sentence of''.

(2) PERMITTING ENROLLMENT IN MEDIGAP WHEN M+C PLANS REDUCE BENEFITS OR WHEN PROVIDER LEAVES A M+C PLAN.—

(A) IN GENERAL.—Clause (ii) of section 1882(s)(3)(B) of such Act (42 U.S.C. 1395ss(s)(3)(B)) is amended—

(i) by inserting ''(I)'' after ''(ii)'';

(ii) by striking ''under the first sentence of'' each place it appears and inserting ''during a special election period provided for under'';

(iii) by inserting ''the circumstances described in subclause (II) are present or'' before ''there are circumstances''; and

(iv) by adding at the end the following new subclause:

''(II) The circumstances described in this subclause are, with respect to an individual enrolled in a Medicare+Choice plan, a reduction in benefits (including an increase in cost-sharing) offered under the Medicare+Choice plan from the previous year or a provider of services or physician

who serves the individual no longer participating in the plan (other than because of good cause relating to quality of care under the plan).''.

(B) CONFORMING AMENDMENT.—Clause (iii) of such section is amended—

(i) by inserting ''the circumstances described in clause (ii)(II) are met or'' after ''policy described in subsection (t), and''; and

(ii) by striking ''under the first sentence of'' and inserting ''during a special election period provided for under''.

(c) EFFECTIVE DATE.—The amendments made by this section shall take effect on January 1, 2002, and shall apply to reductions in benefits and changes in provider participation occurring on or after such date.

**SEC. 3. LIMITATION ON MEDICARE+CHOICE COST-SHARING.**

(a) IN GENERAL.—Section 1852(a) (42 U.S.C. 1395w–22(a)) is amended by adding at the end the following new paragraph:

''(6) LIMITATION ON COST-SHARING.—

''(A) IN GENERAL.—Subject to subparagraph (B), in no case shall the cost-sharing with respect to an item or service under a Medicare+Choice plan exceed the cost-sharing otherwise applicable under parts A and B to an individual who is not enrolled in a Medicare+Choice plan under this part.

''(B) PERMITTING FLAT COPAYMENTS.—Subparagraph (A) shall not be construed as preventing the application of flat dollar copayment amounts (in place of a percentage coinsurance), such as a fixed copayment for a doctor's visit, so long as such amounts are reasonable and appropriate and do not adversely affect access to items and services (as determined by the Secretary).''.

(b) EFFECTIVE DATE.—The amendment made by subsection (a) shall apply as of January 1, 2003.

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MEDICARE+CHOICE CONSUMER PROTECTION ACT OF 2001—FACT SHEET

Senators Jeff Bingaman (D–NM), Lincoln Chafee (R–RI), John D. Rockefeller, IV (D–WV), Edward M. Kennedy (D–MA), Russ Feingold (D–WI), Jon Corzine (D–NJ), Jack Reed (D–RI), Hillary Rodham Clinton (D–NY), John Kerry (D–MA) and Herb Kohl (D–WI) are preparing to introduce the ''Medicare+Choice Consumer Protection Act of 2001.'' This legislation is a companion bill to H.R. 3267, which was introduced by Representative Pete Stark (D–CA).

This legislation would improve consumer protections to Medicare beneficiaries seeking to enroll in Medicare+Choice plans by:

Eliminating the Medicare+Choice lock-in schedule to go into effect in January 2002;

Extending the existing Medigap protections that apply to people whose Medicare+Choice plan withdraws from the program to anyone whose Medicare+Choice changes benefits or whose doctor or hospital leaves the plan; and

Preventing Medicare+Choice plans from charging higher cost-sharing for a service than Medicare charges in the fee-for-service program.

NEED FOR LEGISLATION

Medicare+Choice Forthcoming Lock-In: Currently, Medicare beneficiaries that are dissatisfied with their health plan are allowed to enroll or disenroll from their health plans at any time. As of January 2002, Medicare beneficiaries electing the Medicare+Choice option will be required to ''lock in'' with that plan for much longer periods. In fact, for 2002, Medicare+Choice enrollees will only be allowed to switch plans once during the first six months after enrollment. In 2003, the beneficiaries will only be able to switch once during the first three months after enrollment.

The legislation eliminates the upcoming lock-in to ensure that Medicare beneficiaries continue to be allowed to leave a health plan that is not meeting their needs. Medicare beneficiaries, often our nation's most vulnerable citizens, need to know that if they test an HMO and do not like the system, arrangements, and rules that they will be able to leave to choose a Medicare option that better suits their specific needs. Both advocates and the managed care industry support this provision.

Medigap Protections When Medicare+Choice Plans Change Benefits, Cost Sharing, or Provider Options: In addition, if a Medicare+Choice plan withdrawals from a community or Medicare entirely, beneficiaries can under current law move into a select category of Medigap plans (A, B, C and F) without any individual health underwriting. This provision ensures that Medicare beneficiaries have affordable supplemental Medicare options available to them when, through no fault of their own, their Medicare+Choice plan withdrawals.

However, these protections for Medicare beneficiaries currently do not apply with Medicare+Choice plans that make significant changes, such as eliminating benefits, increasing cost sharing, or changing available providers, within the HMO but stop short of completely withdrawing from the Medicare program. For example, some plans now cover only generic prescriptions, in effect eliminating drug coverage for beneficiaries whose prescriptions have no generic equivalent. For those Medicare beneficiaries whose needs are no longer met by the Medicare+Choice plan due to these changes, the legislation extends the current Medigap protections for beneficiaries when a plan terminates Medicare participation to those in plans that have made important changes to their benefits, cost sharing, or provider options.

Preventing Higher Cost Sharing in Medicare+Choice Than in Fee-For-Service: Under current law, cost sharing per enrollee (including premiums) for covered services cannot be more than the actuarial value of the deductibles, coinsurance, and copayments under traditional Medicare fee-for-service. However, Medicare+Choice plans are increasingly charging higher cost-sharing for individual services within the health plan than is allowed in fee-for-service. Higher cost-sharing, for example, is being required by some Medicare+Choice plans for dialysis, hospitalization, and other services than in traditional fee-for-service Medicare.

In addition to creating an adverse consequence for the health of Medicare beneficiaries with disabilities who have certain illnesses, charging beneficiaries higher costs for certain services results in what is referred to as ''cherry picking,'' as some plans seek to avoid or deny services to the chronically or severely ill. Again, this can have adverse health effects for certain beneficiaries, limit their choices, and resulting in higher costs for the Medicare payment through ''risk selection.'' Consequently, this legislation would close this loophole and prohibit Medicare+Choice plans from imposing higher cost sharing for certain services than is allowed in Medicare fee-for-service.

SUPPORTING ORGANIZATIONS

AFSCME Retiree Program.
Alliance for Retired Americans.
American Association of Homes and Service for the Aging.
American Association for International Aging.
American Federation of Teachers Program on Retirement and Retirees.
American Society of Consultant Pharmacists.
Association for Gerontology and Human Development in Historically Black Colleges and Universities.
B'nai B'rith Center for Senior Housing and Services.
California Health Advocates.
Center for Medicare Advocacy.
Congress of California Seniors.
Eldercare America.
Families USA.
International Union, UAW.
National Academy of Elder Law Attorneys.
National Association of Area Agencies on Aging.
National Association of Professional Geriatric Care Managers.
National Association of Retired and Senior Volunteer Program Directors.
National Association of Retired Federal Employees.
National Association of Senior Companion Program Directors.
National Association of State Units on Aging.
National Committee to Preserve Social Security and Medicare.
National Council on the Aging.
National Renal Administrators Association.
National Senior Citizens Law Center.
OWL, Voice for Midlife and Older Women.

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By Mr. THOMAS:

S. 1852. A bill to extend the deadline for commencement of construction of a hydroelectric project in the State of Wyoming; to the Committee on Energy and Natural Resources.

Mr. THOMAS. 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. 1852

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

**SECTION 1. EXTENSION OF TIME FOR FEDERAL ENERGY REGULATORY COMMISSION HYDROELECTRIC PROJECT.**

(a) IN GENERAL.—Notwithstanding the time period specified in section 13 of the Federal Power Act (16 U.S.C. 806) that would otherwise apply to the Federal Energy Regulatory Commission Swift Creek Power Company, Inc. hydroelectric license, project number 1651, the Commission may, at the request of the licensee for the project, and after reasonable notice, in accordance with the requirements of that section and the Commission's procedures under that section, extend the time period during which the licensee is required to commence the construction of the project for 3 consecutive 2-year periods.

(b) EFFECTIVE DATE.—Subsection (a) takes effect on the date of the expiration of the extension issued by the Commission before the date of the enactment of this Act under section 13 of the Federal Power Act (16 U.S.C. 806).

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By Mr. JOHNSON:

S. 1854. A bill to authorize the President to present congressional gold medals to the Native American Code Talkers in recognition of their contributions to the Nation during World War I and World War II; to the Committee on Banking, Housing, and Urban Affairs.

Mr. JOHNSON. Mr. President, I rise today to introduce legislation that will recognize all Native American Code Talkers who served as Code Talkers during World Wars I and II. Earlier this year, the Navajo Code Talkers were

recognized by Congress and the President, and were presented with their Congressional Gold Medals. I was proud be a cosponsor of legislation introduced by Senator JEFF BINGAMAN granting the medals and participating in the ceremony recognizing their great accomplishments.

Today, I am introducing similar legislation recognizing the over 17 other tribes who served our Nation and democracy across the world. These brave men utilized their language to assist the allied forces, and subsequently saved the lives of thousands of men and women. Years ago, the United States government policy towards Native people attempted to force the assimilation of millions of Native Americans and Alaskan Natives.

The United States government attempted to strip the culture and language from the native peoples of this great land. We have learned the lessons of the past, and I stand here today honoring these courageous soldiers for preserving part of the very core of their culture. Their language.

It is tragic that we have waited so many decades for the recognition of these brave soldiers.

We cannot hope to make up for some of the wrongs that befell the Native peoples in the United States, or across North and South America. But, we can continue to ensure that honor is continually bestowed upon those men and women who fought for and defended our Nation, and the preservation of democracy on foreign lands.

Native Americans remain the most decorated ethnic group in our military forces. I am honored that we are one step closer to honoring those who deserve recognition that is long overdue. This truly marks a proud moment in our Nation's history.

I urge my colleagues to join me in honoring those Native Americans who served as code talkers in World Wars I and II. 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. 1854

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

**SECTION 1. CONGRESSIONAL MEDALS.**

(a) FINDINGS.—Congress finds that—

(1) not fewer than 17 Indian tribes have been identified as having served as code talkers during World War I and World War II;

(2) during World War I, 15 members of the Oklahoma Choctaw served as code talkers in the 36th Infantry Division;

(3) during World War II, many Native Americans served as code talkers, including—

(A) members of the Lakota-Dakota and Sioux Tribes, many of whom served in the 3d Battalion and the 302d Reconnaissance Team, First Cavalry Division;

(B) 17 members of the Commanche Tribe;

(C) members of the Hopi Tribe, many of whom served in the 223d Battalion;

(D) 27 members of the Sac and Fox Tribe of Iowa, 19 of whom served in the 18th Iowa Infantry;

(E) members of the Choctaw Tribe, many of whom served in Company K, 180th Infantry Regiment, 45th Division;

(F) 5 members of the Assiniboine Tribe;

(G) members of the Seminole Tribe of Florida, most of whom served in the 195th Field Artillery Battalion; and

(H) members of the Muscogee Creek Tribe, most of whom served in the Aleutian Islands campaign;

(4) in December 2000, Congress recognized the Navajo Code Talkers by authorizing the presentation of gold and silver medals to the Navajo Code Talkers and posthumously to their surviving family members;

(5) all Native American Code Talkers have performed an important service to the preservation of democracy, and deserve proper recognition, which is long overdue;

(6) because the code was so successful, the Native American Code Talkers are credited with saving the lives of countless American and Allied Forces during World War II; and

(7) Native Americans continue to be one of the most represented and decorated ethnic groups in the United States Armed Forces.

(b) CONGRESSIONAL MEDALS AUTHORIZED.—

(1) PRESENTATION AUTHORIZED.—To express recognition by the United States and its citizens of the achievements of the Native American Code Talkers, the President is authorized to award to each of the Native American Code Talkers, or a surviving family member, on behalf of Congress, a gold medal of appropriate design.

(2) DESIGN AND STRIKING.—For purposes of the awards authorized by paragraph (1), the Secretary of the Treasury (in this section referred to as the ''Secretary'') shall strike gold medals with suitable emblems, devices, and inscriptions, to be determined by the Secretary.

(c) DUPLICATE MEDALS.—The Secretary may strike and sell duplicates in bronze of the medals struck pursuant to this section, under such regulations as the Secretary may prescribe, and at a price sufficient to cover the costs thereof, including labor, materials, dies, use of machinery, and overhead expenses, and the cost of the medals.

(d) STATUS AS NATIONAL MEDALS.—The medals struck pursuant to this section are national medals for purposes of chapter 51, of title 31, United States Code.

(e) FUNDING.—

(1) AUTHORITY TO USE FUND AMOUNTS.—There is authorized to be charged against the United States Mint Public Enterprise Fund, such sums as may be necessary to pay for the costs of the medals authorized by this section.

(2) PROCEEDS OF SALE.—Amounts received from the sale of duplicate medals under this section shall be deposited in the United States Mint Public Enterprise Fund.

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By Mr. KERRY (for himself, Mr. BURNS, Mr. CORZINE, and Mr. BAUCUS):

S. 1856. A bill to amend the Internal Revenue Code of 1986 to promote employer and employee participation in telework arrangements, and for other purposes; to the Committee on Finance.

Mr. KERRY. Mr. President, along with my colleagues Senator BURNS, Senator CORZINE, and Senator BAUCUS, I wish to introduce legislation of critical importance to our Nation's workforce and economy.

The rapid spread of new telecommunications technologies has generated opportunities for firms across the country to improve upon the traditional work environment. Today, millions of American workers participate in ''telework'' arrangements, otherwise known as telecommuting, which allow them to work outside of their normal work location. Telework arrangements carry several advantages: the ability to spend more time with the children, less time wasted in traffic, enhanced productivity, and the environmental benefits of reduced carbon dioxide emissions. While teleworking grew substantially during the 1990s, the number of teleworkers has reached a plateau, with little increase in the last year. The social, economic, and environmental gains of teleworking are indisputable. Our legislation combines tax incentives and an employer awareness campaign to stimulate further growth in telework arrangements.

The term ''telework'' means to perform normal and regular work functions at locations other than the traditional workplace of the employer, thereby eliminating or substantially reducing the physical commute to and from the workplace. Given the opportunity, workers choose overwhelmingly to participate in telework arrangements. Employees who telework report an enhanced quality of life. 71 percent of teleworkers report being more satisfied with their job than before they were permitted to telework. Working from home allows parents more time with their children and reduces child care expenses. Teleworkers also stay in their communities, providing enhanced security and presence.

If teleworking is implemented broadly in a community, the need for construction of additional automobile infrastructure, which is often driven by peak period commuting demand, may be reduced. Even workers who do not telework benefit since traffic congestion is lessened for them as well.

There are also economic benefits. Data indicate that teleworking enhances productivity, both because teleworkers report being more productive per unit time, and because the teleworker has available the previously nonproductive commute time, an average of 62 minutes per day spent on an average 44 mile round-trip commute. Because teleworkers are able to mix work and personal needs, the number of occasions when they need to be absent from work altogether diminishes. One study suggests that the productivity improvement of home-based teleworkers averages 15 percent. Firms also benefit from eliminating unnecessary office space and reducing associated overhead costs. For example, one large national employer reports that in 2000, their telework program resulted in $100 million in increased productivity, $18 million in reduced turnover, and $25 million in reduced real estate costs. Because of the enhanced quality of life and personal freedom that teleworking fosters, firms are better able to retain valued employees.

Telework arrangements are critical to keeping our economy and workforce

on the leading edge of technological developments. Teleworking contributes to the residential deployment of broadband technology, which has otherwise stagnated. Teleworkers have a disproportionate need for high-speed Internet access. Encouraging telework is a means of inducing greater demand for broadband technology.

Allowing employees to work from home saves energy and reduces carbon dioxide emissions associated with commuting. It also reduces vehicular contributions to local and regional tropospheric pollution both directly and, by reducing congestion in general, indirectly. To the extent telework reduces demands for additional infrastructure, it also leads to less material use in construction and less land-use impact.

The Teleworking Advancement Act creates two tax-based incentives to promote the continued spread of employer-sponsored telework arrangements and a pilot program to raise awareness about telecommuting among small business employers.

The employer telework tax credit would allow employers to claim a credit of up to $500 for each employee who participates in an employer-sponsored telework arrangement during the taxable year. For employees who telework on a partial basis, the credit would be prorated. Employees of small businesses, those with 100 or fewer employees, and disabled employees, as defined by the Americans with Disabilities Act, would be eligible for a maximum credit of $1,000. An employer-sponsored telework arrangement is defined as an arrangement established by an employer that enables employees of the employer to telework for a minimum of 25 days per year. The arrangement must be supported by a written agreement between the employer and each teleworking employee that describes the terms of the arrangement.

The telework equipment tax credit would allow individuals or businesses to claim a credit equal to 10 percent of qualified telework expenses paid, pursuant to an employer-sponsored telework arrangement. Either the employer or the employee, depending on who incurred the expense, would be eligible for the credit. The maximum credit would be $500. For employees of small businesses (those with 100 or fewer employees) and disabled employees, as defined by the Americans with Disabilities Act, the credit would be 20 percent of eligible expenses, with a maximum credit of $1,000. Qualified telework expenses includes expenses paid or incurred for computers, software, modems, telecommunications equipment, and access to Internet or broadband technologies, including applicable taxes and other expenses for the delivery, installation, or maintenance of such equipment.

Finally, the legislation authorizes $5 million for the Administrator of the Small Business Administration to conduct a pilot program to raise awareness about telecommuting among small business employers and to encourage employers to offer telecommuting options to employees. Activities would include producing educational materials, conducting outreach, and acquiring telecommuting technologies and equipment to be used for demonstration purposes. Special efforts would be made to conduct outreach to businesses owned by or employing individuals with disabilities.

The Teleworking Advancement Act will induce more employers to offer teleworking opportunities to their employees, creating broad-based benefits for the American workforce and helping ensure that our economy remains at the forefront of 21st century workplace practices. Through a combination of tax incentives and an employer awareness campaign, our legislation will stimulate the spread of flexible, innovative, and productivity-enhancing labor arrangements. I urge my colleagues to support passage of the legislation, and 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. 1856

*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 ''Teleworking Advancement Act''.

**SEC. 2. CREDIT FOR TELEWORKING.**

(a) IN GENERAL.—Subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 (relating to foreign tax credit, etc.) is amended by inserting after section 30A the following new section:

**''SEC. 30B. TELEWORK CREDIT.**

''(a) GENERAL RULE.—There shall be allowed as a credit against the tax imposed by this chapter for any taxable year an amount equal to the sum of—

''(1) the employer telework tax credit, plus

''(2) the telework equipment tax credit.

''(b) EMPLOYER TELEWORK TAX CREDIT; TELEWORK EQUIPMENT TAX CREDIT.—For purposes of this section—

''(1) EMPLOYER TELEWORK TAX CREDIT.—Except as provided for in subsection (c)(1), the employer telework tax credit for any taxable year is equal to $500 for each employee who participates in an employer sponsored telework arrangement during the taxable year.

''(2) TELEWORK EQUIPMENT TAX CREDIT.—Except as provided for in subsection (c)(2), the telework equipment tax credit for any taxable year is equal to 10 percent of qualified telework expenses paid or incurred during the taxable year by either the employer on behalf of the employee, or directly by the employee, pursuant to an employer sponsored telework arrangement.

''(c) SPECIAL RULE FOR DISABLED EMPLOYEES AND EMPLOYEES OF SMALL BUSINESSES.—For purposes of this section:

''(1) For each employee who is covered under the Americans with Disabilities Act of 1990 (42 U.S.C. 1201), or for each employee of a small business, the employer telework tax credit for any taxable year is equal to $1,000 for each employee who participates in an employer sponsored telework arrangement during the taxable year.

''(2) For each employee who is covered under the Americans with Disabilities Act of 1990 (42 U.S.C. 1201), or for each employee of a small businesses, the telework equipment tax credit for any taxable year is equal to 20 percent of qualified telework expenses paid or incurred during the taxable year by either the employer on behalf of the employee, or directly by the employee, pursuant to an employer sponsored telework arrangement.

''(d) CREDIT ADJUSTMENTS AND LIMITATIONS.—

''(1) CREDIT ADJUSTMENTS.—In computing the credit allowed under subsection (b)(1) or (c)(1) for any taxable year, the following adjustments shall apply:

''(A) In the case of an employee who participates in an employer sponsored telework arrangement for less than the full taxable year, the credit amount identified in subsection (b)(1) or (c)(1), whichever is applicable, shall be multiplied by a fraction, the numerator of which is the total number of months in the taxable year that the employee participates in an employer sponsored telework arrangement and the denominator of which is 12. For purposes of the preceding sentence, an employee is considered to be participating in an employer sponsored telework arrangement for a month if the employee teleworks for at least one full day of such month.

''(B) In the case of an employee who participates in an employer sponsored telework arrangement but does not telework every day of the taxable year that the employee is required by his or her employer to work, the credit amount identified in subsection (b)(1) or (c)(1), whichever is applicable, shall be multiplied by a fraction, the numerator of which is the total number of full days in the taxable year that the employee teleworks and the denominator of which is the total number of days in the taxable year that the employee is required by his or her employer to work.

''(2) TELEWORK EQUIPMENT CREDIT LIMITATIONS.—

''(A) In computing the credit allowed under subsection (b)(2) for any taxable year, the following limitations shall apply:

''(i) The maximum credit claimed by any employer with respect to qualified telework expenses paid or incurred on behalf of an employee shall not exceed $500 for each employee who participates in an employer sponsored telework arrangement.

''(ii) The maximum credit claimed by any employee with respect to qualified telework expenses paid or incurred directly by the employee pursuant to an employer sponsored telework arrangement shall not exceed $500.

''(B) In computing the credit allowed under subsection (c)(2) for any taxable year with respect to employees who are covered under the Americans with Disabilities Act of 1990 (42 U.S.C. 1201), or for each employee of a small business, the following limitations shall apply:

''(i) The maximum credit claimed by any employer with respect to qualified telework expenses paid or incurred on behalf of an employee shall not exceed $1,000 for each employee who participates in an employer sponsored telework arrangement.

''(ii) The maximum credit claimed by any employee with respect to qualified telework expenses paid or incurred directly by the employee pursuant to an employer sponsored telework arrangement shall not exceed $1,000.

''(e) DEFINITIONS.—For purposes of this section—

''(1) EMPLOYER SPONSORED TELEWORK ARRANGEMENT.—The term 'employer sponsored telework arrangement' means an arrangement established by an employer that enables employees of the employer to telework for a minimum of 25 full days per taxable

year. Such an arrangement shall be supported by a written agreement between the employer and each teleworking employee that describes the terms of the employer sponsored telework arrangement.

''(2) QUALIFIED TELEWORK EXPENSES.—

''(A) IN GENERAL.—The term 'qualified telework expenses' shall include expenses paid or incurred for computers, computer-related hardware and software, modems, data processing equipment, telecommunications equipment, and access to Internet or broadband technologies, including applicable taxes and other expenses for the delivery, installation, or maintenance of such equipment.

''(B) ONLY CERTAIN EXPENSES TAKEN INTO ACCOUNT.—Expenses shall be taken into account under subparagraph (A) only to the extent they are authorized by the employer pursuant to an employer sponsored telework arrangement and are necessary to enable the employee to telework.

''(3) SMALL BUSINESS.—The term 'small business' means a business with an average of 100 or fewer employees during the taxable year.

''(4) TELEWORK.—An employee shall be treated as engaged in telework if—

''(A) the employee's normal and regular work functions are performed at a fixed location provided by the employer,

''(B)(i) the employee, under an employer sponsored telework arrangement, performs such functions at the employee's residence or at a location specifically designed to allow employees to perform such functions closer to their residence, and

''(ii) the performance of such functions at such residence or location eliminates or substantially reduces the physical commute of the employee to the fixed location described in subparagraph (A), and

''(C) the employee transmits by electronic or other communications medium the employee's work product from such residence or location to the fixed location where such functions would otherwise have been performed.

''(f) SPECIAL RULES.—

''(1) LIMITATION BASED ON AMOUNT OF TAX.—

''(A) LIABILITY FOR TAX.—The credit allowable under subsection (a) for any taxable year shall not exceed the excess (if any) of—

''(i) the regular tax for the taxable year, reduced by the sum of the credits allowable under subpart A and the preceding sections of this subpart, over

''(ii) the tentative minimum tax for the taxable year.

''(B) CARRYFORWARD OF UNUSED CREDIT.—If the amount of the credit allowable under subsection (a) for any taxable year exceeds the limitation under paragraph (1)(A) for the taxable year, the excess shall be carried to the succeeding taxable year and added to the amount allowable as a credit under subsection (a) for such succeeding taxable year.

''(2) BASIS REDUCTION.—The basis of any property for which a credit is allowable under subsection (a) shall be reduced by the amount of such credit (determined without regard to paragraph (1)).

''(3) RECAPTURE.—The Secretary shall, by regulations, provide for recapturing the benefit of any credit allowable under subsection (a) with respect to any property which ceases to be property eligible for such credit.

''(4) PROPERTY USED OUTSIDE UNITED STATES, ETC., NOT QUALIFIED.—No credit shall be allowed under subsection (a) with respect to any property referred to in section 50(b) or with respect to the portion of the cost of any property taken into account under section 179.

''(5) ELECTION NOT TO TAKE CREDITS.—No credits shall be allowed under subsection (a) for any expense if the taxpayer elects to not have this section apply with respect to such expense.

''(6) DENIAL OF DOUBLE BENEFIT.—No deduction or credit (other than under this section) shall be allowed under this chapter with respect to any expense which is taken into account in determining the credit under this section.

''(7) DOCUMENTATION.—Employers and employees are responsible for maintaining adequate documentation to support any credits claimed under this section.''

(b) CONFORMING AMENDMENT.—Subsection (a) of section 1016 of the Internal Revenue Code of 1986 (relating to general rule for adjustments to basis) is amended by striking ''and'' at the end of paragraph (27), by striking the period at the end of paragraph (28) and inserting '', and'', and by adding at the end the following:

''(29) in the case of property with respect to which a credit was allowed under section 30B, to the extent provided in section 30B(f)(2).''

(c) CLERICAL AMENDMENT.—The table of sections for subpart B of part IV of subchapter A of chapter 1 of the Internal Revenue Code of 1986 is amended by inserting after the item relating to section 30A the following new item:

''Sec. 30B. Telework credit.''

(d) REGULATORY MATTERS.—

(1) PROHIBITION.—No Federal or State agency or instrumentality shall adopt regulations or ratemaking procedures that would have the effect of confiscating any credit or portion thereof allowed under sections 30B of the Internal Revenue Code of 1986 (as added by this Act) or otherwise subverting the purpose of this Act.

(2) TREASURY REGULATORY AUTHORITY.—It is the intent of Congress in providing the telework tax credit under section 30B of the Internal Revenue Code of 1986 (as added by this Act) to promote broad participation in employer sponsored telework arrangements by providing incentives to both employers and employees. Accordingly, the Secretary of the Treasury shall prescribe such regulations as may be necessary or appropriate to carry out the purposes of section 30B of such Code, including regulations describing the information, records, and data that employers and employees are required to provide the Secretary to substantiate compliance with the requirements of this section and section 30B of such Code. Until the Secretary prescribes such regulations, employers and employees may base such determinations on any reasonable method that is consistent with the purposes of section 30B of such Code.

(e) EFFECTIVE DATE.—The amendments made by this section shall apply to taxable years beginning after December 31, 2001.

**SEC. 3. SMALL BUSINESS TELECOMMUTING PILOT PROGRAM.**

(a) IN GENERAL.—In accordance with this section, the Administrator shall conduct, in not more than 5 of the Small Business Administration's regions, a pilot program to raise awareness about telecommuting among small business employers and to encourage such employers to offer telecommuting options to employees.

(b) SPECIAL OUTREACH TO INDIVIDUALS WITH DISABILITIES.—In carrying out subsection (a), the Administrator shall make special efforts to do outreach to—

(1) businesses owned by or employing individuals with disabilities, and disabled American veterans in particular;

(2) Federal, State, and local agencies having knowledge and expertise in assisting individuals with disabilities or disabled American veterans; and

(3) any group or organization, the primary purpose of which is to aid individuals with disabilities or disabled American veterans.

(c) PERMISSIBLE ACTIVITIES.—In carrying out the pilot program, the Administrator may only—

(1) produce educational materials and conduct presentations designed to raise awareness in the small business community of the benefits and the ease of telecommuting;

(2) conduct outreach—

(A) to small business concerns that are considering offering telecommuting options; and

(B) as provided in subsection (b); and

(3) acquire telecommuting technologies and equipment to be used for demonstration purposes.

(d) SELECTION OF REGIONS.—In determining which regions will participate in the pilot program, the Administrator shall give priority consideration to regions in which Federal agencies and private-sector employers have demonstrated a strong regional commitment to telecommuting.

(e) REPORT TO CONGRESS.—Not later than 2 years after the first date on which funds are appropriated to carry out this section, the Administrator shall transmit to the Committee on Small Business of the House of Representatives and the Committee on Small Business of the Senate a report containing the results of an evaluation of the pilot program and any recommendations as to whether the pilot program, with or without modification, should be extended to include the participation of all Small Business Administration regions.

(f) DEFINITIONS.—In this section—

(1) the term ''Administrator'' means the Administrator of the Small Business Administration;

(2) the term ''disability'' has the same meaning as in section 3 of the Americans with Disabilities Act of 1990 (42 U.S.C. 12102);

(3) the term ''pilot program'' means the program established under this section; and

(4) the term ''telecommuting'' means the use of telecommunications to perform work functions under circumstances which reduce or eliminate the need to commute.

(g) TERMINATION.—The pilot program shall terminate 2 years after the first date on which funds are appropriated to carry out this section.

(h) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Small Business Administration $5,000,000 to carry out this section.

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By Mr. CAMPBELL (for himself and Mr. INOUYE):

S. 1857. A bill to Encourage the Negotiated Settlement of Tribal Claims; to the Committee on Indian Affairs.

Mr. CAMPBELL. 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. 1857

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

**SECTION 1. SETTLEMENT OF TRIBAL CLAIMS.**

(a) IN GENERAL.—Solely for purposes of providing an opportunity to explore the settlement of tribal claims, during fiscal year 2002, the statute of limitations shall be deemed not to have run for any claim concerning losses to or mismanagement of tribal trust funds.

(b) NO PRECLUSION OF FINDINGS.—Nothing in this section precludes a court or other adjudicatory entity from adjudicating a statute of limitations defense either:

(1) in an action filed on or after October 1, 2002; or

(2) in any case, controversy, or other proceeding pending on the date of enactment of this section against the United States in which a court or adjudicatory entity is called on to determine whether the statute of limitations on such a claim has run.

## SUBMITTED RESOLUTIONS

### SENATE RESOLUTION 193—AUTHORIZING CERTAIN EMPLOYEES OF THE SENATE WHO PERFORM SERVICE IN THE UNIFORMED SERVICES TO BE PLACED IN A LEAVE WITHOUT PAY STATUS, AND FOR OTHER PURPOSES

Mr. DASCHLE (for himself and Mr. LOTT) submitted the following resolution; which was considered and agreed to:

S. RES. 193

*Resolved*,

**SECTION 1. LEAVE WITHOUT PAY STATUS FOR CERTAIN SENATE EMPLOYEES PERFORMING SERVICE IN THE UNIFORMED SERVICES.**

(a) DEFINITIONS.—In this section—

(1) the terms ''employee'' and ''Federal executive agency'' have the meanings given those terms under section 4303 (3) and (5) of title 38, United States Code, respectively; and

(2) the term ''employee of the Senate'' means any employee whose pay is disbursed by the Secretary of the Senate, except that the term does not include a member of the Capitol Police or a civilian employee of the Capitol Police.

(b) LEAVE WITHOUT PAY STATUS.—An employee of the Senate who is deemed to be on furlough or leave of absence under section 4316(b)(1)(A) of title 38, United States Code, by reason of service in the uniformed services—

(1) may be placed in a leave without pay status while so on furlough or leave of absence; and

(2) while placed in that status, shall be treated—

(A) subject to subparagraph (B), as an employee of a Federal executive agency in a leave without pay status for purposes of chapters 83, 84, 87, and 89 of title 5, United States Code; and

(B) as a Congressional employee for purposes of those chapters.

(c) EFFECTIVE DATE.—This section shall take effect on October 1, 2001, and apply to fiscal year 2002 and each fiscal year thereafter.

## AMENDMENTS SUBMITTED AND PROPOSED

SA 2678. Mr. HUTCHINSON (for himself, Mr. LOTT, Mr. HELMS, Mr. SESSIONS, and Mrs. HUTCHISON) proposed an amendment to amendment SA 2471 submitted by Mr. Daschle and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes.

SA 2679. Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2680. Mr. CRAIG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2681. Mr. CRAIG submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2682. Mr. DORGAN submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2683. Mr. LEAHY submitted an amendment intended to be proposed to amendment SA 2568 submitted by Mr. HELMS and intended to be proposed to the amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2684. Mr. LEVIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2685. Mr. ALLARD submitted an amendment intended to be proposed by him to the bill S. 1731, supra; which was ordered to lie on the table.

SA 2686. Mr. GRASSLEY (for himself, Mr. HAGEL, Mr. LUGAR, and Mr. JOHNSON) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) supra; which was ordered to lie on the table.

SA 2687. Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill H.R. 3210, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table.

SA 2688. Mr. DODD (for himself, Mr. MCCONNELL, Mr. SCHUMER, Mr. BOND, Mr. TORRECELLI, Mr. MCCAIN, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 565, to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes; which was ordered to lie on the table.

## TEXT OF AMENDMENTS

**SA 2678.** Mr. HUTCHINSON (for himself, Mr. LOTT, Mr. HELMS, Mr. SESSIONS, and Mrs. HUTCHISON) proposed an amendment to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; as follows:

In lieu of the matter proposed to be inserted, insert the following:

**SECTION 1. SHORT TITLE; TABLE OF CONTENTS.**

(a) SHORT TITLE.—This Act may be cited as the ''Farm Security 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—COMMODITY PROGRAMS

Sec. 100. Definitions.

**Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments**

Sec. 101. Payments to eligible producers.
Sec. 102. Establishment of payment yield.
Sec. 103. Establishment of base acres and payment acres for a farm.
Sec. 104. Availability of fixed, decoupled payments.
Sec. 105. Availability of counter-cyclical payments.
Sec. 106. Producer agreement required as condition on provision of fixed, decoupled payments and counter-cyclical payments.
Sec. 107. Planting flexibility.
Sec. 108. Relation to remaining payment authority under production flexibility contracts.
Sec. 109. Payment limitations.
Sec. 110. Period of effectiveness.

**Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments**

Sec. 121. Availability of nonrecourse marketing assistance loans for covered commodities.
Sec. 122. Loan rates for nonrecourse marketing assistance loans.
Sec. 123. Term of loans.
Sec. 124. Repayment of loans.
Sec. 125. Loan deficiency payments.
Sec. 126. Payments in lieu of loan deficiency payments for grazed acreage.
Sec. 127. Special marketing loan provisions for upland cotton.
Sec. 128. Special competitive provisions for extra long staple cotton.
Sec. 129. Availability of recourse loans for high moisture feed grains and seed cotton and other fibers.
Sec. 130. Availability of nonrecourse marketing assistance loans for wool and mohair.
Sec. 131. Availability of nonrecourse marketing assistance loans for honey.
Sec. 132. Producer retention of erroneously paid loan deficiency payments and marketing loan gains.
Sec. 133. Reserve stock adjustment.

**Subtitle C—Other Commodities**

CHAPTER 1—DAIRY

Sec. 141. Milk price support program.
Sec. 142. Repeal of recourse loan program for processors.
Sec. 143. Extension of dairy export incentive and dairy indemnity programs.
Sec. 144. Fluid milk promotion.
Sec. 145. Dairy product mandatory reporting.
Sec. 146. Study of national dairy policy.

CHAPTER 2—SUGAR

Sec. 151. Sugar program.
Sec. 152. Reauthorize provisions of Agricultural Adjustment Act of 1938 regarding sugar.
Sec. 153. Storage facility loans.

CHAPTER 3—PEANUTS

Sec. 161. Definitions.
Sec. 162. Establishment of payment yield, peanut acres, and payment acres for a farm.
Sec. 163. Direct payments for peanuts.
Sec. 164. Counter-cyclical payments for peanuts.
Sec. 165. Producer agreements.
Sec. 166. Planting flexibility.
Sec. 167. Marketing assistance loans and loan deficiency payments for peanuts.
Sec. 168. Quality improvement.
Sec. 169. Payment limitations.
Sec. 170. Termination of marketing quota programs for peanuts and compensation to peanut quota holders for loss of quota asset value.

**Subtitle D—Administration**

Sec. 181. Administration generally.
Sec. 182. Extension of suspension of permanent price support authority.
Sec. 183. Limitations.
Sec. 184. Adjustments of loans.
Sec. 185. Personal liability of producers for deficiencies.
Sec. 186. Extension of existing administrative authority regarding loans.
Sec. 187. Assignment of payments.
Sec. 188. Report on effect of certain farm program payments on economic viability of producers and farming infrastructure.

**TITLE II—CONSERVATION**

**Subtitle A—Environmental Conservation Acreage Reserve Program**

Sec. 201. General provisions.

**Subtitle B—Conservation Reserve Program**

Sec. 211. Reauthorization.
Sec. 212. Enrollment.
Sec. 213. Duties of owners and operators.
Sec. 214. Reference to conservation reserve payments.
Sec. 215. Expansion of pilot program to all States.

**Subtitle C—Wetlands Reserve Program**

Sec. 221. Enrollment.
Sec. 222. Easements and agreements.
Sec. 223. Duties of the Secretary.
Sec. 224. Changes in ownership; agreement modification; termination.

**Subtitle D—Environmental Quality Incentives Program**

Sec. 231. Purposes.
Sec. 232. Definitions.
Sec. 233. Establishment and administration.
Sec. 234. Evaluation of offers and payments.
Sec. 235. Environmental Quality Incentives Program plan.
Sec. 236. Duties of the Secretary.
Sec. 237. Limitation on payments.
Sec. 238. Ground and surface water conservation.

**Subtitle E—Funding and Administration**

Sec. 241. Reauthorization.
Sec. 242. Funding.
Sec. 243. Allocation for livestock production.
Sec. 244. Administration and technical assistance.

**Subtitle F—Other Programs**

Sec. 251. Private grazing land and conservation assistance.
Sec. 252. Wildlife Habitat Incentives Program.
Sec. 253. Farmland Protection Program.
Sec. 254. Resource Conservation and Development Program.
Sec. 255. Grassland Reserve Program.
Sec. 256. Farmland Stewardship Program.
Sec. 257. Small Watershed Rehabilitation Program.
Sec. 258. Provision of assistance for Repaupo Creek Tide Gate and Dike Restoration Project, New Jersey.
Sec. 259. Grassroots source water protection program.

**Subtitle G—Repeals**

Sec. 261. Provisions of the Food Security Act of 1985.
Sec. 262. National Natural Resources Conservation Foundation Act.

**TITLE III—TRADE**

Sec. 301. Market Access Program.
Sec. 302. Food for Progress.
Sec. 303. Surplus commodities for developing or friendly countries.
Sec. 304. Export Enhancement Program.
Sec. 305. Foreign Market Development Cooperator Program.
Sec. 306. Export Credit Guarantee Program.
Sec. 307. Food for Peace (Public Law 480).
Sec. 308. Emerging markets.
Sec. 309. Bill Emerson Humanitarian Trust.
Sec. 310. Technical assistance for specialty crops.
Sec. 311. Farmers to Africa and the Caribbean Basin.
Sec. 312. George McGovern–Robert Dole International Food for Education and Child Nutrition Program.
Sec. 313. Study on fee for services.
Sec. 314. National export strategy report.

**TITLE IV—NUTRITION PROGRAMS**

**Subtitle A—Food Stamp Program**

Sec. 401. Simplified definition of income.
Sec. 402. Standard deduction.
Sec. 403. Transitional food stamps for families moving from welfare.
Sec. 404. Quality control systems.
Sec. 405. Simplified application and eligibility determination systems.
Sec. 406. Authorization of appropriations.

**Subtitle B—Commodity Distribution**

Sec. 441. Distribution of surplus commodities to special nutrition projects.
Sec. 442. Commodity supplemental food program.
Sec. 443. Emergency food assistance.

**Subtitle C—Miscellaneous Provisions**

Sec. 461. Hunger fellowship program.
Sec. 462. General 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. Effect of amendments.
Sec. 554. Effective date.

**TITLE VI—RURAL DEVELOPMENT**

Sec. 601. Funding for rural local television broadcast signal loan guarantees.
Sec. 602. Expanded eligibility for value-added agricultural product market development grants.
Sec. 603. Agriculture innovation center demonstration program.
Sec. 604. Funding of community water assistance grant program.
Sec. 605. Loan guarantees for the financing of the purchase of renewable energy systems.
Sec. 606. Loans and loan guarantees for renewable energy systems.
Sec. 607. Rural business opportunity grants.
Sec. 608. Grants for water systems for rural and native villages in Alaska.
Sec. 609. Rural cooperative development grants.
Sec. 610. National reserve account of Rural Development Trust Fund.
Sec. 611. Rural venture capital demonstration program.
Sec. 612. Increase in limit on certain loans for rural development.
Sec. 613. Pilot program for development and implementation of strategic regional development plans.
Sec. 614. Grants to nonprofit organizations to finance the construction, refurbishing, and servicing of individually-owned household water well systems in rural areas for individuals with low or moderate incomes.
Sec. 615. National Rural Development Partnership.
Sec. 616. Eligibility of rural empowerment zones, rural enterprise communities, and champion communities for direct and guaranteed loans for essential community facilities.
Sec. 617. Grants to train farm workers in new technologies and to train farm workers in specialized skills necessary for higher value crops.
Sec. 618. Loan guarantees for the purchase of stock in a farmer cooperative seeking to modernize or expand.
Sec. 619. Intangible assets and subordinated unsecured debt required to be considered in determining eligibility of farmer-owned cooperative for business and industry guaranteed loan.
Sec. 620. Ban on limiting eligibility of farmer cooperative for business and industry loan guarantee based on population of area in which cooperative is located; refinancing.
Sec. 621. Rural water and waste facility grants.
Sec. 622. Rural water circuit rider program.
Sec. 623. Rural water grassroots source water protection program.
Sec. 624. Delta regional authority.
Sec. 625. Predevelopment and small capitalization loan fund.
Sec. 626. Rural economic development loan and grant program.

**TITLE VII—RESEARCH AND RELATED MATTERS**

**Subtitle A—Extensions**

Sec. 700. Market expansion research.

Sec. 701. National Rural Information Center Clearinghouse.
Sec. 702. Grants and fellowships for food and agricultural sciences education.
Sec. 703. Policy research centers.
Sec. 704. Human nutrition intervention and health promotion research program.
Sec. 705. Pilot research program to combine medical and agricultural research.
Sec. 706. Nutrition education program.
Sec. 707. Continuing animal health and disease research programs.
Sec. 708. Appropriations for research on national or regional problems.
Sec. 709. Grants to upgrade agricultural and food sciences facilities at 1890 land-grant colleges, including Tuskegee University.
Sec. 710. National research and training centennial centers at 1890 land-grant institutions.
Sec. 711. Hispanic-serving institutions.
Sec. 712. Competitive grants for international agricultural science and education programs.
Sec. 713. University research.
Sec. 714. Extension service.
Sec. 715. Supplemental and alternative crops.
Sec. 716. Aquaculture research facilities.
Sec. 717. Rangeland research.
Sec. 718. National genetics resources program.
Sec. 719. High-priority research and extension initiatives.
Sec. 720. Nutrient management research and extension initiative.
Sec. 721. Agricultural telecommunications program.
Sec. 722. Alternative agricultural research and commercialization revolving fund.
Sec. 723. Assistive technology program for farmers with disabilities.
Sec. 724. Partnerships for high-value agricultural product quality research.
Sec. 725. Biobased products.
Sec. 726. Integrated research, education, and extension competitive grants program.
Sec. 727. Institutional capacity building grants.
Sec. 728. 1994 Institution research grants.
Sec. 729. Endowment for 1994 Institutions.
Sec. 730. Precision agriculture.
Sec. 731. Thomas Jefferson initiative for crop diversification.
Sec. 732. Support for research regarding diseases of wheat, triticale, and barley caused by Fusarium Graminearum or by Tilletia Indica.
Sec. 733. Food Animal Residue Avoidance Database program.
Sec. 734. Office of Pest Management Policy.
Sec. 735. National Agricultural Research, Extension, Education, and Economics Advisory Board.
Sec. 736. Grants for research on production and marketing of alcohols and industrial hydrocarbons from agricultural commodities and forest products.
Sec. 737. Biomass research and development.
Sec. 738. Agricultural experiment stations research facilities.
Sec. 739. Competitive, special, and facilities research grants national research initiative.
Sec. 740. Federal agricultural research facilities authorization of appropriations.
Sec. 740A. Cotton classification services.
Sec. 740B. Critical agricultural materials research.
Sec. 740C. Private nonindustrial hardwood research program.

**Subtitle B—Modifications**

Sec. 741. Equity in Educational Land-Grant Status Act of 1994.
Sec. 742. National Agricultural Research, Extension, and Teaching Policy Act of 1977.
Sec. 743. Agricultural Research, Extension, and Education Reform Act of 1998.
Sec. 744. Food, Agriculture, Conservation, and Trade Act of 1990.
Sec. 745. National Agricultural Research, Extension, and Teaching Policy Act of 1977.
Sec. 746. Biomass research and development.
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Sec. 748. Competitive, special, and facilities research grants.
Sec. 749. Matching funds requirement for research and extension activities of 1890 institutions.
Sec. 749A. Matching funds requirement for research and extension activities for the United States territories.
Sec. 750. Initiative for future agriculture and food systems.
Sec. 751. Carbon cycle research.
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**Subtitle C—Related Matters**

Sec. 761. Resident instruction at land-grant colleges in United States territories.
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Sec. 776. Pesticide resistance study.
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**Subtitle E—Agriculture Facility Protection**

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Sec. 938. Penalties and foreign commerce provisions of the Animal Welfare Act.
Sec. 939. Improve administration of Animal and Plant Health Inspection Service.
Sec. 940. Renewable energy resources.
Sec. 941. Use of amounts provided for fixed, decoupled payments to provide necessary funds for rural development programs.
Sec. 942. Study of nonambulatory livestock.

**TITLE I—COMMODITY PROGRAMS**

**SEC. 100. DEFINITIONS.**

In this title (other than chapter 3 of subtitle C):

(1) AGRICULTURAL ACT OF 1949.—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 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301).

(2) BASE ACRES.—The term ''base acres'', with respect to a covered commodity on a farm, means the number of acres established under section 103 with respect to the commodity upon the election made by the producers on the farm under subsection (a) of such section.

(3) COUNTER-CYCLICAL PAYMENT.—The term ''counter-cyclical payment'' means a payment made to producers under section 105.

(4) COVERED COMMODITY.—The term ''covered commodity'' means wheat, corn, grain sorghum, barley, oats, upland cotton, rice, soybeans, and other oilseeds.

(5) EFFECTIVE PRICE.—The term ''effective price'', with respect to a covered commodity for a crop year, means the price calculated

by the Secretary under section 105 to determine whether counter-cyclical payments are required to be made for that crop year.

(6) ELIGIBLE PRODUCER.—The term ''eligible producer'' means a producer described in section 101(a).

(7) FIXED, DECOUPLED PAYMENT.—The term ''fixed, decoupled payment'' means a payment made to producers under section 104.

(8) OTHER OILSEED.—The term ''other oilseed'' means a crop of sunflower seed, rapeseed, canola, safflower, flaxseed, mustard seed, or, if designated by the Secretary, another oilseed.

(9) PAYMENT ACRES.—The term ''payment acres'' means 85 percent of the base acres of a covered commodity on a farm, as established under section 103, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

(10) PAYMENT YIELD.—The term ''payment yield'' means the yield established under section 102 for a farm for a covered commodity.

(11) PRODUCER.—The term ''producer'' means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced. 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 and shall ensure that program requirements do not adversely affect the ability of the grower to receive a payment under this title.

(12) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(13) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(14) TARGET PRICE.—The term ''target price'' means the price per bushel (or other appropriate unit in the case of upland cotton, rice, and other oilseeds) of a covered commodity used to determine the payment rate for counter-cyclical payments.

(15) UNITED STATES.—The term ''United States'', when used in a geographical sense, means all of the States.

## Subtitle A—Fixed Decoupled Payments and Counter-Cyclical Payments

### SEC. 101. PAYMENTS TO ELIGIBLE PRODUCERS.

(a) PAYMENTS REQUIRED.—Beginning with the 2002 crop of covered commodities, the Secretary shall make fixed decoupled payments and counter-cyclical payments under this subtitle—

(1) to producers on a farm that were parties to a production flexibility contract under section 111 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7211) for fiscal year 2002; and

(2) to other producers on farms in the United States as described in section 103(a).

(b) TENANTS AND SHARECROPPERS.—In carrying out this title, the Secretary shall provide adequate safeguards to protect the interests of tenants and sharecroppers.

(c) SHARING OF PAYMENTS.—The Secretary shall provide for the sharing of fixed, decoupled payments and counter-cyclical payments among the eligible producers on a farm on a fair and equitable basis.

### SEC. 102. ESTABLISHMENT OF PAYMENT YIELD.

(a) ESTABLISHMENT AND PURPOSE.—For the purpose of making fixed decoupled payments and counter-cyclical payments under this subtitle, the Secretary shall provide for the establishment of a payment yield for each farm for each covered commodity in accordance with this section.

(b) USE OF FARM PROGRAM PAYMENT YIELD.—Except as otherwise provided in this section, the payment yield for each of the 2002 through 2011 crops of a covered commodity for a farm shall be the farm program payment yield in effect for the 2002 crop of the covered commodity under section 505 of the Agricultural Act of 1949 (7 U.S.C. 1465).

(c) FARMS WITHOUT FARM PROGRAM PAYMENT YIELD.—In the case of a farm for which a farm program payment yield is unavailable for a covered commodity (other than soybeans or other oilseeds), the Secretary shall establish an appropriate payment yield for the covered commodity on the farm taking in consideration the farm program payment yields applicable to the commodity under subsection (b) for similar farms in the area.

(d) PAYMENT YIELDS FOR OILSEEDS.—

(1) DETERMINATION OF AVERAGE YIELD.—In the case of soybeans and each other oilseed, the Secretary shall determine the average yield for the oilseed on a farm for the 1998 through 2001 crop years, excluding any crop year in which the acreage planted to the oilseed was zero. If, for any of these four crop years in which the oilseed was planted, the farm would have 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 (Public Law 105–277; 7 U.S.C. 1421 note), the Secretary shall assign a yield for that year equal to 65 percent of the county yield.

(2) ADJUSTMENT FOR PAYMENT YIELD.—The payment yield for a farm for an oilseed shall be equal to the product of the following:

(A) The average yield for the oilseed determined under paragraph (1).

(B) The ratio resulting from dividing the national average yield for the oilseed for the 1981 through 1985 crops by the national average yield for the oilseed for the 1998 through 2001 crops.

### SEC. 103. ESTABLISHMENT OF BASE ACRES AND PAYMENT ACRES FOR A FARM.

(a) ELECTION BY PRODUCERS OF BASE ACRE CALCULATION METHOD.—For the purpose of making fixed decoupled payments and counter-cyclical payments with respect to a farm, the Secretary shall give producers on the farm an opportunity to elect one of the following as the method by which the base acres of all covered commodities on the farm are to be determined:

(1) The four-year average of acreage actually planted on the farm to a covered commodity for harvest, grazing, haying, silage, or other similar purposes during crop years 1998, 1999, 2000, and 2001 and any acreage on the farm that the producers were prevented from planting during such crop years to the covered commodity because of drought, flood, or other natural disaster, or other condition beyond the control of the producer, as determined by the Secretary.

(2) The sum of contract acreage (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202)) used by the Secretary to calculate the fiscal year 2002 payment that, subject to section 109, would be made under section 114 of such Act (7 U.S.C. 7214) for the covered commodity on the farm and the four-year average determined under paragraph (1) for soybeans and each other oilseed produced on the farm.

(b) SINGLE ELECTION; TIME FOR ELECTION.—The opportunity to make the election described in subsection (a) shall be available to producers on a farm only once. The producers shall notify the Secretary of the election made by the producers under such subsection not later than 180 days after the date of the enactment of this Act.

(c) EFFECT OF FAILURE TO MAKE ELECTION.—If the producers on a farm fail to make the election under subsection (a), or fail to timely notify the Secretary of the selected option as required by subsection (b), the producers shall be deemed to have made the election described in subsection (a)(2) to determine base acres for all covered commodities on the farm.

(d) APPLICATION OF ELECTION TO ALL COVERED COMMODITIES.—The election made under subsection (a) or deemed to be made under subsection (c) with respect to a farm shall apply to all of the covered commodities on the farm. Producers may not make the election described in subsection (a)(1) for one covered commodity and the election described in subsection (a)(2) for other covered commodities on the farm.

(e) TREATMENT OF CONSERVATION RESERVE CONTRACT ACREAGE.—

(1) IN GENERAL.—In the case of producers on a farm that make the election described in subsection (a)(2), the Secretary shall provide for an adjustment in the base acres for the farm whenever either of the following circumstances occur:

(A) A conservation reserve contract entered into under section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) with respect to the farm expires or is voluntarily terminated.

(B) Cropland is released from coverage under a conservation reserve contract by the Secretary.

(2) SPECIAL PAYMENT RULES.—For the fiscal year and crop year in which a base acre adjustment under paragraph (1) is first made, the producers on the farm shall elect to receive either fixed decoupled payments and counter-cyclical payments with respect to the acreage added to the farm under this subsection or a prorated payment under the conservation reserve contract, but not both.

(f) PAYMENT ACRES.—The payment acres for a covered commodity on a farm shall be equal to 85 percent of the base acres for the commodity.

(g) PREVENTION OF EXCESS BASE ACRES.—

(1) REQUIRED REDUCTION.—If the sum of the base acres for a farm, together with the acreage described in paragraph (2), exceeds the actual cropland acreage of the farm, the Secretary shall reduce the quantity of base acres for one or more covered commodities for the farm or peanut acres for the farm as necessary so that the sum of the base acres and acreage described in paragraph (2) does not exceed the actual cropland acreage of the farm. The Secretary shall give the producers on the farm the opportunity to select the base acres or peanut acres against which the reduction will be made.

(2) OTHER ACREAGE.—For purposes of paragraph (1), the Secretary shall include the following:

(A) Any peanut acres for the farm under chapter 3 of subtitle C.

(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.).

(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) EXCEPTION FOR DOUBLE-CROPPED ACREAGE.—In applying paragraph (1), the Secretary shall make an exception in the case of double cropping, as determined by the Secretary.

### SEC. 104. AVAILABILITY OF FIXED, DECOUPLED PAYMENTS.

(a) PAYMENT REQUIRED.—For each of the 2002 through 2011 crop years of each covered commodity, the Secretary shall make fixed, decoupled payments to eligible producers.

(b) PAYMENT RATE.—The payment rates used to make fixed, decoupled payments with respect to covered commodities for a crop year are as follows:

(1) Wheat, $0.53 per bushel.
(2) Corn, $0.30 per bushel.
(3) Grain sorghum, $0.36 per bushel.
(4) Barley, $0.25 per bushel.
(5) Oats, $0.025 per bushel.
(6) Upland cotton, $0.0667 per pound.
(7) Rice, $2.35 per hundredweight.
(8) Soybeans, $0.42 per bushel.
(9) Other oilseeds, $0.0074 per pound.

(c) PAYMENT AMOUNT.—The amount of the fixed, decoupled payment to be paid to the eligible producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (b).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(d) TIME FOR PAYMENT.—

(1) GENERAL RULE.—Fixed, decoupled payments shall be paid not later than September 30 of each of fiscal years 2002 through 2011. In the case of the 2002 crop, payments may begin to be made on or after December 1, 2001.

(2) ADVANCE PAYMENTS.—At the option of an eligible producer, 50 percent of the fixed, decoupled payment for a fiscal year shall be paid on a date selected by the producer. The selected date shall be on or after December 1 of that fiscal year, and the producer may change the selected date for a subsequent fiscal year by providing advance notice to the Secretary.

(3) REPAYMENT OF ADVANCE PAYMENTS.—If a producer that receives an advance fixed, decoupled payment for a fiscal year ceases to be an eligible producer before the date the fixed, decoupled payment would otherwise have been made by the Secretary under paragraph (1), the producer shall be responsible for repaying the Secretary the full amount of the advance payment.

**SEC. 105. AVAILABILITY OF COUNTER-CYCLICAL PAYMENTS.**

(a) PAYMENT REQUIRED.—The Secretary shall make counter-cyclical payments with respect to a covered commodity whenever the Secretary determines that the effective price for the commodity is less than the target price for the commodity.

(b) EFFECTIVE PRICE.—For purposes of subsection (a), the effective price for a covered commodity is equal to the sum of the following:

(1) The higher of the following:

(A) The national average market price received by producers during the 12-month marketing year for the commodity, as determined by the Secretary.

(B) The national average loan rate for a marketing assistance loan for the covered commodity in effect for the same period under subtitle B.

(2) The payment rate in effect for the covered commodity under section 104 for the purpose of making fixed, decoupled payments with respect to the commodity.

(c) TARGET PRICE.—For purposes of subsection (a), the target prices for covered commodities are as follows:

(1) Wheat, $4.04 per bushel.
(2) Corn, $2.78 per bushel.
(3) Grain sorghum, $2.64 per bushel.
(4) Barley, $2.39 per bushel.
(5) Oats, $1.47 per bushel.
(6) Upland cotton, $0.736 per pound.
(7) Rice, $10.82 per hundredweight.
(8) Soybeans, $5.86 per bushel.
(9) Other oilseeds, $0.1036 per pound.

(d) PAYMENT RATE.—The payment rate used to make counter-cyclical payments with respect to a covered commodity for a crop year shall be equal to the difference between—

(1) the target price for the commodity; and

(2) the effective price determined under subsection (b) for the commodity.

(e) PAYMENT AMOUNT.—The amount of the counter-cyclical payment to be paid to the eligible producers on a farm for a covered commodity for a crop year shall be equal to the product of the following:

(1) The payment rate specified in subsection (d).

(2) The payment acres of the covered commodity on the farm.

(3) The payment yield for the covered commodity for the farm.

(f) TIME FOR PAYMENTS.—

(1) GENERAL RULE.—The Secretary shall make counter-cyclical payments under this section for a crop of a covered commodity as soon as possible after determining under subsection (a) that such payments are required for that crop year.

(2) PARTIAL PAYMENT.—The Secretary may permit, and, if so permitted, an eligible producer may elect to receive, up to 40 percent of the projected counter-cyclical payment, as determined by the Secretary, to be made under this section for a crop of a covered commodity upon completion of the first six months of the marketing year for that crop. The producer shall repay to the Secretary the amount, if any, by which the partial payment exceeds the actual counter-cyclical payment to be made for that marketing year.

(g) SPECIAL RULE FOR CURRENTLY UNDESIGNATED OILSEED.—If the Secretary uses the authority under section 100(8) to designate another oilseed as an oilseed for which counter-cyclical payments may be made, the Secretary may modify the target price specified in subsection (c)(9) that would otherwise apply to that oilseed as the Secretary considers appropriate.

(h) SPECIAL RULE FOR BARLEY USED ONLY FOR FEED PURPOSES.—For purposes of calculating the effective price for barley under subsection (b), the Secretary shall use the loan rate in effect for barley under section 122(b)(3), except, in the case of producers who received the higher loan rate provided under such section for barley used only for feed purposes, the Secretary shall use that higher loan rate.

**SEC. 106. PRODUCER AGREEMENT REQUIRED AS CONDITION ON PROVISION OF FIXED, DECOUPLED PAYMENTS AND COUNTER-CYCLICAL PAYMENTS.**

(a) COMPLIANCE WITH CERTAIN REQUIREMENTS.—

(1) REQUIREMENTS.—Before the producers on a farm may receive fixed, decoupled payments or counter-cyclical payments with respect to the farm, the producers shall agree, in exchange for the payments—

(A) to comply with applicable 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 protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.);

(C) to comply with the planting flexibility requirements of section 107; and

(D) to use the land on the farm, in an amount equal to the base acres, for an agricultural or conserving use, and not for a nonagricultural commercial or industrial use, as determined by the Secretary.

(2) COMPLIANCE.—The Secretary may issue such rules as the Secretary considers necessary to ensure producer compliance with the requirements of paragraph (1).

(b) EFFECT OF FORECLOSURE.—A producer may not be required to make repayments to the Secretary of fixed, decoupled payments and counter-cyclical payments if the farm has been foreclosed on and the Secretary determines that forgiving the repayments is appropriate to provide fair and equitable treatment. This subsection shall not void the responsibilities of the producer under subsection (a) if the producer continues or resumes operation, or control, of the farm. On the resumption of operation or control over the farm by the producer, 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 (4), a transfer of (or change in) the interest of a producer in base acres for which fixed, decoupled payments or counter-cyclical payments are made shall result in the termination of the payments with respect to the base acres, unless the transferee or owner of the acreage agrees to assume all obligations under subsection (a). The termination shall be effective on the date of the transfer or change.

(2) TRANSFER OF PAYMENT BASE.—There is no restriction on the transfer of a farm's base acres or payment yield as part of a change in the producers on the farm.

(3) 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 objectives of such subsection, as determined by the Secretary.

(4) EXCEPTION.—If a producer entitled to a fixed, decoupled 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 prescribed by the Secretary.

(d) ACREAGE REPORTS.—

(1) IN GENERAL.—As a condition on the receipt of any benefits under this subtitle or subtitle B, the Secretary shall require producers to submit to the Secretary acreage reports.

(2) CONFORMING AMENDMENT.—Section 15 of the Agricultural Marketing Act (12 U.S.C. 1141j) is amended by striking subsection (d).

(e) REVIEW.—A determination of the Secretary under this section shall be considered to be an adverse decision for purposes of the availability of administrative review of the determination.

**SEC. 107. PLANTING FLEXIBILITY.**

(a) PERMITTED CROPS.—Subject to subsection (b), any commodity or crop may be planted on base acres on a farm.

(b) LIMITATIONS AND EXCEPTIONS REGARDING CERTAIN COMMODITIES.—

(1) LIMITATIONS.—The planting of the following agricultural commodities shall be prohibited on base acres:

(A) Fruits.

(B) Vegetables (other than lentils, mung beans, and dry peas).

(C) Wild rice.

(2) EXCEPTIONS.—Paragraph (1) shall not limit the planting of an agricultural commodity specified in such paragraph—

(A) in any region in which there is a history of double-cropping of covered commodities 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 base acres, except that fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such an agricultural commodity; or

(C) by a producer who 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 producer's average annual planting history of such agricultural commodity in the

1991 through 1995 crop years (excluding any crop year in which no plantings were made), as determined by the Secretary; and

(ii) fixed, decoupled payments and counter-cyclical payments shall be reduced by an acre for each acre planted to such agricultural commodity.

**SEC. 108. RELATION TO REMAINING PAYMENT AUTHORITY UNDER PRODUCTION FLEXIBILITY CONTRACTS.**

(a) TERMINATION OF SUPERSEDED PAYMENT AUTHORITY.—Notwithstanding section 113(a)(7) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7213(a)(7)) or any other provision of law, the Secretary shall not make payments for fiscal year 2002 after the date of the enactment of this Act under production flexibility contracts entered into under section 111 of such Act (7 U.S.C. 7211).

(b) CONTRACT PAYMENTS MADE BEFORE ENACTMENT.—If, on or before the date of the enactment of this Act, a producer receives all or any portion of the payment authorized for fiscal year 2002 under a production flexibility contract, the Secretary shall reduce the amount of the fixed, decoupled payment otherwise due the producer for that same fiscal year by the amount of the fiscal year 2002 payment previously received by the producer.

**SEC. 109. PAYMENT LIMITATIONS.**

Sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3) shall apply to fixed, decoupled payments and counter-cyclical payments.

**SEC. 110. PERIOD OF EFFECTIVENESS.**

This subtitle shall be effective beginning with the 2002 crop year of each covered commodity through the 2011 crop year.

## Subtitle B—Marketing Assistance Loans and Loan Deficiency Payments

**SEC. 121. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR COVERED COMMODITIES.**

(a) NONRECOURSE LOANS AVAILABLE.—

(1) AVAILABILITY.—For each of the 2002 through 2011 crops of each covered commodity, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for covered commodities produced on the farm. The loans shall be made under terms and conditions that are prescribed by the Secretary and at the loan rate established under section 122 for the covered commodity.

(2) INCLUSION OF EXTRA LONG STAPLE COTTON.—In this subtitle, the term ''covered commodity'' includes extra long staple cotton.

(b) ELIGIBLE PRODUCTION.—Any production of a covered commodity on a farm shall be eligible for a marketing assistance loan under subsection (a).

(c) TREATMENT OF CERTAIN COMMINGLED COMMODITIES.—In carrying out this subtitle, the Secretary shall make loans to a producer that is otherwise eligible to obtain a marketing assistance loan, but for the fact the covered commodity owned by the producer is commingled with covered commodities of other producers in facilities unlicensed for the storage of agricultural commodities by the Secretary or a State licensing authority, if the producer obtaining the loan agrees to immediately redeem the loan collateral in accordance with section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286).

(d) COMPLIANCE WITH CONSERVATION AND WETLANDS REQUIREMENTS.—As a condition of the receipt of a marketing assistance loan under subsection (a), the producer shall comply with applicable conservation requirements under subtitle B of title XII of the Food Security Act of 1985 (16 U.S.C. 3811 et seq.) and applicable wetland protection requirements under subtitle C of title XII of the Act (16 U.S.C. 3821 et seq.) during the term of the loan.

(e) DEFINITION OF EXTRA LONG STAPLE COTTON.—In this subtitle, the term ''extra long staple cotton'' means cotton that—

(1) 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

(2) is ginned on a roller-type gin or, if authorized by the Secretary, ginned on another type gin for experimental purposes.

(f) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 131 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231), nonrecourse marketing assistance loans shall not be made for the 2002 crop of covered commodities under subtitle C of title I of such Act.

**SEC. 122. LOAN RATES FOR NONRECOURSE MARKETING ASSISTANCE LOANS.**

(a) WHEAT.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for wheat shall be—

(A) not less than 85 percent of the simple average price received by producers of wheat, as determined by the Secretary, during the marketing years for the immediately preceding five 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; but

(B) not more than $2.58 per bushel.

(2) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of wheat to total use for the marketing year will be—

(A) equal to or greater than 30 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 30 percent but not less than 15 percent, the Secretary may reduce the loan rate for wheat for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 15 percent, the Secretary may not reduce the loan rate for wheat for the corresponding crop.

(b) FEED GRAINS.—

(1) LOAN RATE FOR CORN AND GRAIN SORGHUM.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for corn and grain sorghum shall be—

(A) not less than 85 percent of the simple average price received by producers of corn or grain sorghum, respectively, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the covered commodity, 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; but

(B) not more than $1.89 per bushel.

(2) STOCKS TO USE RATIO ADJUSTMENT.—If the Secretary estimates for any marketing year that the ratio of ending stocks of corn or grain sorghum to total use for the marketing year will be—

(A) equal to or greater than 25 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 10 percent in any year;

(B) less than 25 percent but not less than 12.5 percent, the Secretary may reduce the loan rate for the covered commodity for the corresponding crop by an amount not to exceed 5 percent in any year; or

(C) less than 12.5 percent, the Secretary may not reduce the loan rate for the covered commodity for the corresponding crop.

(3) OTHER FEED GRAINS.—The loan rate for a marketing assistance loan under section 121 for barley and oats shall be—

(A) 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; but

(B) not more than—

(i) $1.65 per bushel for barley, except not more than $1.70 per bushel for barley used only for feed purposes, as determined by the Secretary; and

(ii) $1.21 per bushel for oats.

(c) UPLAND COTTON.—

(1) LOAN RATE.—Subject to paragraph (2), the loan rate for a marketing assistance loan under section 121 for upland cotton shall be established by the Secretary at such loan rate, per pound, as will reflect for the base quality of upland cotton, as determined by the Secretary, at average locations in the United States a rate that is not less than the smaller of—

(A) 85 percent of the average price (weighted by market and month) of the base quality of cotton as quoted in the designated United States spot markets during 3 years of the 5-year period ending July 31 of the year preceding the year in which the crop is planted, 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; or

(B) 90 percent of the average, for the 15-week period beginning July 1 of the year preceding the year in which the crop is planted, of the five lowest-priced growths of the growths quoted for Middling 1 3/32-inch cotton C.I.F. Northern Europe (adjusted downward by the average difference during the period April 15 through October 15 of the year preceding the year in which the crop is planted between the average Northern European price quotation of such quality of cotton and the market quotations in the designated United States spot markets for the base quality of upland cotton), as determined by the Secretary.

(2) LIMITATIONS.—The loan rate for a marketing assistance loan for upland cotton shall not be less than $0.50 per pound or more than $0.5192 per pound.

(d) EXTRA LONG STAPLE COTTON.—The loan rate for a marketing assistance loan under section 121 for extra long staple cotton shall be $0.7965 per pound.

(e) RICE.—The loan rate for a marketing assistance loan under section 121 for rice shall be $6.50 per hundredweight.

(f) OILSEEDS.—

(1) SOYBEANS.—The loan rate for a marketing assistance loan under section 121 for soybeans shall be—

(A) not less than 85 percent of the simple average price received by producers of soybeans, as determined by the Secretary, during the marketing years for the immediately preceding five 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; but

(B) not more than $4.92 per bushel.

(2) OTHER OILSEEDS.—The loan rate for a marketing assistance loan under section 121 for other oilseeds shall be—

(A) not less than 85 percent of the simple average price received by producers of the other oilseed, as determined by the Secretary, during the marketing years for the immediately preceding five crops of the other oilseed, 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; but

(B) not more than $0.087 per pound.

**SEC. 123. TERM OF LOANS.**

(a) TERM OF LOAN.—In the case of each covered commodity (other than upland cotton or extra long staple cotton), a marketing assistance loan under section 121 shall have a term of nine months beginning on the first day of the first month after the month in which the loan is made.

(b) SPECIAL RULE FOR COTTON.—A marketing assistance loan for upland cotton or extra long staple cotton shall have a term of 10 months beginning on the first day of the month in which the loan is made.

(c) EXTENSIONS PROHIBITED.—The Secretary may not extend the term of a marketing assistance loan for any covered commodity.

**SEC. 124. REPAYMENT OF LOANS.**

(a) REPAYMENT RATES FOR WHEAT, FEED GRAINS, AND OILSEEDS.—The Secretary shall permit a producer to repay a marketing assistance loan under section 121 for wheat, corn, grain sorghum, barley, oats, and oilseeds at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, 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 the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity; and

(D) allow the commodity produced in the United States to be marketed freely and competitively, both domestically and internationally.

(b) REPAYMENT RATES FOR UPLAND COTTON AND RICE.—The Secretary shall permit producers to repay a marketing assistance loan under section 121 for upland cotton and rice at a rate that is the lesser of—

(1) the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary); or

(2) the prevailing world market price for the commodity (adjusted to United States quality and location), as determined by the Secretary.

(c) REPAYMENT RATES FOR EXTRA LONG STAPLE COTTON.—Repayment of a marketing assistance loan for extra long staple cotton shall be at the loan rate established for the commodity under section 122, plus interest (as determined by the Secretary).

(d) PREVAILING WORLD MARKET PRICE.—For purposes of this section and section 127, the Secretary shall prescribe by regulation—

(1) a formula to determine the prevailing world market price for each covered commodity, adjusted to United States quality and location; and

(2) a mechanism by which the Secretary shall announce periodically the prevailing world market price for each covered commodity.

(e) ADJUSTMENT OF PREVAILING WORLD MARKET PRICE FOR UPLAND COTTON.—

(1) IN GENERAL.—During the period beginning on the date of the enactment of this Act and ending July 31, 2012, the prevailing world market price for upland cotton (adjusted to United States quality and location) established under subsection (d) shall be further adjusted if—

(A) the adjusted prevailing world market price is less than 115 percent of the loan rate for upland cotton established under section 122, as determined by the Secretary; and

(B) the Friday through Thursday average price quotation for the lowest-priced United States growth as quoted for Middling (M) 1 3/32-inch cotton delivered C.I.F. Northern Europe is greater than the Friday through Thursday average price of the 5 lowest-priced growths of upland cotton, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe (referred to in this section as the ''Northern Europe price'').

(2) FURTHER ADJUSTMENT.—Except as provided in paragraph (3), the adjusted prevailing world market price for upland cotton shall be further adjusted on the basis of some or all of the following data, as available:

(A) The United States share of world exports.

(B) The current level of cotton export sales and cotton export shipments.

(C) Other data determined by the Secretary to be relevant in establishing an accurate prevailing world market price for upland cotton (adjusted to United States quality and location).

(3) LIMITATION ON FURTHER ADJUSTMENT.—The adjustment under paragraph (2) may not exceed the difference between—

(A) the Friday through Thursday average price for the lowest-priced United States growth as quoted for Middling 1 3/32-inch cotton delivered C.I.F. Northern Europe; and

(B) the Northern Europe price.

(f) TIME FOR FIXING REPAYMENT RATE.—In the case of a producer that marketed or otherwise lost beneficial interest in a covered commodity before repaying the marketing assistance loan made under section 121 with respect to the commodity, the Secretary shall permit the producer to repay the loan at the lowest repayment rate that was in effect for that covered commodity under this section as of the date that the producer lost beneficial interest, as determined by the Secretary.

**SEC. 125. LOAN DEFICIENCY PAYMENTS.**

(a) AVAILABILITY OF LOAN DEFICIENCY PAYMENTS.—Except as provided in subsection (d), the Secretary may make loan deficiency payments available to producers who, although eligible to obtain a marketing assistance loan under section 121 with respect to a covered commodity, agree to forgo obtaining the loan for the commodity in return for payments under this section.

(b) COMPUTATION.—A loan deficiency payment under this section shall be computed by multiplying—

(1) the loan payment rate determined under subsection (c) for the covered commodity; by

(2) the quantity of the covered commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under section 121.

(c) LOAN PAYMENT RATE.—For purposes of this section, the loan payment rate shall be the amount by which—

(1) the loan rate established under section 122 for the covered commodity; exceeds

(2) the rate at which a loan for the commodity may be repaid under section 124.

(d) EXCEPTION FOR EXTRA LONG STAPLE COTTON.—This section shall not apply with respect to extra long staple cotton.

(e) TIME FOR PAYMENT.—The Secretary shall make a payment under this section to a producer with respect to a quantity of a covered commodity as of the earlier of the following:

(1) The date on which the producer marketed or otherwise lost beneficial interest in the commodity, as determined by the Secretary.

(2) The date the producer requests the payment.

(f) CONTINUATION OF SPECIAL LDP RULE FOR 2001 CROP YEAR.—Section 135(a)(2) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(a)(2)) is amended by striking ''2000 crop year'' and inserting ''2000 and 2001 crop years''.

**SEC. 126. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.**

(a) ELIGIBLE PRODUCERS.—Effective for the 2002 through 2011 crop years, in the case of a producer that would be eligible for a loan deficiency payment under section 125 for wheat, barley, or oats, but that elects to use acreage planted to the wheat, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producer under this section if the producer enters into an agreement with the Secretary to forgo any other harvesting of the wheat, barley, or oats on that acreage.

(b) PAYMENT AMOUNT.—The amount of a payment made to a producer on a farm under this section shall be equal to the amount determined by multiplying—

(1) the loan deficiency payment rate determined under section 125(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

(2) the payment quantity determined by multiplying—

(A) the quantity of the grazed acreage on the farm with respect to which the producer elects to forgo harvesting of wheat, barley, or oats; and

(B) the payment yield for that covered commodity on the farm.

(c) TIME, MANNER, AND AVAILABILITY OF PAYMENT.—

(1) TIME AND MANNER.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 125.

(2) AVAILABILITY.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, barley, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—A 2002 through 2011 crop of wheat, barley, or oats planted on acreage that a producer elects, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7333).

**SEC. 127. SPECIAL MARKETING LOAN PROVISIONS FOR UPLAND COTTON.**

(a) COTTON USER MARKETING CERTIFICATES.—

(1) ISSUANCE.—During the period beginning on the date of the enactment of this Act and ending July 31, 2012, the Secretary shall issue marketing certificates or cash payments, at the option of the recipient, to domestic users and exporters for documented purchases by domestic users and sales for export by exporters made in the week following a consecutive four-week period in which—

(A) the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe exceeds the Northern Europe price; and

(B) the prevailing world market price for upland cotton (adjusted to United States quality and location) does not exceed 134 percent of the loan rate for upland cotton established under section 122.

(2) VALUE OF CERTIFICATES OR PAYMENTS.—The value of the marketing certificates or cash payments shall be based on the amount of the difference in the prices during the fourth week of the consecutive four-week period multiplied by the quantity of upland cotton included in the documented sales.

(3) ADMINISTRATION OF MARKETING CERTIFICATES.—

(A) REDEMPTION, MARKETING, OR EXCHANGE.—The Secretary shall establish procedures for redeeming marketing certificates for cash or marketing or exchange of the certificates for agricultural commodities owned by the Commodity Credit Corporation or pledged to the Commodity Credit Corporation as collateral for a loan in such manner, and at such price levels, as the Secretary determines will best effectuate the purposes of cotton user marketing certificates, including enhancing the competitiveness and marketability of United States cotton. Any price restrictions that would otherwise apply to the disposition of agricultural commodities by the Commodity Credit Corporation shall not apply to the redemption of certificates under this subsection.

(B) DESIGNATION OF COMMODITIES AND PRODUCTS.—To the extent practicable, the Secretary shall permit owners of certificates to designate the commodities and products, including storage sites, the owners would prefer to receive in exchange for certificates.

(C) TRANSFERS.—Marketing certificates issued to domestic users and exporters of upland cotton may be transferred to other persons in accordance with regulations issued by the Secretary.

(4) APPLICATION OF THRESHOLD.—

(A) 2002 MARKETING YEAR.—During the period beginning on the date of enactment of this Act and ending July 31, 2002, 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 those paragraphs and subsection.

(B) 2003 THROUGH 2006 MARKETING YEARS.—During each 12-month period beginning August 1, 2002, through August 1, 2006, the Secretary may make the calculations under paragraphs (1)(A) and (2) and subsection (b)(1)(B) without regard to the 1.25 cent threshold provided those paragraphs and subsection.

(b) SPECIAL IMPORT QUOTA.—

(1) ESTABLISHMENT.—

(A) IN GENERAL.—The President shall carry out an import quota program during the period beginning on the date of the enactment of this Act and ending July 31, 2012, as provided in this subsection.

(B) PROGRAM REQUIREMENTS.—Except as provided in subparagraph (C), whenever the Secretary determines and announces that for any consecutive four-week period, the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe, adjusted for the value of any certificate issued under subsection (a), exceeds the Northern Europe price there shall immediately be in effect a special import quota.

(C) TIGHT DOMESTIC SUPPLY.—During any month for which the Secretary estimates the season-ending United States upland cotton stocks-to-use ratio, as determined under subparagraph (D), to be below 16 percent, the Secretary, in making the determination under subparagraph (B), shall not adjust the Friday through Thursday average price quotation for the lowest-priced United States growth, as quoted for Middling (M) 1 3/32-inch cotton, delivered C.I.F. Northern Europe, for the value of any certificates issued under subsection (a).

(D) SEASON-ENDING UNITED STATES STOCKS-TO-USE RATIO.—For the purposes of making estimates under subparagraph (C), the Secretary shall, on a monthly basis, estimate and report the season-ending United States upland cotton stocks-to-use ratio, excluding projected raw cotton imports but including the quantity of raw cotton that has been imported into the United States during the marketing year.

(2) QUANTITY.—The quota shall be equal to one week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the most recent three months for which data are available.

(3) APPLICATION.—The quota shall apply to upland cotton purchased not later than 90 days after the date of the Secretary's announcement under paragraph (1) and entered into the United States not later than 180 days after the date.

(4) OVERLAP.—A special quota period may be established that overlaps any existing quota period if required by paragraph (1), except that a special quota period may not be established under this subsection if a quota period has been established under subsection (c).

(5) PREFERENTIAL TARIFF TREATMENT.—The quantity under a special import quota shall be considered to be an in-quota quantity for purposes of—

(A) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(B) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(C) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(D) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(6) DEFINITION.—In this subsection, the term ''special import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(7) LIMITATION.—The quantity of cotton entered into the United States during any marketing year under the special import quota established under this subsection may not exceed the equivalent of five week's consumption of upland cotton by domestic mills at the seasonally adjusted average rate of the three months immediately preceding the first special import quota established in any marketing year.

(c) LIMITED GLOBAL IMPORT QUOTA FOR UPLAND COTTON.—

(1) IN GENERAL.—The President shall carry out an import quota program that provides that whenever the Secretary determines and announces that the average price of the base quality of upland cotton, as determined by the Secretary, in the designated spot markets for a month exceeded 130 percent of the average price of such quality of cotton in the markets for the preceding 36 months, notwithstanding any other provision of law, there shall immediately be in effect a limited global import quota subject to the following conditions:

(A) QUANTITY.—The quantity of the quota shall be equal to 21 days of domestic mill consumption of upland cotton at the seasonally adjusted average rate of the most recent three months for which data are available.

(B) QUANTITY IF PRIOR QUOTA.—If a quota has been established under this subsection during the preceding 12 months, the quantity of the quota next established under this subsection shall be the smaller of 21 days of domestic mill consumption calculated under subparagraph (A) or the quantity required to increase the supply to 130 percent of the demand.

(C) PREFERENTIAL TARIFF TREATMENT.—The quantity under a limited global import quota shall be considered to be an in-quota quantity for purposes of—

(i) section 213(d) of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2703(d));

(ii) section 204 of the Andean Trade Preference Act (19 U.S.C. 3203);

(iii) section 503(d) of the Trade Act of 1974 (19 U.S.C. 2463(d)); and

(iv) General Note 3(a)(iv) to the Harmonized Tariff Schedule.

(D) DEFINITIONS.—In this subsection:

(i) SUPPLY.—The term ''supply'' means, using the latest official data of the Bureau of the Census, the Department of Agriculture, and the Department of the Treasury—

(I) the carry-over of upland cotton at the beginning of the marketing year (adjusted to 480-pound bales) in which the quota is established;

(II) production of the current crop; and

(III) imports to the latest date available during the marketing year.

(ii) DEMAND.—The term ''demand'' means—

(I) the average seasonally adjusted annual rate of domestic mill consumption during the most recent three months for which data are available; and

(II) the larger of—

(aa) average exports of upland cotton during the preceding six marketing years; or

(bb) cumulative exports of upland cotton plus outstanding export sales for the marketing year in which the quota is established.

(iii) LIMITED GLOBAL IMPORT QUOTA.—The term ''limited global import quota'' means a quantity of imports that is not subject to the over-quota tariff rate of a tariff-rate quota.

(E) QUOTA ENTRY PERIOD.—When a quota is established under this subsection, cotton may be entered under the quota during the 90-day period beginning on the date the quota is established by the Secretary.

(2) NO OVERLAP.—Notwithstanding paragraph (1), a quota period may not be established that overlaps an existing quota period or a special quota period established under subsection (b).

**SEC. 128. SPECIAL COMPETITIVE PROVISIONS FOR EXTRA LONG STAPLE COTTON.**

(a) COMPETITIVENESS PROGRAM.—Notwithstanding any other provision of law, during the period beginning on the date of the enactment of this Act and ending on July 31, 2012, the Secretary shall carry out a program to maintain and expand the domestic use of extra long staple cotton produced in the United States, to increase exports of extra long staple cotton produced in the United States, and to ensure that extra long staple cotton produced in the United States remains competitive in world markets.

(b) PAYMENTS UNDER PROGRAM; TRIGGER.—Under the program, the Secretary shall make payments available under this section whenever—

(1) for a consecutive four-week period, the world market price for the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is below the prevailing United States price for a competing growth of extra long staple cotton; and

(2) the lowest priced competing growth of extra long staple cotton (adjusted to United States quality and location and for other factors affecting the competitiveness of such cotton), as determined by the Secretary, is less than 134 percent of the loan rate for extra long staple cotton.

(c) ELIGIBLE RECIPIENTS.—The Secretary shall make payments available under this section to domestic users of extra long staple cotton produced in the United States and exporters of extra long staple cotton produced in the United States who enter into an agreement with the Commodity Credit Corporation to participate in the program under this section.

(d) PAYMENT AMOUNT.—Payments under this section shall be based on the amount of the difference in the prices referred to in subsection (b)(1) during the fourth week of the consecutive four-week period multiplied by the amount of documented purchases by domestic users and sales for export by exporters made in the week following such a consecutive four-week period.

(e) FORM OF PAYMENT.—Payments under this section shall be made through the issuance of cash or marketing certificates, at the option of eligible recipients of the payments.

**SEC. 129. AVAILABILITY OF RECOURSE LOANS FOR HIGH MOISTURE FEED GRAINS AND SEED COTTON AND OTHER FIBERS.**

(a) HIGH MOISTURE FEED GRAINS.—

(1) RECOURSE LOANS AVAILABLE.—For each of the 2002 through 2011 crops of corn and grain sorghum, the Secretary shall make available recourse loans, as determined by the Secretary, to producers on a farm who—

(A) normally harvest all or a portion of their crop of corn or grain sorghum in a high moisture state;

(B) present—

(i) certified scale tickets from an inspected, certified commercial scale, including a licensed warehouse, feedlot, feed mill, distillery, or other similar entity approved by the Secretary, pursuant to regulations issued by the Secretary; or

(ii) field or other physical measurements of the standing or stored crop in regions of the United States, as determined by the Secretary, that do not have certified commercial scales from which certified scale tickets may be obtained within reasonable proximity of harvest operation;

(C) certify that they were the owners of the feed grain at the time of delivery to, and that the quantity to be placed under loan under this subsection was in fact harvested on the farm and delivered to, a feedlot, feed mill, or commercial or on-farm high-moisture storage facility, or to a facility maintained by the users of corn and grain sorghum in a high moisture state; and

(D) comply with deadlines established by the Secretary for harvesting the corn or grain sorghum and submit applications for loans under this subsection within deadlines established by the Secretary.

(2) ELIGIBILITY OF ACQUIRED FEED GRAINS.—A loan under this subsection shall be made on a quantity of corn or grain sorghum of the same crop acquired by the producer equivalent to a quantity determined by multiplying—

(A) the acreage of the corn or grain sorghum in a high moisture state harvested on the producer's farm; by

(B) the lower of the farm program payment yield or the actual yield on a field, as determined by the Secretary, that is similar to the field from which the corn or grain sorghum was obtained.

(3) HIGH MOISTURE STATE DEFINED.—In this subsection, the term ''high moisture state'' means corn or grain sorghum having a moisture content in excess of Commodity Credit Corporation standards for marketing assistance loans made by the Secretary under section 121.

(b) RECOURSE LOANS AVAILABLE FOR SEED COTTON.—For each of the 2002 through 2011 crops of upland cotton and extra long staple cotton, the Secretary shall make available recourse seed cotton loans, as determined by the Secretary, on any production.

(c) REPAYMENT RATES.—Repayment of a recourse loan made under this section shall be at the loan rate established for the commodity by the Secretary, plus interest (as determined by the Secretary).

(d) TERMINATION OF SUPERSEDED LOAN AUTHORITY.—Notwithstanding section 137 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7237), recourse loans shall not be made for the 2002 crop of corn, grain sorghum, and seed cotton under such section.

**SEC. 130. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR WOOL AND MOHAIR.**

(a) NONRECOURSE LOANS AVAILABLE.—During the 2002 through 2011 marketing years for wool and mohair, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for wool and mohair produced on the farm during that marketing year.

(b) LOAN RATE.—The loan rate for a loan under subsection (a) shall be not more than—

(1) $1.00 per pound for graded wool;

(2) $0.40 per pound for nongraded wool; and

(3) $4.20 per pound for mohair.

(c) TERM OF LOAN.—A loan under subsection (a) shall have a term of 1 year beginning on the first day of the first month after the month in which the loan is made.

(d) REPAYMENT RATES.—The Secretary shall permit a producer to repay a marketing assistance loan under subsection (a) for wool or mohair at a rate that is the lesser of—

(1) the loan rate established for the commodity 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 the commodity by the Federal Government;

(C) minimize the cost incurred by the Federal Government in storing the commodity; and

(D) allow the commodity 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 producers that, although eligible to obtain a marketing assistance loan under this section, agree to forgo obtaining the loan in return for payments under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be computed by multiplying—

(A) the loan payment rate in effect under paragraph (3) for the commodity; by

(B) the quantity of the commodity produced by the eligible producers, excluding any quantity for which the producers obtain a loan under this subsection.

(3) LOAN PAYMENT RATE.—For purposes of this subsection, the loan payment rate for wool or mohair shall be the amount by which—

(A) the loan rate in effect for the commodity under subsection (b); exceeds

(B) the rate at which a loan for the commodity may be repaid under subsection (d).

(4) TIME FOR PAYMENT.—The Secretary shall make a payment under this subsection to a producer with respect to a quantity of a wool or mohair as of the earlier of the following:

(A) The date on which the producer marketed or otherwise lost beneficial interest in the wool or mohair, as determined by the Secretary.

(B) The date the producer requests the payment.

(f) LIMITATIONS.—The marketing assistance loan gains and loan deficiency payments that a person may receive for wool and mohair under this section shall be subject to a separate payment limitation, but in the same dollar amount, as the payment limitation that applies to marketing assistance loans and loan deficiency payments received by producers of other agricultural commodities in the same marketing year.

**SEC. 131. AVAILABILITY OF NONRECOURSE MARKETING ASSISTANCE LOANS FOR HONEY.**

(a) NONRECOURSE LOANS AVAILABLE.—During the 2002 through 2011 crop years for honey, the Secretary shall make available to producers on a farm nonrecourse marketing assistance loans for honey produced on the farm during that crop year.

(b) LOAN RATE.—The loan rate for a marketing assistance loan for honey under subsection (a) shall be equal to $0.60 cents per pound.

(c) TERM OF LOAN.—A marketing assistance loan under subsection (a) shall have a term of 1 year beginning on the first day of the first month after the month in which the loan is made.

(d) REPAYMENT RATES.—The Secretary shall permit a producer to repay a marketing assistance loan for honey under subsection (a) at a rate that is the lesser of—

(1) the loan rate for honey, plus interest (as determined by the Secretary); or

(2) the prevailing domestic market price for honey, as determined by the Secretary.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) AVAILABILITY.—The Secretary may make loan deficiency payments available to any producer of honey that, although eligible to obtain a marketing assistance loan under subsection (a), agrees to forgo obtaining the loan in return for a payment under this subsection.

(2) COMPUTATION.—A loan deficiency payment under this subsection shall be determined by multiplying—

(A) the loan payment rate determined under paragraph (3); by

(B) the quantity of honey that the producer is eligible to place under loan, but for which the producer forgoes obtaining the loan in return for a payment under this subsection.

(3) LOAN PAYMENT RATE.—For the 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 a producer with respect to a quantity of a honey as of the earlier of the following:

(A) The date on which the producer marketed or otherwise lost beneficial interest in the honey, as determined by the Secretary.

(B) The date the producer requests the payment.

(f) LIMITATIONS.—The marketing assistance loan gains and loan deficiency payments that a person may receive for a crop of honey under this section shall be subject to a separate payment limitation, but in the same dollar amount, as the payment limitation that applies to marketing assistance loans and loan deficiency payments received by producers of other agricultural commodities in the same crop year.

(g) PREVENTION OF FORFEITURES.—The Secretary shall carry out this section in such a manner as to minimize forfeitures of honey marketing assistance loans.

**SEC. 132. PRODUCER RETENTION OF ERRONEOUSLY PAID LOAN DEFICIENCY PAYMENTS AND MARKETING LOAN GAINS.**

Notwithstanding any other provision of law, the Secretary of Agriculture and the Commodity Credit Corporation shall not require producers in Erie County, Pennsylvania, to repay loan deficiency payments and marketing loan gains erroneously paid or determined to have been earned by the Commodity Credit Corporation for certain 1998 and 1999 crops under subtitle C of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.). In the case of a producer who has already made the repayment on or before the date of the enactment of this Act, the Commodity Credit Corporation shall reimburse the producer for the full amount of the repayment.

**SEC. 133. RESERVE STOCK ADJUSTMENT.**

Section 301(b)(14)(C) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1301(b)(14)(C)) is amended—

(1) in clause (i), by striking ''100,000,000'' and inserting ''75,000,000''; and

(2) in clause (ii), by striking ''15 percent'' and inserting ''10 percent''.

**Subtitle C—Other Commodities**

**CHAPTER 1—DAIRY**

**SEC. 141. MILK PRICE SUPPORT PROGRAM.**

(a) SUPPORT ACTIVITIES.—During the period beginning on January 1, 2002, and ending on December 31, 2011, the Secretary of Agriculture shall support the price of milk produced in the 48 contiguous States through the purchase of cheese, butter, and nonfat dry milk produced from the milk.

(b) RATE.—During the period specified in subsection (a), the price of milk shall be supported at a rate equal to $9.90 per hundredweight for milk containing 3.67 percent butterfat.

(c) PURCHASE PRICES.—The support purchase prices under this section for each of the products of milk (butter, cheese, and nonfat dry milk) announced by the Secretary shall be the same for all of that product sold by persons offering to sell the product to the Secretary. The purchase prices shall be sufficient to enable plants of average efficiency to pay producers, on average, a price that is not less than the rate of price support for milk in effect under subsection (b).

(d) SPECIAL RULE FOR BUTTER AND NONFAT DRY MILK PURCHASE PRICES.—

(1) ALLOCATION OF PURCHASE PRICES.—The Secretary may allocate the rate of price support between the purchase prices for nonfat dry milk and butter in a manner that will result in the lowest level of expenditures by the Commodity Credit Corporation or achieve such other objectives as the Secretary considers appropriate. Not later than 10 days after making or changing an allocation, the Secretary shall notify the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate of the allocation. Section 553 of title 5, United States Code, shall not apply with respect to the implementation of this section.

(2) TIMING OF PURCHASE PRICE ADJUSTMENTS.—The Secretary may make any such adjustments in the purchase prices for nonfat dry milk and butter the Secretary considers to be necessary not more than twice in each calendar year.

(e) COMMODITY CREDIT CORPORATION.—The Secretary shall carry out the program authorized by this section through the Commodity Credit Corporation.

**SEC. 142. REPEAL OF RECOURSE LOAN PROGRAM FOR PROCESSORS.**

Section 142 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7252) is repealed.

**SEC. 143. EXTENSION OF 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 ''2011''.

(b) DAIRY INDEMNITY PROGRAM.—Section 3 of Public Law 90–484 (7 U.S.C. 4501) is amended by striking ''1995'' and inserting ''2011''.

**SEC. 144. 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 new paragraph:

''(3) FLUID MILK PRODUCT.—The term 'fluid milk product' has the meaning given such term—

''(A) in section 1000.15 of title 7, Code of Federal Regulations, subject to such amendments as may be made from time to time; or

''(B) in any successor regulation providing a definition of such term that is promulgated pursuant to the Agricultural Adjustment Act (7 U.S.C. 601 et seq.), reenacted with amendments by the Agricultural Marketing Agreement Act of 1937.''.

(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. 145. DAIRY PRODUCT MANDATORY REPORTING.**

Section 273(b)(1)(B) of the Agricultural Marketing Act of 1946 (7 U.S.C. 1637b(b)(1)(B)) is amended—

(1) by inserting ''and substantially identical products designated by the Secretary'' after ''dairy products'' the first place it appears; and

(2) by inserting ''and such substantially identical products'' after ''dairy products'' the second place it appears.

**SEC. 146. 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.

**CHAPTER 2—SUGAR**

**SEC. 151. SUGAR PROGRAM.**

(a) CONTINUATION OF PROGRAM.—Subsection (i) of section 156 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7251) is amended—

(1) by striking ''(other than subsection (f))''; and

(2) by striking ''2002 crops'' and inserting ''2011 crops''.

(b) TERMINATION OF MARKETING ASSESSMENT AND FORFEITURE PENALTY.—Effective as of October 1, 2001, subsections (f) and (g) of such section are repealed.

(c) LOAN RATE ADJUSTMENTS.—Subsection (c) of such section 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 ''POSSIBLE REDUCTION''; and

(B) by striking ''shall'' and inserting ''may''.

(d) NOTIFICATION.—Subsection (e) of such section is amended by adding at the end the following new paragraph:

''(3) PREVENTION OF ONEROUS NOTIFICATION REQUIREMENTS.—The Secretary may not impose or enforce any prenotification or similar administrative requirement that has the effect of preventing a processor from choosing to forfeit the loan collateral upon the maturity of the loan.''.

(e) IN PROCESS SUGAR.—Such section is further amended by inserting after subsection (e) the following new subsection (f):

''(f) LOANS FOR IN-PROCESS SUGAR.—

''(1) AVAILABILITY; RATE.—The Secretary shall make nonrecourse loans available to processors of domestically grown sugarcane and sugar beets for in-process sugars and syrups derived from such crops. The loan rate shall be equal to 80 percent of the loan rate applicable to raw cane sugar or refined beet sugar, depending on the source material for the in-process sugars and syrups.

''(2) FURTHER PROCESSING UPON FORFEITURE.—As a condition on the forfeiture of in-process sugars and syrups serving as collateral for a loan under paragraph (1), 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). 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 Corporation, which shall make a payment to the processor in an amount equal to the difference between the loan rate for raw cane sugar or refined beet sugar, whichever applies, and the loan rate the processor received under paragraph (1).

''(3) LOAN CONVERSION.—If the processor does not forfeit the collateral as described in paragraph (2), 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 then obtain a loan under subsection (a) or (b) on the raw cane sugar or refined beet sugar, as appropriate.

''(4) DEFINITION.—In this subsection the term 'in-process sugars and syrups' does not include raw sugar, liquid sugar, invert sugar, invert syrup, or other finished products that are otherwise eligible for loans under subsection (a) or (b).''.

(f) ADMINISTRATION OF PROGRAM.—Such section is further amended by adding at the end the following new subsection:

''(j) AVOIDING FORFEITURES; CORPORATION INVENTORY DISPOSITION.—

''(1) NO COST.—To the maximum extent practicable, the Secretary shall operate the sugar 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.—In support of the objective specified in paragraph (1), the Commodity Credit Corporation may accept bids for commodities in the inventory of the Corporation from (or otherwise make available such commodities, on appropriate terms and conditions, to) processors of sugarcane and processors of sugar beets (when the processors are acting in conjunction with the producers of the sugarcane or sugar beets processed by such processors) in return for the reduction of production of raw cane sugar or refined beet sugar, as appropriate. The authority provided under this paragraph is in addition to any authority of the Corporation under any other law.''.

(g) INFORMATION REPORTING.—Subsection (h) of such section is amended—

(1) by redesignating paragraphs (2) and (3) as paragraphs (4) and (5), respectively;

(2) by inserting after paragraph (1) the following new paragraphs:

''(2) DUTY OF PRODUCERS TO REPORT.—

''(A) PROPORTIONATE SHARE STATES.—The Secretary shall require a producer of sugarcane located in a State (other than Puerto Rico) in which there are in excess of 250 sugarcane producers to report, in the manner prescribed by the Secretary, the producer's sugarcane yields and acres planted to sugarcane.

''(B) OTHER STATES.—The Secretary may require producers of sugarcane or sugar beets not covered by paragraph (1) to report, in the manner prescribed by the Secretary, each producer's sugarcane or sugar beet yields and acres planted to sugarcane or sugar beets, respectively.

''(3) DUTY OF IMPORTERS TO REPORT.—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, except such sugars, syrups, or molasses that are within the quantities of tariff-rate quotas that are at the lower rate of duties, to report, in the manner prescribed by the Secretary, the quantities of such products imported and the sugar content or equivalent of such products.''; and

(3) in paragraph (5), as so redesignated, by striking ''paragraph (1)'' and inserting ''this subsection''.

(h) INTEREST RATE.—Section 163 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7283) is amended by adding at the end the following new sentence: ''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. 152. REAUTHORIZE PROVISIONS OF AGRICULTURAL ADJUSTMENT ACT OF 1938 REGARDING 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 2011'';

(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 the ''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 new paragraph:

''(2) EXCLUSION.—The estimates in this section shall not include sugar imported for the production of polyhydric alcohol or to be refined and re-exported in refined form or in sugar containing products.'';

(D) in paragraph (3), as so redesignated—

(i) 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 new paragraph:

''(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.''; 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 new subsection:

''(c) MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGAR BEETS AND MARKETING ALLOTMENT FOR SUGAR DERIVED FROM SUGARCANE.—The overall allotment quantity for the fiscal year shall be allotted among—

''(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 the percentage of 54.35; 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 the percentage of 45.65.'';

(5) by amending subsection (d) to read as follows:

''(d) FILLING CANE SUGAR AND BEET SUGAR ALLOTMENTS.—Each marketing allotment for cane sugar established under this section may only be filled with sugar processed from domestically grown sugarcane, and 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 inserting ''(1) IN GENERAL.—'' before ''The allotment for sugar'' and indenting such paragraph appropriately;

(B) in such paragraph (1)—

(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 sugar cane processors and growers, and on such notice as the Secretary by regulation may prescribe,'';

(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) the following new paragraphs:

''(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 sugar cane 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 crop years 1998 through 2000.

''(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 sugar cane 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 new subsection (f):

''(f) FILLING CANE SUGAR ALLOTMENTS.—Except as otherwise 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) 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 Agricultural Market Transition Act (7 U.S.C. 7272),''; and

(v) by striking '', if any,''; and

(11) by amending subsection (h) to read as follows:

''(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 million short tons, raw value equivalent, and that such imports would lead to a reduction of the overall allotment quantity, the Secretary shall suspend the marketing allotments until such time as such imports have been restricted, eliminated, or otherwise reduced to or below the level of 1.532 million tons.''.

(d) ALLOCATION.—Section 359d of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359dd) is amended—

(1) in subsection (a)(2)(A)—

(A) by inserting ''(i) IN GENERAL.—'' before ''The Secretary shall'' and indenting such clause appropriately;

(B) in clause (i), as so designated—

(i) by striking ''interested parties'' and inserting ''the affected sugar cane processors and growers'';

(ii) by striking ''by taking'' and all that follows through ''allotment allocated.'' and inserting ''with this subparagraph.''; and

(iii) by inserting at the end the following new sentence: ''Each such allocation shall be subject to adjustment under section 359c(g).'';

(C) by inserting after clause (i) the following new clauses:

''(ii) MULTIPLE PROCESSOR STATES.—Except as provided in clause (iii), the Secretary shall allocate the allotment for cane sugar among multiple cane sugar processors in a single State based upon—

''(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;

''(III) past processings of sugar from sugarcane, based on the average of the 3 highest years from among crop years 1996 through 2000; and

''(IV) however, only with respect to allotments under subclauses (I), (II), and (III) attributable to the former operations of the Talisman processing facility, shall be allocated among processors in the State coincident with the provisions of the agreements of March 25 and March 26, 1999, between the affected processors and the Department of the Interior.

''(iii) 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 upon—

''(I) past marketings of sugar, based on the average of the two 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 two highest crop years from the five crop years 1997 through 2001.

''(iv) NEW ENTRANTS.—Notwithstanding clauses (ii) and (iii), 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 such processor with an allocation which provides a fair, efficient and equitable distribution of the allocations from the allotment for the State in which the processor is located and, in the case of proportionate share States, shall establish proportionate shares in an amount sufficient to produce the sugarcane required to satisfy such allocations. However, the allotment for a new processor under this clause shall not exceed 50,000 short tons, raw value.

''(v) TRANSFER OF OWNERSHIP.—Except as otherwise provided in section 359f(c)(8), in the event that 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 subsection (a)(2)(B)—

(A) by striking ''interested parties'' and inserting ''the affected sugar beet processors and growers''; and

(B) 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 deem appropriate after consultation with the affected sugar beet processors and growers. However, in the case of any processor which has started processing sugar beets after January 1, 1996, the Secretary shall provide such processor with an allocation which 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 new subparagraph:

''(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 new subparagraph:

''(C) if after such 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 ''processor's allocation'' in the second sentence and inserting ''allocation to the processor''; and

(B) by inserting after ''request of either party'' the following: '', and such arbitration should be completed within 45 days, but not more than 60 days, of the request'';

(2) by redesignating subsection (b) as subsection (c);

(3) by inserting after subsection (a) the following new subsection:

''(b) SUGAR BEET PROCESSING FACILITY CLOSURES.— In the event that a sugar beet processing facility is closed and the sugar beet growers who previously delivered beets to such facility desire to deliver their beets to another processing company:

''(1) Such growers may petition the Secretary to modify existing allocations to accommodate such a transition; and

''(2) The Secretary may increase the allocation to the processing company to which the growers desire to deliver their sugar beets, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries.

''(3) Such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected.

''(4) The Secretary's determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.'';

(4) in subsection (c), as so redesignated—

(A) in paragraph (3)(A), by striking ''the preceding five years'' and inserting ''the two highest years from among the years 1999, 2000, and 2001'';

(B) in paragraph (4)(A), by striking ''each'' and all that follows through ''in effect'' and inserting ''the two highest of the three (3) crop years 1999, 2000, and 2001''; and

(C) by inserting after paragraph (7) the following new paragraph:

''(8) PROCESSING FACILITY CLOSURES.—In the event that a sugarcane processing facility subject to this subsection is closed and the sugarcane growers who previously delivered sugarcane to such facility desire to deliver their sugarcane to another processing company—

''(A) such growers may petition the Secretary to modify existing allocations to accommodate such a transition;

''(B) the Secretary may increase the allocation to the processing company to which the growers desire to deliver the sugarcane, and which the processing company agrees to accept, not to exceed its processing capacity, to accommodate the change in deliveries;

''(C) such increased allocation shall be deducted from the allocation to the company that owned the processing facility that has been closed and the remaining allocation will be unaffected; and

''(D) the Secretary's determination on the issues raised by the petition shall be made within 60 days of the filing of the petition.''.

(g) CONFORMING AMENDMENTS.—(1) The heading of part VII of subtitle B of Title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 359aa et seq.) is amended to read as follows:

**''PART VII—FLEXIBLE MARKETING ALLOTMENTS FOR SUGAR''.**

(2) 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 subsection (b), by striking ''3 consecutive'' and inserting ''5 consecutive''; and

(C) in subsection (c), by inserting ''or adjusted'' after ''share established''.

(3) Section 359j(c) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1359jj) is amended—

(A) by amending the subsection heading to read as follows: ''DEFINITIONS.—'';

(B) by striking ''Notwithstanding'' and inserting the following:

''(1) UNITED STATES AND STATE.—Notwithstanding''; and

(C) by inserting after such paragraph (1) the following new paragraph:

''(2) OFFSHORE STATES.—For purposes of this part, the term 'offshore States' means the sugarcane producing States located outside of the continental United States.''.

(h) LIFTING OF SUSPENSION.—Section 171(a)(1)(E) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)(E)) is amended by inserting before the period at the end the following: '', but only with respect to sugar marketings through fiscal year 2002''.

**SEC. 153. STORAGE FACILITY LOANS.**

(a) STORAGE FACILITY LOAN PROGRAM.—Notwithstanding any other provision of law and as soon as practicable after the date of the 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 build or upgrade storage and handling facilities for raw sugars and refined sugars.

(b) ELIGIBLE PROCESSORS.—Storage facility loans shall be made available to any processor of domestically produced sugarcane or sugar beets that has a satisfactory credit history, determines a need for increased storage capacity (taking into account the effects of marketing allotments), and demonstrates an ability to repay the loan.

(c) TERM OF LOANS.—Storage facility loans shall be for a minimum of seven years, and shall be in such amounts and on such terms and conditions (including down payment, security requirements, and eligible equipment) as are normal, customary, and appropriate for the size and commercial nature of the borrower.

(d) ADMINISTRATION.—The sugar storage facility loan program shall be administered using the services, facilities, funds, and authorities of the Commodity Credit Corporation.

## CHAPTER 3—PEANUTS

**SEC. 161. DEFINITIONS.**

In this chapter:

(1) COUNTER-CYCLICAL PAYMENT.—The term ''counter-cyclical payment'' means a payment made to peanut producers under section 164.

(2) EFFECTIVE PRICE.—The term ''effective price'' means the price calculated by the Secretary under section 164 for peanuts to determine whether counter-cyclical payments are required to be made under such section for a crop year.

(3) HISTORIC PEANUT PRODUCER.—The term ''historic peanut producer'' means a peanut producer on a farm in the United States that produced or attempted to produce peanuts during any or all of crop years 1998, 1999, 2000, and 2001.

(4) FIXED, DECOUPLED PAYMENT.—The term ''fixed, decoupled payment'' means a payment made to peanut producers under section 163.

(5) PAYMENT ACRES.—The term ''payment acres'' means 85 percent of the peanut acres on a farm, as established under section 162, upon which fixed, decoupled payments and counter-cyclical payments are to be made.

(6) PEANUT ACRES.—The term ''peanut acres'' means the number of acres assigned to a particular farm by historic peanut producers pursuant to section 162(b).

(7) PAYMENT YIELD.—The term ''payment yield'' means the yield assigned to a particular farm by historic peanut producers pursuant to section 162(b).

(8) PEANUT PRODUCER.—The term ''peanut producer'' means an owner, operator, landlord, tenant, or sharecropper who shares in the risk of producing a crop of peanuts in the United States and who is entitled to share in the crop available for marketing from the farm, or would have shared had the crop been produced.

(9) SECRETARY.—The term ''Secretary'' means the Secretary of Agriculture.

(10) STATE.—The term ''State'' means each of the several States of the United States, the District of Columbia, the Commonwealth of Puerto Rico, and any other territory or possession of the United States.

(11) TARGET PRICE.—The term ''target price'' means the price per ton of peanuts used to determine the payment rate for counter-cyclical payments.

(12) UNITED STATES.—The term ''United States'', when used in a geographical sense, means all of the States.

**SEC. 162. ESTABLISHMENT OF PAYMENT YIELD, PEANUT ACRES, AND PAYMENT ACRES FOR A FARM.**

(a) ESTABLISHMENT OF PAYMENT YIELD AND PAYMENT ACRES.—

(1) DETERMINATION OF AVERAGE YIELD.—

(A) IN GENERAL.—The Secretary shall determine, for each historic peanut producer, the average yield for peanuts on each farm on which the historic peanut producer produced peanuts for the 1998 through 2001 crop years, excluding any crop year in which the producer did not produce peanuts. If, for any of these four crop years in which peanuts were planted on a farm by the producer, the farm would have 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 a yield for the producer for that year equal to 65 percent of the county yield, as determined by the Secretary.

(B) SELECTION BY PRODUCER.—If a county in which a historical peanut producer described in subparagraph (A) is located is declared a disaster area during 1 or more of the 4 crop years described in subparagraph (A), for the purposes of determining the 4-year average yield 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—

(i) the State 4-year average yield of peanuts produced in the State; or

(ii) the average yield for the historical peanut producer determined by the Secretary under subparagraph (A).

(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 the 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.—For each of the 2002 and 2003 crop years, 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 for the 2002 crop, and not later than 180 days after January 1, 2003, for the 2003 crop, 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 the 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. 163. 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 164.

(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. 164. 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 the 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 marketing season for peanuts, as determined by the Secretary; or

(B) the national average loan rate for a marketing assistance loan for peanuts under section 167 in effect for the marketing season for peanuts under this chapter; and

(2) the payment rate in effect for peanuts under section 165 for the purpose of making direct payments with respect to peanuts.

(c) INCOME PROTECTION PRICE.—For the purposes of subsection (a), the income protection price for peanuts shall be equal to $550 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 2 months of the marketing season 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. 165. 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 166; 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 nonagricultural 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. 166. 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. 167. 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 165.

(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, which may own or construct necessary storage facilities;

(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 the 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. 168. QUALITY IMPROVEMENT.**

(a) OFFICIAL INSPECTION.—All peanuts placed under a marketing assistance loan under section 167 or otherwise sold or marketed shall be officially inspected and graded by a Federal or State inspector.

(b) EFFECTIVE DATE.—This section shall take effect with the 2002 crop of peanuts.

**SEC. 169. PAYMENT LIMITATIONS.**

For purposes of sections 1001 through 1001C of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–3), separate payment limitations shall apply to peanuts with respect to—

(1) fixed, decoupled payments;

(2) counter-cyclical payments, and

(3) limitations on marketing loan gains and loan deficiency payments.

**SEC. 170. TERMINATION OF MARKETING QUOTA PROGRAMS FOR PEANUTS AND COMPENSATION TO PEANUT QUOTA HOLDERS FOR LOSS OF QUOTA ASSET VALUE.**

(a) REPEAL OF MARKETING QUOTA.—

(1) REPEAL.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359a), relating to peanuts, is repealed.

(2) TREATMENT OF 2001 CROP.—Part VI of subtitle B of title III of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1357–1359a), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to the 2001 crop of peanuts notwithstanding the amendment made by paragraph (1).

(b) COMPENSATION CONTRACT REQUIRED.—The Secretary shall offer to enter into a contract with eligible peanut quota holders for the purpose of providing compensation for the lost value of the quota on account of the repeal of the marketing quota program for peanuts under subsection (a). Under the contracts, the Secretary shall make payments to eligible peanut quota holders during fiscal years 2002 through 2006.

(c) TIME FOR PAYMENT.—The payments required under the contracts shall be provided in five equal installments not later than September 30 of each of fiscal years 2002 through 2006.

(d) 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—

(1) $0.10 per pound; by

(2) the actual farm poundage quota (excluding seed and experimental peanuts) established for the peanut quota holder's farm under section 358–1(b) of the Agricultural Adjustment Act of 1938 (7 U.S.C. 1358–1(b)) for the 2001 marketing year.

(e) ASSIGNMENT OF PAYMENTS.—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. 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.

(f) PEANUT QUOTA HOLDER DEFINED.—In this section, the term ''peanut quota holder'' means a person or enterprise that owns a farm that—

(1) was eligible, immediately before the date of the enactment of this Act, to have a peanut quota established upon it;

(2) if there are not quotas currently established, would be eligible to have a quota established upon it for the succeeding crop year, in the absence of the amendment made by subsection (a); or

(3) is otherwise a farm that was eligible for such a quota at the time the general quota establishment authority was repealed.

The Secretary shall apply this definition without regard to temporary leases or transfers or quotas for seed or experimental purposes.

**Subtitle D—Administration**

**SEC. 181. ADMINISTRATION GENERALLY.**

(a) USE OF COMMODITY CREDIT CORPORATION.—The Secretary shall carry out this title through the Commodity Credit Corporation.

(b) DETERMINATIONS BY SECRETARY.—A determination made by the Secretary under this title shall be final and conclusive.

(c) REGULATIONS.—Not later than 90 days after the date of the enactment of this Act, the Secretary and the Commodity Credit Corporation, as appropriate, shall issue such regulations as are necessary to implement this title. The issuance of the regulations 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 know as the ''Paperwork Reduction Act'').

(d) PROTECTION OF PRODUCERS.—The protection afforded producers that elect the option to accelerate the receipt of any payment under a production flexibility contract

payable under the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7212 note) shall also apply to the advance payment of fixed, decoupled payments and counter-cyclical payments.

(e) ADJUSTMENT AUTHORITY RELATED TO URUGUAY ROUND COMPLIANCE.—If the Secretary determines that expenditures under subtitles A, B, and C that are subject to the total allowable domestic support levels under the Uruguay Round Agreements (as defined in section 2(7) of the Uruguay Round Agreements Act (19 U.S.C. 3501(7))), as in effect on the date of the enactment of this Act, will exceed such allowable levels for any applicable reporting period, the Secretary may make adjustments in the amount of such expenditures during that period to ensure that such expenditures do not exceed, but in no case are less than, such allowable levels.

**SEC. 182. EXTENSION OF SUSPENSION OF PERMANENT PRICE SUPPORT AUTHORITY.**

(a) AGRICULTURAL ADJUSTMENT ACT OF 1938.—Section 171(a)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(a)(1)) is amended by striking ''2002'' both places it appears and inserting ''2011''.

(b) AGRICULTURAL ACT OF 1949.—Section 171(b)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(b)(1)) is amended by striking ''2002'' both places it appears and inserting ''2011''.

(c) SUSPENSION OF CERTAIN QUOTA PROVISIONS.—Section 171(c) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7301(c)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 183. LIMITATIONS.**

(a) LIMITATION ON AMOUNTS RECEIVED.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended—

(1) in paragraph (1)—

(A) by striking ''PAYMENTS UNDER PRODUCTION FLEXIBILITY CONTRACTS'' and inserting ''FIXED, DECOUPLED PAYMENTS'';

(B) by striking ''contract payments made under the Agricultural Market Transition Act to a person under 1 or more production flexibility contracts'' and inserting ''fixed, decoupled payments made to a person''; and

(C) by striking ''4'' and inserting ''5'';

(2) in paragraphs (2) and (3)—

(A) by striking ''payments specified'' and all that follows through ''and oilseeds'' and inserting ''following payments that a person shall be entitled to receive'';

(B) by striking ''75'' and inserting ''150'';

(C) by striking the period at the end of paragraph (2) and all that follows through ''the following'' in paragraph (3);

(D) by striking ''section 131'' and all that follows through ''section 132'' and inserting ''section 121 of the Farm Security Act of 2001 for a crop of any covered commodity at a lower level than the original loan rate established for the commodity under section 122''; and

(E) by striking ''section 135'' and inserting ''section 125''; and

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

''(3) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments that a person may receive during any crop year shall not exceed the amount specified in paragraph (2), as in effect on the day before the date of the enactment of the Farm Security Act of 2001.''.

(b) DEFINITIONS.—Paragraph (4) of section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended to read as follows:

''(4) DEFINITIONS.—In this title, the terms 'covered commodity', 'counter-cyclical payment', and 'fixed, decoupled payment' have the meaning given those terms in section 100 of the Farm Security Act of 2001.''.

(c) TRANSITION.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to fiscal year 2001 and the 2001 crop of any covered commodity.

**SEC. 184. ADJUSTMENTS OF LOANS.**

Section 162(b) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7282(b)) is amended by striking ''this title'' and inserting ''this title and title I of the Farm Security Act of 2001''.

**SEC. 185. PERSONAL LIABILITY OF PRODUCERS FOR DEFICIENCIES.**

Section 164 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7284) is amended by striking ''this title'' each places it appears and inserting ''this title and title I of the Farm Security Act of 2001''.

**SEC. 186. EXTENSION OF EXISTING ADMINISTRATIVE AUTHORITY REGARDING LOANS.**

Section 166 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7286) is amended—

(1) in subsection (a)—

(A) by striking ''IN GENERAL.—'' and inserting ''SPECIFIC PAYMENTS.—''; and

(B) by striking ''subtitle C'' and inserting ''subtitle C of this title and title I of the Farm Security Act of 2001''; and

(2) in subsection (c)(1)—

(A) by striking ''producer'' the first two places it appears and inserting ''person''; and

(B) by striking ''to producers under subtitle C'' and inserting ''by the Commodity Credit Corporation''.

**SEC. 187. ASSIGNMENT OF PAYMENTS.**

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 payments made under the authority of this Act. The producer 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 section.

**SEC. 188. REPORT ON EFFECT OF CERTAIN FARM PROGRAM PAYMENTS ON ECONOMIC VIABILITY OF PRODUCERS AND FARMING INFRASTRUCTURE.**

(a) REVIEW REQUIRED.—The Secretary of Agriculture shall conduct a review of the effects that payments under production flexibility contracts and market loss assistance payments have had, and that fixed, decoupled payments and counter-cyclical payments are likely to have, on the economic viability of producers and the farming infrastructure, particularly in areas where climate, soil types, and other agronomic conditions severely limit the covered crops that producers can choose to successfully and profitably produce.

(b) CASE STUDY RELATED TO RICE PRODUCTION.—The review shall include a case study of the effects that the payments described in subsection (a), and the forecast effects of increasing these or other decoupled payments, are likely to have on rice producers (including tenant rice producers), the rice milling industry, and the economies of rice farming areas in Texas, where harvested rice acreage has fallen from 320,000 acres in 1995 to only 211,000 acres in 2001.

(c) REPORT AND RECOMMENDATIONS.—Not later than 90 days after the date of the enactment of this Act, 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 information collected for the review and the case study and any findings made on the basis of such information. The report shall include recommendations for minimizing the adverse effects on producers, with a special focus on producers who are tenants, on the agricultural economies in farming areas generally, on those particular areas described in subsection (a), and on the area that is the subject of the case study in subsection (b).

## TITLE II—CONSERVATION

### Subtitle A—Environmental Conservation Acreage Reserve Program

**SEC. 201. GENERAL PROVISIONS.**

Title XII of the Food Security Act of 1985 is amended—

(1) in section 1230(a), by striking ''1996 through 2002'' and inserting ''2002 through 2011'';

(2) by striking subsection (c) of section 1230; and

(3) in section 1230A (16 U.S.C. 3830a), by striking ''chapter'' each place it appears and inserting ''title''.

### Subtitle B—Conservation Reserve Program

**SEC. 211. REAUTHORIZATION.**

(a) IN GENERAL.—Section 1231 of the Food Security Act of 1985 (16 U.S.C. 3831) is amended in each of subsections (a) and (d) by striking ''2002'' and inserting ''2011''.

(b) SCOPE OF PROGRAM.—Section 1231(a) of such Act (16 U.S.C. 3831(a)) is amended by striking ''and water'' and inserting '', water, and wildlife''.

**SEC. 212. ENROLLMENT.**

(a) 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 section 1234(i)(1), 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.''.

(b) ELIGIBILITY ON CONTRACT EXPIRATION.—Section 1231(f) of such Act (16 U.S.C. 3831(f)) is amended to read as follows:

''(f) ELIGIBILITY ON CONTRACT EXPIRATION.—On the expiration of a contract entered into under this subchapter, the land

subject to the contract shall be eligible to be considered for re-enrollment in the conservation reserve.''.

(c) BALANCE OF NATURAL RESOURCE PURPOSES.—

(1) IN GENERAL.—Section 1231 of such Act (16 U.S.C. 3831) is amended by adding at the end the following:

''(i) BALANCE OF NATURAL RESOURCE PURPOSES.—In determining the acceptability of contract offers under this subchapter, the Secretary shall ensure an equitable balance among the conservation purposes of soil erosion, water quality and wildlife habitat.''.

(2) REGULATIONS.—Not later than 180 days after the date of the enactment of this Act, the Secretary of Agriculture shall issue final regulations implementing section 1231(i) of the Food Security Act of 1985, as added by paragraph (1) of this subsection.

**SEC. 213. DUTIES OF OWNERS AND OPERATORS.**

Section 1232 of the Food Security Act of 1985 (16 U.S.C. 3832) is amended—

(1) in subsection (a)—

(A) in paragraph (3), by inserting ''as described in section 1232(a)(7) or for other purposes'' before ''as permitted'';

(B) in paragraph (4), by inserting ''where practicable, or maintain existing cover'' before ''on such land''; and

(C) in paragraph (7), by striking ''Secretary—'' and all that follows and inserting ''Secretary may permit, consistent with the conservation of soil, water quality, and wildlife habitat—

''(A) managed grazing and limited haying, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of the activity;

''(B) wind turbines for the provision of wind energy, whether or not commercial in nature; and

''(C) land subject to the contract to be harvested for recovery of biomass used in energy production, in which case the Secretary shall reduce the conservation reserve payment otherwise payable under the contract by an amount commensurate with the economic value of such activity;''; and

(2) by striking subsections (c) and (d) and redesignating subsection (e) as subsection (c).

**SEC. 214. REFERENCE TO CONSERVATION RESERVE PAYMENTS.**

Subchapter B of chapter 1 of subtitle D of title XII of such Act (16 U.S.C. 3831–3836) is amended—

(1) by striking ''rental payment'' each place it appears and inserting ''conservation reserve payment'';

(2) by striking ''rental payments'' each place it appears and inserting ''conservation reserve payments''; and

(3) in the paragraph heading for section 1235(e)(4), by striking ''RENTAL PAYMENT'' and inserting ''CONSERVATION RESERVE PAYMENT''.

**SEC. 215. EXPANSION OF PILOT PROGRAM TO ALL STATES.**

Section 1231(h) of the Food Security Act of 1985 (16 U.S.C. 3831(h)) is amended—

(1) in paragraph (1), by striking ''and 2002'' and all that follows through ''South Dakota'' and inserting ''through 2011 calendar years, the Secretary shall carry out a program in each State'';

(2) in paragraph (3)(C), by striking ''—'' and all that follows and inserting ''not more than 150,000 acres in any 1 State.''; and

(3) by striking paragraph (2) and redesignating paragraphs (3) through (5) as paragraphs (2) through (4), respectively.

## Subtitle C—Wetlands Reserve Program

**SEC. 221. ENROLLMENT.**

(a) MAXIMUM.—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) ANNUAL ENROLLMENT.—In addition to any acres enrolled in the wetlands reserve program as of the end of a calendar year, the Secretary may in the succeeding calendar year enroll in the program a number of additional acres equal to—

''(A) if the succeeding calendar year is calendar year 2002, 150,000; or

''(B) if the succeeding calendar year is a calendar year after calendar year 2002—

''(i) 150,000; plus

''(ii) the amount (if any) by which 150,000, multiplied by the number of calendar years in the period that begins with calendar year 2002 and ends with the calendar year preceding such succeeding calendar year, exceeds the total number of acres added to the reserve during the period.''.

(b) METHODS.—Section 1237 of such Act (16 U.S.C. 3837(b)(2)) is amended—

(1) in subsection (b), by striking paragraph (2) and inserting the following:

''(2) METHODS OF ENROLLMENT.—The Secretary shall enroll acreage into the wetlands reserve program through the use of easements, restoration cost share agreements, or both.''; and

(2) by striking subsection (g).

(c) EXTENSION.—Section 1237(c) of such Act (16 U.S.C. 3837(c)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 222. EASEMENTS AND AGREEMENTS.**

Section 1237A of the Food Security Act of 1985 (16 U.S.C. 3837a) is amended—

(1) in subsection (b), by striking paragraph (2) and inserting the following:

''(2) prohibits the alteration of wildlife habitat and other natural features of such land, unless specifically permitted by the plan;'';

(2) in subsection (e), by striking paragraph (2) and inserting the following:

''(2) shall be consistent with applicable State law.'';

(3) by striking subsection (h).

**SEC. 223. DUTIES OF THE SECRETARY.**

Section 1237C of the Food Security Act of 1985 (16 U.S.C. 3837c) is amended by striking subsection (d).

**SEC. 224. CHANGES IN OWNERSHIP; AGREEMENT MODIFICATION; TERMINATION.**

Section 1237E(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3837e(a)(2)) is amended to read as follows:

''(2) the ownership change occurred due to foreclosure on the land and the owner of the land immediately before the foreclosure exercises a right of redemption from the mortgage holder in accordance with State law; or''.

## Subtitle D—Environmental Quality Incentives Program

**SEC. 231. PURPOSES.**

Section 1240 of the Food Security Act of 1985 (16 U.S.C. 3839aa) is amended—

(1) by striking ''to—'' and all that follows through ''provides—'' and inserting ''to provide—'';

(2) by striking ''that face the most serious threats to'' and inserting ''to address environmental needs and provide benefits to air,'';

(3) by redesignating the subparagraphs (A) through (D) that follow the matter amended by paragraph (2) of this section as paragraphs (1) through (4), respectively;

(4) by moving each of such redesignated provisions 2 ems to the left; and

(5) by striking ''farmers and ranchers'' each place it appears and inserting ''producers''.

**SEC. 232. DEFINITIONS.**

Section 1240A of the Food Security Act of 1985 (16 U.S.C. 3839aa–1) is amended—

(1) in paragraph (1)—

(A) by inserting ''non-industrial private forest land,'' before ''and other land''; and

(B) by striking ''poses a serious threat'' and all that follows and inserting ''provides increased environmental benefits to air, soil, water, or related resources.''; and

(2) in paragraph (4), by inserting '', including non-industrial private forestry'' before the period.

**SEC. 233. ESTABLISHMENT AND ADMINISTRATION.**

(a) REAUTHORIZATION.—Section 1240B(a)(1) of the Food Security Act of 1985 (16 U.S.C. 3839aa–2(a)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) TERM OF CONTRACTS.—Section 1240B(b)(2) of such Act (16 U.S.C. 3839aa–2(b)(2)) is amended by striking ''not less than 5, nor more than 10, years'' and inserting ''not less than 1 year, nor more than 10 years''.

(c) STRUCTURAL PRACTICES.—Section 1240B(c)(1)(B) of such Act (16 U.S.C. 3839aa–2(c)(1)(B)) is amended to read as follows:

''(B) achieving the purposes established under this subtitle.''.

(d) ELIMINATION OF CERTAIN LIMITATIONS ON ELIGIBILITY FOR COST-SHARE PAYMENTS.—Section 1240B(e)(1) of such Act (16 U.S.C. 3839aa–2(e)(1)) is amended—

(1) by striking subparagraph (B) and redesignating subparagraph (C) as subparagraph (B); and

(2) in subparagraph (B) (as so redesignated), by striking ''or 3''.

(e) INCENTIVE PAYMENTS.—Section 1240B of such Act (16 U.S.C. 3839aa-2) is amended—

(1) in subsection (e)—

(A) in the subsection heading, by striking '', INCENTIVE PAYMENTS,''; and

(B) by striking paragraph (2); and

(2) by redesignating subsections (f) and (g) as subsections (g) and (h), respectively, and inserting after subsection (e) the following:

''(f) CONSERVATION INCENTIVE PAYMENTS.—

''(1) IN GENERAL.—The Secretary may make incentive payments in an amount and at a rate determined by the Secretary to be necessary to encourage a producer to perform multiple land management practices and to promote the enhancement of soil, water, wildlife habitat, air, and related resources.

''(2) SPECIAL RULE.—In determining the amount and rate of incentive payments, the Secretary may accord great weight to those practices that include residue, nutrient, pest, invasive species, and air quality management.''.

**SEC. 234. EVALUATION OF OFFERS AND PAYMENTS.**

Section 1240C of the Food Security Act of 1985 (16 U.S.C. 3839aa–3) is amended by striking paragraphs (1) through (3) and inserting the following:

''(1) aid producers in complying with this title and Federal and State environmental laws, and encourage environmental enhancement and conservation;

''(2) maximize the beneficial usage of animal manure and other similar soil amendments which improve soil health, tilth, and water-holding capacity; and

''(3) encourage the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing.''.

**SEC. 235. ENVIRONMENTAL QUALITY INCENTIVES PROGRAM PLAN.**

Section 1240E(a) of the Food Security Act of 1985 (16 U.S.C. 3839aa–5(a)) is amended by striking ''that incorporates such conservation practices'' and all that follows and inserting ''that provides or will continue to provide increased environmental benefits to air, soil, water, or related resources.''.

**SEC. 236. DUTIES OF THE SECRETARY.**

Section 1240F(3) of the Food Security Act of 1985 (16 U.S.C. 3839aa–6(3)) is amended to read as follows:

''(3) providing technical assistance or cost-share payments for developing and implementing 1 or more structural practices or 1 or more land management practices, as appropriate;''.

**SEC. 237. LIMITATION ON PAYMENTS.**

Section 1240G of the Food Security Act of 1985 (16 U.S.C. 3839aa–7) is amended—

(1) in subsection (a)—

(A) in paragraph (1), by striking ''$10,000'' and inserting ''$50,000''; and

(B) in paragraph (2), by striking ''$50,000'' and inserting ''$200,000'';

(2) in subsection (b)(2), by striking ''the maximization of environmental benefits per dollar expended and''; and

(3) by striking subsection (c).

**SEC. 238. GROUND AND SURFACE WATER CONSERVATION.**

Section 1240H of the Food Security Act of 1985 (16 U.S.C. 3839aa–8) is amended to read as follows:

**''SEC. 1240H. GROUND AND SURFACE WATER CONSERVATION.**

''(a) SUPPORT FOR CONSERVATION MEASURES.—The Secretary shall provide cost-share payments and low-interest loans to encourage ground and surface water conservation, including irrigation system improvement, and provide incentive payments for capping wells, reducing use of water for irrigation, and switching from irrigation to dryland farming.

''(b) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary shall make available the following amounts to carry out this section:

''(1) $30,000,000 for fiscal year 2002.

''(2) $45,000,000 for fiscal year 2003.

''(3) $60,000,000 for each of fiscal years 2004 through 2011.''.

**Subtitle E—Funding and Administration**

**SEC. 241. REAUTHORIZATION.**

Section 1241(a) of the Food Security Act of 1985 (16 U.S.C. 3841(a)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 242. FUNDING.**

Section 1241(b)(1) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(1)) is amended—

(1) by striking ''$130,000,000'' and all that follows through ''2002, for'' and inserting ''the following amounts for purposes of'';

(2) by striking ''subtitle D.'' and inserting ''subtitle D:''; and

(3) by adding at the end the following:

''(A) $200,000,000 for fiscal year 2001.

''(B) $1,025,000,000 for each of fiscal years 2002 and 2003.

''(C) $1,200,000,000 for each of fiscal years 2004, 2005, and 2006.

''(D) $1,400,000,000 for each of fiscal years 2007, 2008, and 2009.

''(E) $1,500,000,000 for each of fiscal years 2010 and 2011.''.

**SEC. 243. ALLOCATION FOR LIVESTOCK PRODUCTION.**

Section 1241(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3841(b)(2)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 244. ADMINISTRATION AND TECHNICAL ASSISTANCE.**

(a) BROADENING OF EXCEPTION TO ACREAGE LIMITATION.—Section 1243(b)(2) of the Food Security Act of 1985 (16 U.S.C. 3843(b)(2)) is amended by striking ''that—'' and all that follows and inserting ''that the action would not adversely affect the local economy of the county.''.

(b) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—Section 1243(d) of such Act (16 U.S.C. 3843(d)) is amended to read as follows:

''(d) RULES GOVERNING PROVISION OF TECHNICAL ASSISTANCE.—

''(1) IN GENERAL.—The Secretary shall provide technical assistance under this title to a producer eligible for such assistance, by providing the assistance directly or, at the option of the producer, through an approved third party if available.

''(2) REEVALUATION.—The Secretary shall reevaluate the provision of, and the amount of, technical assistance made available under subchapters B and C of chapter 1 and chapter 4 of subtitle D.

''(3) CERTIFICATION OF THIRD-PARTY PROVIDERS.—

''(A) IN GENERAL.—Not later than 6 months after the date of the enactment of this subsection, the Secretary of Agriculture shall, by regulation, establish a system for approving persons to provide technical assistance pursuant to chapter 4 of subtitle D. For purposes of this paragraph, a person shall be considered approved if they have a memorandum of understanding regarding the provision of technical assistance in place with the Secretary.

''(B) EXPERTISE REQUIRED.—In prescribing such regulations, the Secretary shall ensure that persons with expertise in the technical aspects of conservation planning, watershed planning, environmental engineering, including commercial entities, nonprofit entities, State or local governments or agencies, and other Federal agencies, are eligible to become approved providers of such technical assistance.''.

(c) DUTY OF SECRETARY.—

(1) IN GENERAL.—Section 1770(d) of such Act (7 U.S.C. 2276(d)) is amended—

(A) by striking ''or'' at the end of paragraph (9);

(B) by striking the period at the end of paragraph (11) and inserting ''; or''; and

(C) by adding at the end the following:

''(12) title XII of this Act.''.

(2) CONFORMING AMENDMENTS.—Section 1770(e) of such Act (7 U.S.C. 2276(e)) is amended—

(A) by striking the subsection heading and inserting ''EXCEPTIONS''; and

(B) by inserting '', or as necessary to carry out a program under title XII of this Act as determined by the Secretary'' before the period.

**Subtitle F—Other Programs**

**SEC. 251. PRIVATE GRAZING LAND CONSERVATION ASSISTANCE.**

Section 386(d)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 2005b(d)(1)) is amended—

(1) by striking ''and'' at the end of subparagraph (G);

(2) by striking the period at the end of subparagraph (H) and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(I) encouraging the utilization of sustainable grazing systems, such as year-round, rotational, or managed grazing.''.

**SEC. 252. WILDLIFE HABITAT INCENTIVES PROGRAM.**

Subsection (c) of section 387 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3836a) is amended to read as follows:

''(c) FUNDING.—Of the funds of the Commodity Credit Corporation, the Secretary of Agriculture shall make available $25,000,000 for each of fiscal years 2002 through 2011 to carry out this section.''.

**SEC. 253. FARMLAND PROTECTION PROGRAM.**

(a) REMOVAL OF ACREAGE LIMITATION; EXPANSION OF PURPOSES.—Subsection (a) of section 388 of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 3830 note) is amended—

(1) by striking ''not less than 170,000, nor more than 340,000 acres of''; and

(2) by inserting '', or agricultural land that contains historic or archaeological resources,'' after ''other productive soil''.

(b) FUNDING.—Subsection (c) of such section is amended to read as follows:

''(c) FUNDING.—The Secretary shall use not more than $50,000,000 of the funds of the Commodity Credit Corporation in each of fiscal years 2002 through 2011 to carry out this section.''.

(c) ELIGIBLE ENTITIES.—Such section is further amended—

(1) in subsection (a), by striking ''a State or local government'' and inserting ''an eligible entity''; and

(2) by adding at the end the following:

''(d) DEFINITION OF ELIGIBLE ENTITY.—In this section, the term 'eligible entity' means—

''(1) any agency of any State or local government, or federally recognized Indian tribe, including farmland protection boards and land resource councils established under State law; and

''(2) any organization that—

''(A) is organized for, and at all times since the formation of the organization has been operated principally for, one 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;

''(B) is an organization described in section 501(c)(3) of that Code that is exempt from taxation under section 501(a) of that Code;

''(C) is described in section 509(a)(2) of that Code; or

''(D) is described in section 509(a)(3) of that Code and is controlled by an organization described in section 509(a)(2) of that Code.''.

**SEC. 254. RESOURCE CONSERVATION AND DEVELOPMENT PROGRAM.**

(a) PURPOSE.—Section 1528 of the Agriculture and Food Act of 1981 (16 U.S.C. 3451) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1528. It is the purpose'' and inserting the following:

**''SEC. 1528. STATEMENT OF PURPOSE.**

''It is the purpose''; and

(2) by inserting ''through designated RC&D councils'' before ''in rural areas''.

(b) DEFINITIONS.—Section 1529 of such Act (16 U.S.C. 3452) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1529. As used in this subtitle—'' and inserting the following:

**''SEC. 1529. DEFINITIONS.**

''In this title:'';

(2) in paragraph (1)—

(A) in the matter preceding subparagraph (A), by inserting ''RC&D council'' before ''area plan'';

(B) in subparagraph (B), by striking ''through control of nonpoint sources of pollution'';

(C) in subparagraph (C)—

(i) by striking ''natural resources based'' and inserting ''resource-based'';

(ii) by striking ''development of aquaculture,'';

(iii) by striking ''and satisfaction'' and inserting ''satisfaction''; and

(iv) by inserting '', food security, economic development, and education'' before the semicolon; and

(D) in subparagraph (D), by striking ''other'' the 1st place it appears and inserting ''land management'';

(3) in paragraph (3), by striking ''any State, local unit of government, or local nonprofit organization'' and inserting ''the designated RC&D council'';

(4) by striking paragraphs (4) through (6) and inserting the following:

''(4)(A) The term 'financial assistance' means the Secretary may—

''(i) provide funds directly to RC&D councils or associations of RC&D councils through grants, cooperative agreements, and interagency agreements that directly implement RC&D area plans; and

''(ii) may join with other federal agencies through interagency agreements and other arrangements as needed to carry out the program's purpose.

''(B) Funds may be used for such things as—

''(i) technical assistance;

''(ii) financial assistance in the form of grants for planning, analysis and feasibility studies, and business plans;

''(iii) training and education; and

''(iv) all costs associated with making such services available to RC&D councils or RC&D associations.

''(5) The term 'RC&D council' means the responsible leadership of the RC&D area. RC&D councils and associations are nonprofit entities whose members are volunteers and include local civic and elected officials. Affiliations of RC&D councils are formed in states and regions.'';

(5) in paragraph (8), by inserting ''and federally recognized Indian tribes'' before the period;

(6) in paragraph (9), by striking ''works of improvement'' and inserting ''projects'';

(7) by redesignating paragraphs (7) through (9) as paragraphs (6) through (8), respectively; and

(8) by striking paragraph (10) and inserting the following:

''(9) The term 'project' means any action taken by a designated RC&D council that achieves any of the elements identified under paragraph (1).''.

(c) ESTABLISHMENT AND SCOPE.—Section 1530 of such Act (16 U.S.C. 3453) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1530. The Secretary'' and inserting the following:

**''SEC. 1530. ESTABLISHMENT AND SCOPE.**

''The Secretary''; and

(2) by striking ''the technical and financial assistance necessary to permit such States, local units of government, and local nonprofit organizations'' and inserting ''through designated RC&D councils the technical and financial assistance necessary to permit such RC&D Councils''.

(d) SELECTION OF DESIGNATED AREAS.—Section 1531 of such Act (16 U.S.C. 3454) is amended by striking the section heading and all that follows through ''SEC. 1531. The Secretary'' and inserting the following:

**''SEC. 1531. SELECTION OF DESIGNATED AREAS.**

''The Secretary''.

(e) AUTHORITY OF SECRETARY.—Section 1532 of such Act (16 U.S.C. 3455) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1532. In carrying'' and inserting the following:

**''SEC. 1532. AUTHORITY OF SECRETARY.**

''In carrying'';

(2) in each of paragraphs (1) and (3)—

(A) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council''; and

(B) by inserting ''RC&D council'' before ''area plan'';

(3) in paragraph (2), by inserting ''RC&D council'' before ''area plans''; and

(4) in paragraph (4), by striking ''States, local units of government, and local nonprofit organizations'' and inserting ''RC&D councils or affiliations of RC&D councils''.

(f) TECHNICAL AND FINANCIAL ASSISTANCE.—Section 1533 of such Act (16 U.S.C. 3456) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1533. (a) Technical'' and inserting the following:

**''SEC. 1533. TECHNICAL AND FINANCIAL ASSISTANCE.**

''(a) Technical'';

(2) in subsection (a)—

(A) by striking ''State, local unit of government, or local nonprofit organization to assist in carrying out works of improvement specified in an'' and inserting ''RC&D councils or affiliations of RC&D councils to assist in carrying out a project specified in a RC&D council'';

(B) in paragraph (1)—

(i) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council or affiliate''; and

(ii) by striking ''works of improvement'' each place it appears and inserting ''project'';

(C) in paragraph (2)—

(i) by striking ''works of improvement'' and inserting ''project''; and

(ii) by striking ''State, local unit of government, or local nonprofit organization'' and inserting ''RC&D council'';

(D) in paragraph (3), by striking ''works of improvement'' and all that follows and inserting ''project concerned is necessary to accomplish and RC&D council area plan objective;'';

(E) in paragraph (4), by striking ''the works of improvement provided for in the'' and inserting ''the project provided for in the RC&D council'';

(F) in paragraph (5), by inserting ''federally recognized Indian tribe'' before ''or local'' each place it appears; and

(G) in paragraph (6), by inserting ''RC&D council'' before ''area plan'';

(3) in subsection (b), by striking ''work of improvement'' and inserting ''project''; and

(4) in subsection (c), by striking ''any State, local unit of government, or local nonprofit organization to carry out any'' and inserting ''RC&D council to carry out any RC&D council''.

(g) RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD.—Section 1534 of such Act (16 U.S.C. 3457) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1534. (a) The Secretary'' and inserting the following:

**''SEC. 1534. RESOURCE CONSERVATION AND DEVELOPMENT POLICY BOARD.**

''(a) The Secretary''; and

(2) in subsection (b), by striking ''seven''.

(h) PROGRAM EVALUATION.—Section 1535 of such Act (16 U.S.C. 3458) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1535. The Secretary'' and inserting the following:

**''SEC. 1535. PROGRAM EVALUATION.**

''The Secretary'';

(2) by inserting ''with assistance from RC&D councils'' before ''provided'';

(3) by inserting ''federally recognized Indian tribes,'' before ''local units''; and

(4) by striking ''1986'' and inserting ''2007''.

(i) LIMITATION ON ASSISTANCE.—Section 1536 of such Act (16 U.S.C. 3458) is amended by striking the section heading and all that follows through ''SEC. 1536. The program'' and inserting the following:

**''SEC. 1536. LIMITATION ON ASSISTANCE.**

''The program''.

(j) SUPPLEMENTAL AUTHORITY OF THE SECRETARY.—Section 1537 of such Act (16 U.S.C. 3460) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1537. The authority'' and inserting the following:

**''SEC. 1537. SUPPLEMENTAL AUTHORITY OF SECRETARY.**

''The authority''; and

(2) by striking ''States, local units of government, and local nonprofit organizations'' and inserting ''RC&D councils''.

(i) AUTHORIZATION OF APPROPRIATIONS.—Section 1538 of such Act (16 U.S.C. 3461) is amended—

(1) by striking the section heading and all that follows through ''SEC. 1538. There are'' and inserting the following:

**''SEC. 1538. AUTHORIZATION OF APPROPRIATIONS.**

''There are''; and

(2) by striking ''for each of the fiscal years 1996 through 2002''.

**SEC. 255. GRASSLAND RESERVE PROGRAM.**

(a) IN GENERAL.—Chapter 1 of subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830–3837f) is amended by adding at the end the following:

**''Subchapter D—Grassland Reserve Program**

**''SEC. 1238. 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 90th meridian; or

''(B) 50 contiguous acres of land east of the 90th meridian.

''(2) MAXIMUM ENROLLMENT.—The total number of acres enrolled in the program shall not exceed 1,000,000 acres.

''(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—

''(1) natural grassland or shrubland;

''(2) land that—

''(A) is located in an area that has been historically dominated by natural grassland or shrubland; and

''(B) has potential to serve as habitat for animal or plant populations of significant ecological value if the land is restored to natural grassland or shrubland; 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 the easement.

**''SEC. 1238A. 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) to grant an easement that runs with the land to the Secretary;

''(2) to create and record an appropriate deed restriction in accordance with applicable State law to reflect the easement;

''(3) to provide a written statement of consent to the easement signed by persons holding a security interest or any vested interest in the land;

''(4) to provide proof of unencumbered title to the underlying fee interest in the land that is the subject of the easement; and

''(5) to comply with the terms of the easement and restoration agreement.

''(b) TERMS OF EASEMENT.—An easement under subsection (a) shall—

''(1) permit—

''(A) grazing on the land in a manner that is consistent with maintaining the viability of natural grass and shrub species indigenous to that locality;

''(B) haying (including haying for seed production) or mowing, except during the nesting season 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 APPLICATIONS.—

''(1) IN GENERAL.—The Secretary, in conjunction with State technical committees, shall establish criteria to evaluate and rank applications for easements under this subchapter.

''(2) CRITERIA.—In establishing the criteria, the Secretary shall emphasize support for grazing operations, plant and animal biodiversity, and grassland and shrubland under the greatest threat of conversion.

''(d) RESTORATION AGREEMENTS.—

''(1) IN GENERAL.—The Secretary shall prescribe the terms by which grassland and shrubland subject to an easement under an 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 Federal share of the cost of restoration and the provision of technical assistance).

''(e) VIOLATIONS.—

''(1) IN GENERAL.—On the violation of the terms or conditions of an easement or restoration agreement entered into under this section—

''(A) the easement 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 under this subchapter to ensure that the terms of the easement and restoration agreement are being met.

''(B) LIMITATION.—The Secretary may not prohibit the owner, or a representative of the owner, from being present during a periodic inspection.

**''SEC. 1238B. DUTIES OF SECRETARY.**

''(a) IN GENERAL.—In return for the granting of an easement by an owner under this subchapter, the Secretary shall, in accordance with this section—

''(1) make easement payments;

''(2) pay the Federal 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 1238(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 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) FEDERAL SHARE OF 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.—

''(1) IN GENERAL.—The Secretary shall provide owners with technical assistance to execute easement documents and restore the grassland and shrubland.

''(2) REIMBURSEMENT BY COMMODITY CREDIT CORPORATION.—The Commodity Credit Corporation shall reimburse the Secretary, acting through the Natural Resources Conservation Service, for not more than 10 percent of the cost of acquisition of the easement and the Federal share of the cost of restoration obligated for that fiscal year.

''(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 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.

**''SEC. 1238C. ADMINISTRATION.**

''(a) DELEGATION TO PRIVATE ORGANIZATIONS.—

''(1) IN GENERAL.—The Secretary shall permit a private conservation or land trust organization or a State agency to hold and enforce an easement under this subchapter, in lieu of the Secretary, if—

''(A) the Secretary determines that granting such permission is likely to promote grassland and shrubland protection; and

''(B) the owner authorizes the private conservation or land trust or a State agency to hold and enforce the easement.

''(2) APPLICATION.—An organization that desires to hold an easement under this subchapter shall apply to the Secretary for approval.

''(3) APPROVAL BY SECRETARY.—The Secretary shall approve an organization under this subchapter that is constituted for conservation or ranching purposes and is competent to administer grassland and shrubland easements.

''(4) REASSIGNMENT.—If an organization holding an easement on land under this subchapter terminates—

''(A) the owner of the land shall reassign the easement to another organization described in paragraph (1) or to the Secretary; and

''(B) the owner and the new organization shall notify the Secretary in writing that a reassignment for termination has been made.

''(b) REGULATIONS.—Not later than 180 days after the date of enactment of this subchapter, the Secretary shall issue such regulations as are necessary to carry out this subchapter.''.

(b) FUNDING.—Section 1241(a)(2) of the Food Security Act of 1985 (16 U.S.C. 3841(a)(2)) is amended by striking ''subchapter C'' and inserting ''subchapters C and D''.

**SEC. 256. FARMLAND STEWARDSHIP PROGRAM.**

Subtitle D of title XII of the Food Security Act of 1985 (16 U.S.C. 3830–3839bb) is amended by inserting after chapter 1 (and the matter added by section 255 of this Act) the following:

**''CHAPTER 2—FARMLAND STEWARDSHIP PROGRAM**

**''SEC. 1238. DEFINITIONS.**

''In this chapter:

''(1) AGREEMENT.—The term 'agreement' means a service contract authorized by this chapter.

''(2) BIOFUEL.—

''(A) IN GENERAL.—The term 'biofuel' means an energy source derived from living organisms.

''(B) INCLUSIONS.—The term 'biofuel' includes—

''(i) plant residue that is harvested, dried, and burned, or further processed into a solid, liquid, or gaseous fuel;

''(ii) agricultural waste (such as cereal straw, seed hulls, corn stalks and cobs);

''(iii) native shrubs and herbaceous plants (such as some varieties of willows and prairie switchgrass); and

''(iv) animal waste (including methane gas that is produced as a byproduct of animal waste).

''(3) BIOPRODUCT.—The term 'bioproduct' means a product that is manufactured or produced—

''(A) by using plant material and plant byproduct (such as glucose, starch, and protein); and

''(B) to replace a petroleum-based product, additive, or activator used in the production of a solvent, paint, adhesive, chemical, or other product (such as tires or Styrofoam cups).

''(4) CARBON SEQUESTRATION.—The term 'carbon sequestration' means the process of providing plant cover to avoid contributing to the greenhouse effect by—

''(A) removing carbon dioxide from the air; and

''(B) developing a 'carbon sink' to retain that carbon dioxide.

''(5) CONTRACTING AGENCY.—The term 'contracting agency' means a local conservation district, resource conservation and development council, extension service office, state-chartered stewardship entity, nonprofit organization, local office of the Department, or

other participating government agency that is authorized by the Secretary to enter into farmland stewardship agreements on behalf of the Secretary.

''(6) ELIGIBLE AGRICULTURAL LAND.—The term 'eligible agricultural land' means private land that is in primarily native or natural condition, or that is classified by the Secretary as cropland, pastureland, grazing land, timberland, or another similar type of land, that—

''(A) contains wildlife habitat, wetland, or other natural resources; or

''(B) provides 1 or more benefits to the public, such as—

''(i) conservation of soil, water, and related resources;

''(ii) water quality protection or improvement;

''(iii) control of invasive and exotic species;

''(iv) wetland restoration, development, and protection;

''(v) wildlife habitat development and protection;

''(vi) survival and recovery of listed species or candidate species;

''(vii) preservation of open spaces or prime, unique, or other productive farm land;

''(viii) increased participation in Federal agricultural or forestry programs in an area or region that has traditional under-representation in those programs;

''(ix) provision of a structure for interstate cooperation to address ecosystem challenges that affect an area involving 1 or more States;

''(x) improvements in the ecological integrity of the area, region or corridor;

''(xi) carbon sequestration;

''(xii) phytoremediation;

''(xiii) improvements in the economic viability of agriculture;

''(xiv) production of biofuels and bioproducts;

''(xv) establishment of experimental or innovative crops;

''(xvi) use of existing crops or crop byproducts in experimental or innovative ways;

''(xvii) installation of equipment to produce materials that may be used for biofuels or other bioproducts;

''(xviii) maintenance of experimental or innovative crops until the earlier of the date on which—

''(I) a viable market is established for those crops; or

''(II) an agreement terminates; and

''(xix) other similar conservation purposes identified by the Secretary.

''(7) GERMPLASM.—The term 'germplasm' means the genetic material of a germ cell of any life form that is important for food or agricultural production.

''(8) 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).

''(9) PROGRAM.—The term 'program' means the farmland stewardship program established by this chapter.

''(10) PYTOREMEDIATION.—The term 'pytoremediation' means the use of green living plant material (including plants that may be harvested and used to produce biofuel or other bioproduces) to remove contaminants from water and soil.

''(11) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture, acting—

''(A) through the Natural Resources Conservation Service; and

''(B) in cooperation with any applicable agricultural or other agencies of a State.

''(12) SERVICE CONTRACT.—The term 'service contract' means a legally binding agreement between 2 parties under which—

''(A) 1 party agrees to render 1 or more services in accordance with the terms of the contract; and

''(B) the second party agrees to pay the first party for the each service rendered.

**"SEC. 1238A. ESTABLISHMENT AND PURPOSE OF PROGRAM.**

''(a) ESTABLISHMENT.—

''(1) IN GENERAL.—The Secretary shall establish within the Department a program to be known as the 'farmland stewardship program'.

''(2) PURPOSE.—The purpose of the program shall be to modify and more effectively target conservation programs administered by the Secretary to the specific conservation needs of, and opportunities presented by, individual parcels of eligible agricultural land.

''(b) RELATION TO OTHER CONSERVATION PROGRAMS.—Under the program, the Secretary may implement, alone or in combination, the features of—

''(1) any conservation program administered by the Secretary; or

''(2) any conservation program administered by another Federal agency or a State or local government, if implementation by the Secretary—

''(A) is feasible; and

''(B) is carried out with the consent of the applicable administering agency or government.

''(3) CONSERVATION ENHANCEMENT PROGRAMS.—

''(A) IN GENERAL.—States, local governments, Indian tribes, or any combination of those entities may submit, and the Secretary may approve, a conservation enhancement program that integrates 1 or more Federal agriculture and forestry conservation programs and 1 or more State, local, or private efforts to address, in critical areas and corridors, in a manner that enhances the conservation benefits of the individual programs and modifies programs to more effectively address State and local needs—

''(i) water quality;

''(ii) wildlife;

''(iii) farm preservation; and

''(iv) any other conservation need.

''(B) REQUIREMENT.—

''(i) IN GENERAL.—A conservation enhancement program submitted under subparagraph (A) shall be designed to provide benefits greater than benefits that, by reason of any factor described in clause (ii), would be provided through the individual application of a conservation program administered by the Secretary.

''(ii) FACTORS.—Factors referred to in clause (i) include—

''(I) conservation commitments of greater duration;

''(II) more intensive conservation benefits;

''(III) integrated treatment of special natural resource problems (such as preservation and enhancement of natural resource corridors); and

''(IV) improved economic viability for agriculture.

''(C) APPROVAL.—

''(i) DEFINITION OF RESOURCES.—In this subparagraph, the term 'resources' means, with respect to any conservation program administered by the Secretary—

''(I) acreage enrolled under the conservation program; and

''(II) funding made available to the Secretary to carry out the conservation program with respect to acreage described in subclause (I).

''(ii) DETERMINATION.—If the Secretary determines that a plan submitted under subparagraph (A) meets the requirements of subparagraph (B), the Secretary, in accordance with an agreement, may use not more than 20 percent of the resources of any conservation program administered by the Secretary to implement the plan.

''(D) CRP ACREAGE.—Acreage enrolled under an approved conservation reserve enhancement program shall be considered acreage of conservation reserve program that is committed to conservation reserve enhancement program.

''(c) FUNDING.—

''(1) IN GENERAL.—The program and agreements shall be funded by the Secretary using—

''(A) the funding authorities of the conservation programs that are implemented through the use of Farmland Stewardship Agreements for the conservation purposes listed in Sec. 1238(4)(A) and (B)(i through x);

''(B) technical assistance in accordance with Sec. 1243(d); and

''(C) such other funds as are appropriated to carry out the Farmland Stewardship Program.

''(2) COST SHARING.—It shall be a requirement of the Farmland Stewardship Program that the majority of the funds to carry out the Program must come from existing conservation programs, which may be Federal, State, regional, local, or private, that are combined into and made a part of an agreement, with the balance made up from matching funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources. Funds from existing programs may be used only to carry out the purposes and intents of those programs to the degree that those programs are made a part of a Farmland Stewardship Agreement. Funding for other purposes or intents must come from the funds provided under paragraphs (1)(B) and (1)(C) of subsection (c) or from the matching funding contributions made by State, regional, or local agencies and divisions of government or from private funding sources.

''(d) PERSONNEL COSTS.—The Secretary shall use the Natural Resources Conservation Service to carry out the Farmland Stewardship Program in cooperation with the state department of agriculture or other designated agency within the state. The role of the Natural Resources Conservation Services shall be limited to federal oversight of the program. The Natural Resources Conservation Service shall perform its normal functions with respect to the conservation programs that it administers. However, it shall play no role in the assembly of programs administered by other federal agencies into Farmland Stewardship Agreements.

''(e) STATE LEVEL ADMINISTRATION.—The state departments of agriculture shall have primary responsibility for operating the Farmland Stewardship Program. A state department of agriculture may choose to operate the program on its own, may collaborate with another local, state or federal agency, conservation district or tribe in operating the program, or may delegate responsibility to another state agency, such as the state department of natural resources or the state conservation district agency. The state department of agriculture or designated state agency shall consult with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assembled.

''(1) A state department of agriculture shall submit an application to the Secretary requesting designation as the 'designated state agency' to operate the Farmland Stewardship Program. If the state department of agriculture chooses to delegate responsibility to another state agency, the department of agriculture shall ask the governor to designate another agency for this purpose and that agency shall submit application to the Secretary.

''(2) The Secretary shall approve the request for designation as the 'designated state agency' if the agency demonstrates that it has the capability to implement the Farmland Stewardship Program and attests that it shall conform with the confidentiality requirements in Sec. 1238B(g). Upon approval of the request, the Secretary shall enter into a memorandum of understanding with the designated state agency specifying the state's responsibilities in carrying out the program and the amount of technical assistance funds that shall be provided to the state on an annual basis to operate the program, in accordance with paragraphs (1)(C), (1)(E) and (1)(F) of subsection (g).

''(f) ANNUAL REPORTS.—The designated state agency shall annually submit to the Secretary and make publicly available a report that describes—

''(1) The progress achieved, the funds expended, the purposes for which funds were expended and monitoring and evaluating results obtained by local contracting agencies, and

''(2) The plans and objectives of the State for future activities under the program.

''(g) TECHNICAL ASSISTANCE.—

''(1) Of the funds used from other programs and of funds made available to carry out the Farmland Stewardship Program for a fiscal year, the Secretary shall reserve not more than twenty-five percent for the provision of technical assistance under the Program. Of the funds made available—

''(A) not more than 1.5% shall be reserved for administration, coordination and oversight through the Natural Resources Conservation Service headquarters office;

''(B) not more than 1.5% shall be reserved for the Farmland Stewardship Council to carry out its duties in cooperation with the State Technical Committees, as provided under section 1238E;

''(C) not more than 2.0% shall be reserved for administration and coordination through the designated state agency in the state where the property is located;

''(D) not more than 1.0% shall be reserved for administration and coordination through the Natural Resources Conservation Service state office, in the state where property is located;

''(E) not more than 1.0% shall be reserved for administration and coordination through the state conservation district agency, unless such agency is the designated state agency for administering this program, in which case these funds shall be added to the funds in the next paragraph; and

''(F) not less than 18% shall be reserved for local technical assistance, carried out through a designated 'contracting agency' and subcontractors chosen by and working with the contracting agency for preparing and executing agreements and monitoring, evaluating and administering agreements for their full term.

''(2) An owner or operator who is receiving a benefit under this chapter shall be eligible to receive technical assistance in accordance with section 1243(d) to assist the owner or operator in carrying out a contract entered into under this chapter.

''(h) ENSURING AVAILABILITY OF FUNDS.—All amounts required for preparing, executing, carrying out, monitoring, evaluating and administering an agreement for its entire term shall be made available by the Federal, State, and local agencies and private sector entities involved in funding the agreement upon execution of the agreement.

**''SEC. 1238B. USE OF FARMLAND STEWARDSHIP AGREEMENTS.**

''(a) AGREEMENTS AUTHORIZED.—The Secretary shall carry out the Farmland Stewardship Program by entering into service contracts as determined by the Secretary, to be known as farmland stewardship agreements, with the owners or operators of eligible agricultural land to maintain and protect the natural and agricultural resources on the land.

''(b) LEGAL BASIS.—An agreement shall operate in all respects as a service contract and, as such, provides the Secretary with the opportunity to hire the owner or operator of eligible agricultural land as a vendor to perform one or more specific services for an equitable fee for each service rendered. Any agency participating in the Farmland Stewardship Program that has the authority to enter into service contracts and to expend public funds under such contracts may enter into or participate in the funding of an agreement.

''(c) BASIC PURPOSES.—An agreement with the owner or operator of eligible agricultural land shall be used—

''(1) to negotiate a mutually agreeable set of guidelines, practices, and procedures under which conservation practices will be provided by the owner or operator to protect, maintain, and, where possible, improve, the natural resources on the land covered by the agreement in return for annual payments to the owner or operator;

''(2) to enable an owner or operator to participate in one or more of the conservation programs offered through agencies at all levels of government and the private sector and, where possible and feasible, comply with permit requirements and regulations, through a one-stop, one-application process.

''(3) to implement a conservation program or series of programs where there is no such program or to implement conservation management activities where there is no such activity;

''(4) to expand or maintain conservation practices and resource management activities to a property where it is not possible at the present time to negotiate or reach agreement on a public purchase of a fee-simple or less-than-fee interest in the property for conservation purposes; and

''(5) to negotiate and develop agreements with private owners and operators to expand or maintain their participation in conservation activities and programs; to enable them to install or maintain best management practices (BMPs) and other recommended practices to improve the compatibility of agriculture, horticulture, silviculture, aquaculture and equine activities with the environment; and improve compliance with public health, safety and environmental regulations.

''(d) MODIFICATION OF OTHER CONSERVATION PROGRAM ELEMENTS.—If most, but not all, of the limitations, conditions, policies and requirements of a conservation program that is implemented in whole, or in part, through the Farmland Stewardship Program are met with respect to a parcel of eligible agricultural land, and the purposes to be achieved by the agreement to be entered into for such land are consistent with the purposes of the conservation program, then the Secretary may waive any remaining limitations, conditions, policies or requirements of the conservation program that would otherwise prohibit or limit the agreement. The Secretary may also grant requests to—

''(1) establish different or automatic enrollment criteria than otherwise established by regulation or policy;

''(2) establish different compensation rates to the extent the parties to the agreement consider justified;

''(3) establish different conservation practice criteria if doing so will achieve greater conservation benefits;

''(4) provide more streamlined and integrated paperwork requirements;

''(5) provide for the transfer of conservation program funds to states with flexible incentives accounts; and

''(6) provide funds for an adaptive management process to monitor the effectiveness of the Program for wildlife, the protection of natural resources, economic effectiveness and sustaining the agricultural economy.

''(7) For a waiver or exception to be considered, a contracting agency or the designated state agency must—

''(A) Submit a request for a waiver to the Secretary or Administrator who has responsibility for the program for which a waiver or exception is being requested. Requests for waivers or exceptions in programs administered by the United States Department of Agriculture shall be submitted to the Secretary of Agriculture, while requests for waivers or exceptions in programs administered by the United States Department of Interior shall be submitted to the Secretary of Interior and requests for waivers or exceptions in programs administered by the United States Environmental Protection Agency shall be submitted to the Administrator of that Agency, and so forth.

''(B) The request shall—

''(i) explain why the property qualifies for participation in the program;

''(ii) explain why it is necessary or desirable to make an exception to or waive one or more program limitations, conditions, policies or requirements;

''(iii) if possible, suggest alternative methods or approaches to satisfying these limitations, conditions, policies or requirements that are appropriate for the property in question;

''(iv) request that the Secretary or Administrator grant the exception or waiver, based on the documentation submitted.

''(C) The Secretary or Administrator may request additional documentation, or may suggest alternative methods of overcoming program limitations or obstacles on the property in question, prior to deciding whether or not to grant a request for an exception or waiver.

''(D) Waivers and exceptions may be granted by a Secretary or Administrator to allow additional flexibility in tailoring conservation programs to the specific needs, opportunities and challenges offered by individual parcels of land, and to remove administrative and regulatory obstacles that previously may have limited the use of these programs on eligible agricultural land, or would prevent these programs from being combined together through a Farmland Stewardship Agreement. Waivers and exceptions may be granted only if the purposes to be achieved by the program after the waiver or exception is granted remain consistent with the purposes for which the program was established.

''(E) The Secretaries and Administrators who receive requests for waivers or exceptions under this chapter shall respond to these requests within sixty (60) days of receipt. Decisions on whether to grant a request shall be rendered within one hundred eighty (180) days of receipt.

''(e) PROVISIONAL CONTRACTS.—Provisional contracts shall be used to provide payments to private landowners or operators, and to the organization or agency that will oversee the agreement, while baseline data is gathered, documents are prepared and the formal agreement is being negotiated. Provisional contracts shall pay for all technical services required to establish an agreement. Provisional contracts may be used to establish a Farmland Stewardship Agreement, or any other type of conservation program, permit or agreement on private land. Provisional contracts shall be used during a two-year planning period, which may be extended for up to two additional periods of six months

each by mutual agreement between the Secretary, the contracting agency and the owner or operator.

''(f) PAYMENTS.—Payments to owners and operators shall be made as provided in the programs that are combined as part of a Farmland Stewardship Agreement. At the election of the owner or operator, payments may be collected and combined together by the designated state agency and issued to the owner or operator in equal annual payments over the term of the agreement. Payments for other services rendered by the owner or operator shall be made as follows—

''(1) IN GENERAL.—Programs that contain term or permanent easements may be combined into a Farmland Stewardship Agreement. Except for portions of a property affected by easements, Farmland Stewardship Agreements shall provide no interest in property and shall be solely contracts for specific services. The fees paid shall be based on the services provided. Compensation shall include—

''(A) ANNUAL BASE PAYMENT.—All owners or operators enrolled in a Farmland Stewardship Agreement shall receive an annual base payment, at a rate to be determined by the Secretary. The annual base payment shall be considered by the Secretary to be satisfied if the owner or operator receives annual payments from another conservation program that has been incorporated into the Farmland Stewardship Agreement. In addition, owners and operators shall receive—

''(B) DIRECT FEES FOR SERVICES.—These fees shall be based on the cost of providing each service. These fees may be set by adopting private sector market prices for the performance of similar services or by competitive bidding. Or, alternatively—

''(C) ANNUAL PER-ACRE STEWARDSHIP FEES.—These fees shall be based on the services provided, or the quantity of benefits provided, with higher fees for greater benefits that can be quantified. Such values shall be determined and set by the Secretary. Or, alternatively—

''(D) OTHER INCENTIVES.—Other forms of compensation acceptable to an owner or operator also may be considered. These other forms of compensation may include federal, state or local tax waivers, credits, reductions or exclusions; priority processing of permits from state and local agencies; consolidation of permits from state and local agencies into a single operating plan; extended-duration permits from state and local agencies; enhanced eligibility and priority listing for participation in cost-share programs, loan programs, conservation programs and permanent conservation easement or public purchase programs; and priority access to technical assistance services provided by federal and, where possible, local, regional and state agencies.

''(g) CONFIDENTIALITY OF DATA.—All information or data provided to, obtained by or developed by the Secretary, or any contractor to the Secretary or the designated state agency, for the purpose of providing technical or financial assistance to owners or operators in connection with the United States Department of Agriculture's conservation programs, or in connection with the Farmland Stewardship Program, shall be—

''(1) Kept confidential by all officers and employees of the Department and the designated state agency;

''(2) Not released, disclosed, made public or in any manner communicated to any agency, state or person outside the Department and the designated state agency; and

''(3) Not subject to any other law that would require the information or data to be released, disclosed, made public or in any way communicated to any agency, state or person outside the Department and designated state agency.

''(4) Any information or data related to an individual farm owner or operator may be reported only in an anonymous, aggregated form as currently provided under the Department's National Agricultural Statistic Services.

''(h) STATE AND LOCAL CONSERVATION PRIORITIES.—To the maximum extent practicable, agreements shall address the conservation priorities established by the State and locality in which the eligible agricultural land are located. The Secretary may adopt for this purpose a pre-existing state or regional conservation plan or strategy that maps economically and ecologically important land, including a plan developed pursuant to planning requirements under Title VIII of the 2001 Interior Appropriations Act and Title IX of the 2001 Commerce, Justice, State Appropriations Act.

''(i) WATERSHED ENHANCEMENT.—To the extent practicable, the Secretary shall encourage the development of Farmland Stewardship Program applications on a watershed basis.

**"SEC. 1238C. PARTNERSHIP APPROACH TO PROGRAM.**

''(a) AUTHORITY OF SECRETARY EXERCISED THROUGH PARTNERSHIPS.—The Secretary may administer agreements under the Farmland Stewardship Program in partnership with other Federal, State, and local agencies whose programs are incorporated into the Program under section 1238A, and in partnership with state departments of agriculture or other designated state agencies.

''(b) DESIGNATION AND USE OF CONTRACTING AGENCIES.—Subject to subsection (c), the Secretary may authorize a local conservation district, resource conservation and development council, extension service office, state-chartered stewardship entity, nonprofit organization, local office of the Department of Agriculture, or other participating government agency to enter into and administer agreements under the Program as a contracting agency on behalf of the Secretary.

''(c) CONDITIONS OF DESIGNATION.—The Secretary may designate an eligible district or office as a contracting agency under subsection (b) only if the district or office—

''(1) submits a written request for such designation to the Secretary;

''(2) affirms that it is willing to follow all guidelines for executing and administering an agreement, as promulgated by the Secretary;

''(3) demonstrates to the satisfaction of the Secretary that it has established working relationships with owners and operators of eligible agricultural land, and based on the history of these working relationships, demonstrates that it has the ability to work with owners and operators of eligible agricultural land in a cooperative manner;

''(4) affirms its responsibility for preparing all documentation for the agreement, negotiating its terms with an owner or operator, monitoring compliance, making annual reports to the Secretary, and administering the agreement throughout its full term; and

''(5) demonstrates to the satisfaction of the Secretary that it has or will have the necessary staff resources and expertise to carry out its responsibilities under paragraphs (3) and (4).

''(d) DELEGATION OF RESPONSIBILITY.—The Secretary may delegate responsibility for reviewing and approving applications from local contracting agencies to the state department of agriculture or other designated state agency in the state in which the property is located, provided that the designated agency follows the criteria for reviewing and approving applications as established by the Secretary and consults with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assembled.

**"SEC. 1238D. PARTICIPATION OF OWNERS AND OPERATORS OF ELIGIBLE AGRICULTURAL LAND.**

''(a) APPLICATION AND APPROVAL PROCESS.—To participate in the Farmland Stewardship Program, an owner or operator of eligible agricultural land shall—

''(1) submit to the Secretary an application indicating interest in the Program and describing the owner's or operator's property, its resources, and their ecological and agricultural values;

''(2) submit to the Secretary the purpose and objectives of the proposed agreement and a list of services to be provided, or a management plan to be implemented, or both, under the proposed agreement;

''(3) if the application and list are accepted by the Secretary, enter into an agreement that details the purpose and objectives of the agreement and the services to be provided, or management plan to be implemented, or both, and requires compliance with the other terms of the agreement.

''(b) APPLICATION ON BEHALF OF AN OWNER OR OPERATOR.—A designated contracting agency may submit the application required by subsection (a) on behalf of an owner or operator if the contracting agency has secured the consent of the owner or operator to enter into an agreement.

''(c) DELEGATION OF RESPONSIBILITY.—The Secretary may delegate responsibility for reviewing and approving applications from or on behalf of an owner or operator to the state department of agriculture or other designated agency in the state in which the property is located, provided that the designated agency follows the criteria for reviewing and approving applications as established by the Secretary and consults with the agencies with management authority and responsibility for the resources affected on properties on which Farmland Stewardship Agreements are negotiated and assembled.

**"SEC. 1238E. CREATION OF A FARMLAND STEWARDSHIP COUNCIL REGARDING PROGRAM.**

''(a) APPOINTMENT.—The Secretary shall appoint an advisory committee to assist the Secretary in carrying out the Farmland Stewardship Program.

''(b) IN GENERAL.—The Committee shall be known as the Farmland Stewardship Council and shall operate on the federal level in the same manner, with the same roles and responsibilities and the same membership requirements as provided in the policies and guidelines governing State Technical Committees in Subpart B of Part 501 of the United States Department of Agriculture's directives to the Natural Resources Conservation Service regarding Conservation Program Delivery.

''(c) DUTIES.—The Farmland Stewardship Council shall cooperate in all respects with the State Technical Committees and Resource Advisory Committees in each state. In addition to the roles and responsibilities set forth for these committees, the Farmland Stewardship Council shall assist the Secretary in—

''(1) drafting such regulations as are necessary to carry out the Program;

''(2) developing the documents necessary for executing farmland stewardship agreements;

''(3) developing procedures and guidelines to facilitate partnerships with other levels of government and nonprofit organizations and assist contracting agencies in gathering data and negotiating agreements;

''(4) designing criteria to consider applications submitted under sections 1238C and 1238D;

''(5) providing assistance and training to designated state agencies, project partners and contracting agencies;

''(6) assisting designated state agencies, project partners and contracting agencies in combining together other conservation programs into agreements;

''(7) tailoring the agreements to each individual property;

''(8) developing agreements that are highly flexible and can be used to respond to and fit in with the conservation needs and opportunities on any property in the United States;

''(9) developing a methodology for determining a fair market price in each state for each service rendered by a private owner or operator under a Farmland Stewardship Agreement;

''(10) developing guidelines for administering the Farmland Stewardship Program on a national basis that respond to the conservation needs and opportunities in each state and in each rural community in which Farmland Stewardship Agreements may be implemented;

''(11) monitoring progress under the agreements; and

''(12) reviewing and recommending possible modifications, additions, adaptations, improvements, enhancements, or other changes to the Program to improve the way in which the program operates.

''(d) MEMBERSHIP.—The Farmland Stewardship Council shall have the same membership requirements as the State Technical Committees, except that C

''(1) All participating members must have offices located in the Washington, D.C. metropolitan area;

''(2) The list of members representing 'Federal Agencies and Other Groups Required by Law' shall be expanded to include all federal agencies whose programs might be included in Farmland Stewardship Program;

''(3) State agency representation shall be provided by the organizations located in the Washington, D.C. metropolitan area representing state agencies and shall include individuals from organizations representing wetland managers, environmental councils, fish and wildlife agencies, counties, resource and conservation development councils, state conservation agencies, state departments of agriculture, state foresters, and governors; and

''(4) Private Interest Membership shall be comprised of 21 members representing the principal agricultural commodity groups, farm organizations, national forestry associations, woodland owners, conservation districts, rural stewardship organizations, and up to a maximum of six (6) conservation and environment organizations, including organizations with an emphasis on wildlife, rangeland management and soil and water conservation.

''(5) The Secretary shall appoint one of the Private Interest Members to serve as chair. The Private Interest Members shall appoint another member to serve as co-chair.

''(6) The Secretary shall follow equal opportunity practices in making appointments to the Farmland Stewardship Council. To ensure that recommendations of the Council take into account the needs of the diverse groups served by the United States Department of Agriculture, membership will include, to the extent practicable, individuals with demonstrated ability to represent minorities, women, and persons with disabilities.

''(e) PERSONNEL COSTS.—The technical assistance funds designated in Sec. 1238A(g)(1)(B) may be used to provide staff positions and support for the Farmland Stewardship Council to—

''(1) carry out its duties as provided in subsection (c);

''(2) ensure communication and coordination with all federal agencies, state organizations and Private Interest Members on the council, and the constituencies represented by these agencies, organizations and members;

''(3) ensure communication and coordination with the State Technical Committees and Resource Advisory Committees in each state;

''(4) solicit input from agricultural producers and owners and operators of private forestry operations and woodland through the organizations represented on the council and other organizations, as necessary; and

''(5) take into consideration the needs and interests of producers of different agricultural commodities and forest products in different regions of the nation.

''(6) Representatives of federal agencies and state organizations shall serve without additional compensation, except for reimbursement of travel expenses and per diem costs which are incurred as a result of their Council responsibilities and service.

''(7) Payments may be made to the organizations serving as Private Interest Members for the purposes of providing staff and support to carry out paragraphs (1) through (5). The amounts and duration of these payments and the number of staff positions to be created within Private Interest Member organizations to carry out these duties shall be determined by the Secretary.

''(f) REPORTS.—The Farmland Stewardship Council shall annually submit to the Secretary and make publicly available a report that describes—

''(1) The progress achieved, the funds expended, the purposes for which funds were expended and results obtained by the council; and

''(2) The plans and objectives for future activities.

''(g) TERMINATION.—The Farmland Stewardship Council shall remain in force for as long as the Secretary administers the Farmland Stewardship Program, except that the council will terminate in 2011 unless renewed by Congress in the next Farm Bill.

**''SEC. 1238F. STATE BLOCK GRANT PROGRAM.**

''(a) IN GENERAL.—The Secretary of Agriculture may provide agricultural stewardship block grants on an annual basis to state departments of agriculture as a means of providing assistance and support, cost-share payments, incentive payments, technical assistance or education to agricultural producers and owners and operators of agriculture, silviculture, aquaculture, horticulture or equine operations for environmental enhancements, best management practices, or air and water quality improvements addressing resource concerns. Under the block grant program, states shall have maximum flexibility to—

''(1) Address threats to soil, air, water and related natural resources including grazing land, wetland and wildlife habitats;

''(2) Comply with state and federal environmental laws;

''(3) Make beneficial, cost-effective changes to cropping systems; grazing management; nutrient, pest, or irrigation management; land uses; or other measures needed to conserve and improve soil, water, and related natural resources; and

''(4) Implement other practices or obtain other services to benefit the public through Farmland Stewardship Agreements.

''(b) PROGRAM APPLICATION.—A state department of agriculture, in collaboration with other state and local agencies, conservation districts, tribes, partners or organizations, may submit an application to the Secretary requesting approval for an agricultural stewardship block grant program. The Secretary shall approve the grant request if the program proposed by the state maintains or improves the state's natural resources, and the state has the capability to implement the agricultural stewardship program. Upon approval of a stewardship program submitted by a state department of agriculture, the Secretary shall—

''(1) Allocate funds to the state for administration of the program, and

''(2) Enter into a memorandum of understanding with the state department of agriculture specifying the state's responsibilities in carrying out the program and the amount of the block grant that shall be provided to the state on an annual basis.

''(c) PARTICIPATION.—A state department of agriculture may choose to operate the block grant program, may collaborate with another local, state or federal agency, conservation district or tribe in operating the program, or may delegate responsibility for the program to another local, state or federal agency, such as the state office of the United States Department of Agriculture, Natural Resources Conservation Service, or the state conservation district agency.

''(d) COORDINATION.—A state department of agriculture may establish an agricultural stewardship planning committee, or other advisory body, or expand the authority of an existing body, to design, develop and implement the state's agricultural stewardship block grant program. Such planning committee or advisory committee shall cooperate fully with the Farmland Stewardship Council established in Sec. 1238E and the State Technical Committee and Resource Advisory Committee in the state.

''(e) DELIVERY.—The state department of agriculture, or other designated agency, shall administer the stewardship block grants through existing delivery systems, infrastructure or processes, including contracts, cooperative agreements, and grants with local, state and federal agencies that address resource concerns and were prioritized and developed in cooperation with locally-led advisory groups.

''(f) STRATEGIC PLANS.—The state department of agriculture may collaborate with a local advisory or planning committee to develop a state strategic plan for the enhancement and protection of land, air, water and wildlife through resource planning. The state strategic plan shall be submitted to the Secretary annually in a report on the implementation of projects, activities, and other measures under the block grant program. In general, state strategic plans shall include—

''(1) A description of goals and objectives, including outcome-related goals for designated program activities;

''(2) A description of how the goals and objectives are to be achieved, including a description of the operational processes, skills and technologies, and the human capital, information and other resources required to meet the goals and objectives;

''(3) A description of performance indicators to be used in measuring or assessing the relevant output service levels and outcomes of the program activities; and

''(4) A description of the program evaluation to be used in comparing actual results with established goals and objectives.

''(g) ANNUAL REPORTS.—The state department of agriculture shall annually submit to the Secretary and make publicly available a report that describes—

''(1) The progress achieved, the funds expended, the purposes for which funds were expended and monitoring results obtained by

the agricultural stewardship planning committee or local advisory group, where applicable; and

''(2) The plans and objectives of the State for future activities under the program.

''(h) COORDINATION WITH FEDERAL AGENCIES.—To the maximum extent possible, the Secretary shall coordinate with other federal departments and agencies to acknowledge and ensure that the block grant program is consistent with and is meeting the needs and desired public benefits of other federal programs on a state-by-state basis.

''(i) PAYMENTS.—The agricultural stewardship program may be used as a means of providing compensation to owners and operators for implementing on-farm practices that enhance environmental goals. The type of financial assistance may be in the form of cost-share payments, incentive payments or Farmland Stewardship Agreements, as determined by guidelines established by the state department of agriculture and the agricultural stewardship planning committee.

''(j) PROGRAM EXPENDITURES.—States shall have flexibility to target resources where needed, including the ability to allocate dollars between payments to owners and operators or technical assistance based upon needs and priorities.

''(k) METHOD OF PAYMENT.—A state department of agriculture may collaborate with the agricultural stewardship planning committee or other local advisory group to determine payment levels and methods for individual program activities and projects, including any conditions, limitations or restrictions. Payments may be made—

''(1) To compensate for a verifiable or measurable loss;

''(2) Under a binding agreement providing for payments to carry out specific activities, measures, practices or services prioritized by the state department of agriculture, the agricultural stewardship planning committee or a local advisory board; or

''(3) To fund portions of projects and measures to complement other federal programs, including the Conservation Reserve Program, the Environmental Quality Incentives Program, the Wetlands Reserve Program, the Forestry Incentives Program, the Farmland Protection Program, and the Wildlife Habitat Incentives Program.''.

**SEC. 257. SMALL WATERSHED REHABILITATION PROGRAM.**

Section 14(h) of the Watershed Protection and Flood Prevention Act (16 U.S.C. 1012(h)) is amended—

(1) by adding ''and'' at the end of paragraph (1); and

(2) by striking all that follows paragraph (1) and inserting the following:

''(2) $15,000,000 for fiscal year 2002 and each succeeding fiscal year.''.

**SEC. 258. PROVISION OF ASSISTANCE FOR REPAUPO CREEK TIDE GATE AND DIKE RESTORATION PROJECT, NEW JERSEY.**

Notwithstanding section 403 of the Agricultural Credit Act of 1978 (16 U.S.C. 2203), the Secretary of Agriculture, acting through the Natural Resources Conservation Service, shall provide assistance for planning and implementation of the Repaupo Creek Tide Gate and Dike Restoration Project in the State of New Jersey.

**SEC. 259. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.**

Section 1256 of the Food Security Act of 1985 (16 U.S.C. 2101 note) is amended to read as follows:

**''SEC. 1256. GRASSROOTS SOURCE WATER PROTECTION PROGRAM.**

''(a) IN GENERAL.—The Secretary shall establish a national grassroots water protection program to more effectively use onsite technical assistance capabilities of each State rural water association that, as of the date of enactment of the Farm Security Act of 2001, operates a wellhead or groundwater protection program in the State.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $5,000,000 for each fiscal year.''.

**Subtitle G—Repeals**

**SEC. 261. PROVISIONS OF THE FOOD SECURITY ACT OF 1985.**

(a) WETLANDS MITIGATION BANKING PROGRAM.—Section 1222 of the Food Security Act of 1985 (16 U.S.C. 3822) is amended by striking subsection (k).

(b) CONSERVATION RESERVE PROGRAM.—

(1) REPEALS.—(A) Section 1234(f) of such Act (16 U.S.C. 3834(f)) is amended by striking paragraph (3) and by redesignating paragraph (4) as paragraph (3).

(B) Section 1236 of such Act (16 U.S.C. 3836) is repealed.

(2) CONFORMING AMENDMENTS.—(A) Section 1232(a)(5) of such Act (16 U.S.C. 3832(a)(5)) is amended by striking ''in addition to the remedies provided under section 1236(d),''.

(B) Section 1234(d)(4) of such Act (16 U.S.C. 3834(d)(4)) is amended by striking ''subsection (f)(4)'' and inserting ''subsection (f)(3)''.

(c) WETLANDS RESERVE PROGRAM.—Section 1237D(c) of such Act (16 U.S.C. 3837d(c)) is amended by striking paragraph (3).

(d) ENVIRONMENTAL EASEMENT PROGRAM.—

(1) REPEAL.—Chapter 3 of subtitle D of title XII of such Act (16 U.S.C. 3839–3839d) is repealed.

(2) CONFORMING AMENDMENT.—Section 1243(b)(3) of such Act (16 U.S.C. 3843(b)(3)) is amended by striking ''or 3''.

(e) CONSERVATION FARM OPTION.—Chapter 5 of subtitle D of title XII of such Act (16 U.S.C. 3839bb) is repealed.

**SEC. 262. NATIONAL NATURAL RESOURCES CONSERVATION FOUNDATION ACT.**

Subtitle F of title III of the Federal Agriculture Improvement and Reform Act of 1996 (16 U.S.C. 5801–5809) is repealed.

**TITLE III—TRADE**

**SEC. 301. MARKET ACCESS PROGRAM.**

Section 211(c)(1) of the Agricultural Trade Act of 1978 (7 U.S.C. 5641(c)(1)) is amended—

(1) by striking ''and not more'' and inserting ''not more'';

(2) by inserting ''and not more than $200,000,000 for each of fiscal years 2002 through 2011,'' after ''2002,''; and

(3) by striking ''2002'' and inserting ''2001''.

**SEC. 302. FOOD FOR PROGRESS.**

(a) IN GENERAL.—Subsections (f)(3), (g), (k), and (l)(1) of section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) are each amended by striking ''2002'' and inserting ''2011''.

(b) INCREASE IN FUNDING.—Section 1110(l)(1) of the Food Security Act of 1985 (7 U.S.C.1736o(l)(1)) is amended—

(1) by striking ''2002'' and inserting ''2011''; and

(2) by striking ''$10,000,000'' and inserting ''$15,000,000.

(c) EXCLUSION FROM LIMITATION.—Section 1110(e)(2) of the Food Security Act of 1985 (7 U.S.C. 1736o(e)(2)) is amended by inserting '', and subsection (g) does not apply to such commodities furnished on a grant basis or on credit terms under title I of the Agricultural Trade Development Act of 1954'' before the final period.

(d) TRANSPORTATION COSTS.—Section 1110(f)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(f)(3)) is amended by striking ''$30,000,000'' and inserting ''$40,000,000''.

(e) AMOUNTS OF COMMODITIES.—Section 1110(g) of the Food Security Act of 1985 (7 U.S.C. 1736o(g)) is amended by striking ''500,000'' and inserting ''1,000,000''.

(f) MULTIYEAR BASIS.—Section 1110(j) of the Food Security Act of 1985 (7 U.S.C. 1736o(j)) is amended—

(1) by striking ''may'' and inserting ''is encouraged''; and

(2) by inserting ''to'' before ''approve''.

(g) MONETIZATION.—Section 1110(l)(3) of the Food Security Act of 1985 (7 U.S.C. 1736o(l)(3)) is amended by striking ''local currencies'' and inserting ''proceeds''.

(h) NEW PROVISIONS.—Section 1110 of the Food Security Act of 1985 (7 U.S.C. 1736o) is amended by adding at the end the following:

''(p) The Secretary is encouraged to finalize program agreements and resource requests for programs under this section before the beginning of the relevant fiscal year. By November 1 of the relevant fiscal year, the Secretary shall provide 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 list of approved programs, countries, and commodities, and the total amounts of funds approved for transportation and administrative costs, under this section.''.

**SEC. 303. 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) by striking ''Foreign currencies'' and inserting ''Proceeds''; and

(B) by striking ''foreign currency''; and

(3) in clause (iv)—

(A) by striking ''Foreign currency proceeds'' and inserting ''Proceeds'';

(B) by striking ''country of origin'' the second place it appears and all that follows through ''as necessary to expedite'' and inserting ''country of origin as necessary to expedite'';

(C) by striking ''; or'' and inserting a period; and

(D) by striking subclause (II).

(b) IMPLEMENTATION OF AGREEMENTS.—Section 416(b)(8)(A) of the Agricultural Act of 1949 (7 U.S.C. 1431(b)(8)(A)) is amended—

(1) by inserting ''(i)'' after ''(A)''; and

(2) by adding at the end the following new clauses:

''(ii) The Secretary shall publish in the Federal Register, not later than October 31 of each fiscal year, an estimate of the commodities that shall be available under this section for that fiscal year.

''(iii) The Secretary is encouraged to finalize program agreements under this section not later than December 31 of each fiscal year.''.

**SEC. 304. EXPORT ENHANCEMENT PROGRAM.**

Section 301(e)(1)(G) of the Agricultural Trade Act of 1978 (7 U.S.C. 5651(e)(1)(G)) is amended by inserting ''and for each fiscal year thereafter through fiscal year 2011'' after ''2002''.

**SEC. 305. FOREIGN MARKET DEVELOPMENT COOPERATOR PROGRAM.**

(a) IN GENERAL.—Section 703 of the Agricultural Trade Act of 1978 (7 U.S.C.5723) is amended—

(1) by inserting ''(a) PRIOR YEARS.—'' before ''There'';

(2) by striking ''2002'' and inserting ''2001''; and

(3) by adding at the end the following new subsection:

''(b) FISCAL 2002 AND LATER.—For each of fiscal years 2002 through 2011 there are authorized to be appropriated such sums as may be necessary to carry out this title, and, in addition to any sums so appropriated, the Secretary shall use $37,000,000 of the funds of,

or an equal value of the commodities of, the Commodity Credit Corporation to carry out this title.''.

(b) VALUE ADDED PRODUCTS.—

(1) IN GENERAL.—Section 702(a) of the Agricultural Trade Act of 1978 (7 U.S.C. 5721 et seq.) is amended by inserting '', with a significant emphasis on the importance of the export of value-added United States agricultural products into emerging markets'' after ''products''.

(2) REPORT TO CONGRESS.—Section 702 of the Agricultural Trade Act of 1978 (7 U.S.C. 5722) is amended by adding at the end the following:

''(c) REPORT TO CONGRESS.—

''(1) IN GENERAL.—The Secretary shall report annually to appropriate congressional committees the amount of funding provided, types of programs funded, the value added products that have been targeted, and the foreign markets for those products that have been developed.

''(2) DEFINITION.—In this subsection, 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.''.

**SEC. 306. EXPORT CREDIT GUARANTEE PROGRAM.**

(a) 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 ''2011''.

(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 2011''.

**SEC. 307. FOOD FOR PEACE (PUBLIC LAW 480).**

The Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1691 et seq.) is amended—

(1) in section 2 (7 U.S.C. 1691), by striking paragraph (2) and inserting the following:

''(2) promote broad-based, equitable, and sustainable development, including agricultural development as well as conflict prevention;'';

(2) in section 202(e)(1) (7 U.S.C. 1722(e)(1)), by striking ''not less than $10,000,000, and not more than $28,000,000'' and inserting ''not less than 5 percent and not more than 10 percent of such funds'';

(3) in section 203(a) (7 U.S.C. 1723(a)), by striking ''the recipient country, or in a country'' and inserting ''one or more recipient countries, or one or more countries'';

(4) in section 203(c) (7 U.S.C. 1723(c))—

(A) by striking ''foreign currency''; and

(B) by striking ''the recipient country, or in a country'' and inserting ''one or more recipient countries, or one or more countries'';

(5) in section 203(d) (7 U.S.C. 1723(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 ''one or more recipient countries, or one or more countries''; and

(C) in paragraph (3), by inserting a comma after ''invested'' and ''used'';

(6) in section 204(a) (7 U.S.C. 1724(a))—

(A) by striking ''1996 through 2002'' and inserting ''2002 through 2011''; and

(B) by striking ''2,025,000'' and inserting ''2,250,000'';

(7) in section 205(f) (7 U.S.C. 1725(f)), by striking ''2002'' and inserting ''2011'';

(8) by striking section 206 (7 U.S.C. 1726);

(9) in section 207(a) (7 U.S.C. 1726a(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 non-emergency food assistance agreement under this title shall identify the recipient country or countries subject to the agreement.

''(2) TIME FOR DECISION.—Not later than 120 days after receipt by the Administrator of a proposal submitted by an eligible organization under this title, the Administrator shall make a decision concerning such proposal.'';

(10) in section 208(f), by striking ''2002'' and inserting ''2011'';

(11) in section 403 (7 U.S.C. 1733), by inserting after subsection (k) the following:

''(l) SALES PROCEDURES.—Subsections (b) and (h) shall apply to sales of commodities to generate proceeds for titles II and III of this Act, section 416(b) of the Agricultural Act of 1949, and section 1110 of the Food and Security Act of 1985. Such sales transactions may be in United States dollars and other currencies.'';

(12) in section 407(c)(4), by striking ''2001 and 2002'' and inserting ''2001 through 2011'';

(13) in section 407(c)(1) (7 U.S.C. 1736a(c)(1))—

(A) by striking ''The Administrator'' and inserting ''(A) The Administrator''; and

(B) by adding at the end the following:

''(B) In the case of commodities made available for nonemergency assistance under title II for least developed countries that meet the poverty and other eligibility criteria established by the International Bank for Reconstruction and Development for financing under the International Development Association, the Administrator may pay the transportation costs incurred in moving the commodities from designated points of entry or ports of entry abroad to storage and distribution sites and associated storage and distribution costs.''.

(14) in section 408, by striking ''2002'' and inserting ''2011''; and

(15) in section 501(c), by striking ''2002'' and inserting ''2011''.

**SEC. 308. EMERGING MARKETS.**

Section 1542 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5622 note) is amended—

(1) in subsections (a) and (d)(1)(A)(i), by striking ''2002'' and inserting ''2011''; and

(2) in subsection (d)(1)(H), by striking ''$10,000,000 in any fiscal year'' and inserting ''$13,000,000 for each of fiscal years 2002 through 2011''.

**SEC. 309. BILL EMERSON HUMANITARIAN TRUST.**

Subsections (b)(2)(B)(i), (h)(1), and (h)(2) of section 302 of the Bill Emerson Humanitarian Trust Act (7 U.S.C. 1736f–1) are each amended by striking ''2002'' and inserting ''2011''.

**SEC. 310. TECHNICAL ASSISTANCE FOR SPECIALTY CROPS.**

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish an export assistance program (referred to in this section as the ''program'') to address unique barriers that prohibit or threaten the export of United States specialty crops.

(b) PURPOSE.—The program shall provide direct assistance through public and private sector projects and technical assistance to remove, resolve, or mitigate sanitary and phytosanitary and related barriers to trade.

(c) PRIORITY.—The program shall address time sensitive and strategic market access projects based on—

(1) trade effect on market retention, market access, and market expansion; and

(2) trade impact.

(d) FUNDING.—The Secretary shall make available $3,000,000 for each of fiscal years 2002 through 2011 of the funds of, or an equal value of commodities owned by, the Commodity Credit Corporation.

**SEC. 311. FARMERS FOR AFRICA AND CARIBBEAN BASIN PROGRAM.**

(a) FINDINGS.—Congress finds the following:

(1) Many African farmers and farmers in Caribbean Basin countries use antiquated techniques to produce their crops, which result in poor crop quality and low crop yields.

(2) Many of these farmers are losing business to farmers in European and Asian countries who use advanced planting and production techniques and are supplying agricultural produce to restaurants, resorts, tourists, grocery stores, and other consumers in Africa and Caribbean Basin countries.

(3) A need exists for the training of African farmers and farmers in Caribbean Basin countries and other developing countries in farming techniques that are appropriate for the majority of eligible farmers in African or Caribbean countries, including standard growing practices, insecticide and sanitation procedures, and other farming methods that will produce increased yields of more nutritious and healthful crops.

(4) African-American and other American farmers, as well as banking and insurance professionals, are a ready source of agribusiness expertise that would be invaluable for African farmers and farmers in Caribbean Basin countries.

(5) A United States commitment is appropriate to support the development of a comprehensive agricultural skills training program for these farmers that focuses on—

(A) improving knowledge of insecticide and sanitation procedures to prevent crop destruction;

(B) teaching modern farming techniques, including the identification and development of standard growing practices and the establishment of systems for recordkeeping, that would facilitate a continual analysis of crop production;

(C) the use and maintenance of farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries;

(D) expansion of small farming operations into agribusiness enterprises through the development and use of village banking systems and the use of agricultural risk insurance pilot products, resulting in increased access to credit for these farmers; and

(E) marketing crop yields to prospective purchasers (businesses and individuals) for local needs and export.

(6) The participation of African-American and other American farmers and American agricultural farming specialists in such a training program promises the added benefit of improving access to African and Caribbean Basin markets for American farmers and United States farm equipment and products and business linkages for United States insurance providers offering technical assistance on, among other things, agricultural risk insurance products.

(7) Existing programs that promote the exchange of agricultural knowledge and expertise through the exchange of American and foreign farmers have been effective in promoting improved agricultural techniques and food security, and, thus, the extension of additional resources to such farmer-to- farmer exchanges is warranted.

(b) DEFINITIONS.—In this section:

(1) AGRICULTURAL FARMING SPECIALIST.—The term ''agricultural farming specialist'' means an individual trained to transfer information and technical support relating to agribusiness, food security, the mitigation and alleviation of hunger, the mitigation of agricultural and farm risk, maximization of crop yields, agricultural trade, and other

needs specific to a geographical location as determined by the President.

(2) CARIBBEAN BASIN COUNTRY.—The term ''Caribbean Basin country'' means a country eligible for designation as a beneficiary country under section 212 of the Caribbean Basin Economic Recovery Act (19 U.S.C. 2702).

(3) ELIGIBLE FARMER.—The term ''eligible farmer'' means an individual owning or working on farm land (as defined by a particular country's laws relating to property) in the sub-Saharan region of the continent of Africa, in a Caribbean Basin country, or in any other developing country in which the President determines there is a need for farming expertise or for information or technical support described in paragraph (1).

(4) PROGRAM.—The term ''Program'' means the Farmers for Africa and Caribbean Basin Program established under this section.

(c) ESTABLISHMENT OF PROGRAM.—The President shall establish a grant program, to be known as the ''Farmers for Africa and Caribbean Basin Program'', to assist eligible organizations in carrying out bilateral exchange programs whereby African-American and other American farmers and American agricultural farming specialists share technical knowledge with eligible farmers regarding—

(1) maximization of crop yields;

(2) use of agricultural risk insurance as financial tools and a means of risk management (as allowed by Annex II of the World Trade Organization rules);

(3) expansion of trade in agricultural products;

(4) enhancement of local food security;

(5) the mitigation and alleviation of hunger;

(6) marketing agricultural products in local, regional, and international markets; and

(7) other ways to improve farming in countries in which there are eligible farmers.

(d) ELIGIBLE GRANTEES.—The President may make a grant under the Program to—

(1) a college or university, including a historically black college or university, or a foundation maintained by a college or university; and

(2) a private organization or corporation, including grassroots organizations, with an established and demonstrated capacity to carry out such a bilateral exchange program.

(e) TERMS OF PROGRAM.—(1) It is the goal of the Program that at least 1,000 farmers participate in the training program by December 31, 2005, of which 80 percent of the total number of participating farmers will be African farmers or farmers in Caribbean Basin countries and 20 percent of the total number of participating farmers will be American farmers.

(2) Training under the Program will be provided to eligible farmers in groups to ensure that information is shared and passed on to other eligible farmers. Eligible farmers will be trained to be specialists in their home communities and will be encouraged not to retain enhanced farming technology for their own personal enrichment.

(3) Through partnerships with American businesses, the Program will utilize the commercial industrial capability of businesses dealing in agriculture to train eligible farmers on farming equipment that is appropriate for the majority of eligible farmers in African or Caribbean Basin countries and to introduce eligible farmers to the use of insurance as a risk management tool.

(f) SELECTION OF PARTICIPANTS.—(1) The selection of eligible farmers, as well as African-American and other American farmers and agricultural farming specialists, to participate in the Program shall be made by grant recipients using an application process approved by the President.

(2) Participating farmers must have sufficient farm or agribusiness experience and have obtained certain targets regarding the productivity of their farm or agribusiness.

(g) GRANT PERIOD.—The President may make grants under the Program during a period of 5 years beginning on October 1 of the first fiscal year for which funds are made available to carry out the Program.

(h) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2011.

**SEC. 312. GEORGE MCGOVERN-ROBERT DOLE INTERNATIONAL FOOD FOR EDUCATION AND CHILD NUTRITION PROGRAM.**

(a) IN GENERAL.—The President may, subject to subsection (j), direct the procurement of commodities and the provision of financial and technical assistance to carry out—

(1) preschool and school feeding programs in foreign countries to improve food security, reduce the incidence of hunger, and improve literacy and primary education, particularly with respect to girls; and

(2) maternal, infant, and child nutrition programs for pregnant women, nursing mothers, infants, and children who are 5 years of age or younger.

(b) ELIGIBLE COMMODITIES AND COST ITEMS.—Notwithstanding any other provision of law—

(1) any agricultural commodity is eligible for distribution under this section;

(2) as necessary to achieve the purposes of this section—

(A) funds may be used to pay the transportation costs incurred in moving commodities (including prepositioned commodities) provided under this section from the designated points of entry or ports of entry of one or more recipient countries to storage and distribution sites in these countries, and associated storage and distribution costs;

(B) funds may be used to pay the costs of activities conducted in the recipient countries by a nonprofit voluntary organization, cooperative, or intergovernmental agency or organization that would enhance the effectiveness of the activities implemented by such entities under this section; and

(C) funds may be provided to meet the allowable administrative expenses of private voluntary organizations, cooperatives, or intergovernmental organizations which are implementing activities under this section; and

(3) for the purposes of this section, the term ''agricultural commodities'' includes any agricultural commodity, or the products thereof, produced in the United States.

(c) GENERAL AUTHORITIES.—The President shall designate one or more Federal agencies to—

(1) implement the program established under this section;

(2) ensure that the program established under this section is consistent with the foreign policy and development assistance objectives of the United States; and

(3) consider, in determining whether a country should receive assistance under this section, whether the government of the country is taking concrete steps to improve the preschool and school systems in its country.

(d) ELIGIBLE RECIPIENTS.—Assistance may be provided under this section to private voluntary organizations, cooperatives, intergovernmental organizations, governments and their agencies, and other organizations.

(e) PROCEDURES.—

(1) IN GENERAL.—In carrying out subsection (a) the President shall assure that procedures are established that—

(A) provide for the submission of proposals by eligible recipients, each of which may include one or more recipient countries, for commodities and other assistance under this section;

(B) provide for eligible commodities and assistance on a multi-year basis;

(C) ensure eligible recipients demonstrate the organizational capacity and the ability to develop, implement, monitor, report on, and provide accountability for activities conducted under this section;

(D) provide for the expedited development, review, and approval of proposals submitted in accordance with this section;

(E) ensure monitoring and reporting by eligible recipients on the use of commodities and other assistance provided under this section; and

(F) allow for the sale or barter of commodities by eligible recipients to acquire funds to implement activities that improve the food security of women and children or otherwise enhance the effectiveness of programs and activities authorized under this section.

(2) PRIORITIES FOR PROGRAM FUNDING.—In carrying out paragraph (1) with respect to criteria for determining the use of commodities and other assistance provided for programs and activities authorized under this section, the implementing agency may consider the ability of eligible recipients to—

(A) identify and assess the needs of beneficiaries, especially malnourished or undernourished mothers and their children who are 5 years of age or younger, and school-age children who are malnourished, undernourished, or do not regularly attend school;

(B)(i) in the case of preschool and school-age children, target low-income areas where children's enrollment and attendance in school is low or girls' enrollment and participation in preschool or school is low, and incorporate developmental objectives for improving literacy and primary education, particularly with respect to girls; and

(ii) in the case of programs to benefit mothers and children who are 5 years of age or younger, coordinate supplementary feeding and nutrition programs with existing or newly-established maternal, infant, and children programs that provide health-needs interventions, and which may include maternal, prenatal, and postnatal and newborn care;

(C) involve indigenous institutions as well as local communities and governments in the development and implementation to foster local capacity building and leadership; and

(D) carry out multiyear programs that foster local self-sufficiency and ensure the longevity of recipient country programs.

(f) USE OF FOOD AND NUTRITION SERVICE.—The Food and Nutrition Service of the Department of Agriculture may provide technical advice on the establishment of programs under subsection (a)(1) and on their implementation in the field in recipient countries.

(g) MULTILATERAL INVOLVEMENT.—The President is urged to engage existing international food aid coordinating mechanisms to ensure multilateral commitments to, and participation in, programs like those supported under this section. The President shall report annually to the Committee on International Relations and the Committee on Agriculture of the United States House of Representatives and the Committee on Foreign Relations and the Committee on Agriculture, Nutrition, and Forestry of the United States Senate on the commitments and activities of governments, including the United States government, in the global effort to reduce child hunger and increase school attendance.

(h) PRIVATE SECTOR INVOLVEMENT.—The President is urged to encourage the support and active involvement of the private sector,

foundations, and other individuals and organizations in programs assisted under this section.

(i) REQUIREMENT TO SAFEGUARD LOCAL PRODUCTION AND USUAL MARKETING.—The requirement of section 403(a) of the Agricultural Trade Development and Assistance Act of 1954 (7 U.S.C. 1733(a) and 1733(h)) applies with respect to the availability of commodities under this section.

(j) FUNDING.—

(1) IN GENERAL.—There are authorized to be appropriated such sums as may be necessary to carry out this section for each of fiscal years 2002 through 2011. Nothing in this section shall be interpreted to preclude the use of authorities in effect before the date of the enactment of this Act to carry out the ongoing Global Food for Education Initiative.

(2) ADMINISTRATIVE EXPENSES.—Funds made available to carry out the purposes of this section may be used to pay the administrative expenses of any agency of the Federal Government implementing or assisting in the implementation of this section.

**SEC. 313. STUDY ON FEE FOR SERVICES.**

(a) STUDY.—Not later than 1 year after the date of the enactment of this Act, the Secretary shall provide a report to the designated congressional committees on the feasibility of instituting a program which would charge and retain a fee to cover the costs for providing persons with commercial services performed abroad on matters within the authority of the Department of Agriculture administered through the Foreign Agriculture Service or any successor agency.

(b) DEFINITION.—In this section, the term ''designated congressional committees'' means 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.

**SEC. 314. NATIONAL EXPORT STRATEGY REPORT.**

(a) REPORT.—Not later than 1 year after the date of the enactment of this Act, the Secretary of Agriculture shall provide to the designated congressional committees a report on the policies and programs that the Department of Agriculture has undertaken to implement the National Export Strategy Report. The report shall contain a description of the effective coordination of these policies and programs through all other appropriate Federal agencies participating in the Trade Promotion Coordinating Committee and the steps the Department of Agriculture is taking to reduce the level of protectionism in agricultural trade, to foster market growth, and to improve the commercial potential of markets in both developed and developing countries for United States agricultural commodities.

(b) DEFINITION.—In this section, the term ''designated congressional committees'' means 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.

## TITLE IV—NUTRITION PROGRAMS

### Subtitle A—Food Stamp Program

**SEC. 401. SIMPLIFIED DEFINITION OF INCOME.**

Section 5(d) of the Food Stamp Act of 1977 (7 U.S.C. 2014(d)) is amended—

(1) in paragraph (3)—

(A) by striking ''and (C)'' and inserting ''(C)''; and

(B) by inserting after ''premiums,'' the following:

''and (D) to the extent that any other educational loans on which payment is deferred, grants, scholarships, fellowships, veterans' educational benefits, and the like, are required to be excluded under title XIX of the Social Security Act, the state agency may exclude it under this subsection,'';

(2) by striking ''and (15)'' and inserting ''(15)'';

(3) by inserting before the period at the end the following:

'', (16) any state complementary assistance program payments that are excluded pursuant to subsections (a) and (b) of section 1931 of title XIX of the Social Security Act, and (17) at the option of the State agency, any types of income that the State agency does not consider when determining eligibility for 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 shall not authorize a State agency to exclude earned income, payments under title I, II, IV, X, XIV, or XVI of the Social Security Act, or such other types of income whose consideration the Secretary determines essential to equitable determinations of eligibility and benefit levels except to the extent that those types of income may be excluded under other paragraphs of this subsection''.

**SEC. 402. STANDARD DEDUCTION.**

Section 5(e)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)(1)) is amended—

(1) by striking ''of $134, $229, $189, $269, and $118'' and inserting ''equal to 9.7 percent of the eligibility limit established under section 5(c)(1) for fiscal year 2002 but not more than 9.7 percent of the eligibility limit established under section 5(c)(1) for a household of six for fiscal year 2002 nor less than $134, $229, $189, $269, and $118''; and

(2) by inserting before the period at the end the following:

'', except that the standard deduction for Guam shall be determined with reference to 2 times the eligibility limits under section 5(c)(1) for fiscal year 2002 for the 48 contiguous states and the District of Columbia''.

**SEC. 403. 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 may provide transitional food stamp benefits to a household that is no longer eligible 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.—During the transitional benefits period under paragraph (2), a household shall receive an amount equal to the allotment received in the month immediately preceding the date on which cash assistance is terminated. A household receiving benefits under this subsection may apply for recertification at any time during the transitional benefit period. If a household reapplies, its allotment shall be determined without regard to this subsection for all subsequent months.

''(4) DETERMINATION OF FUTURE ELIGIBILITY.—In the final month of the transitional benefits period under paragraph (2), the State agency may—

''(A) require a household to cooperate in a redetermination of eligibility to receive an authorization card; and

''(B) renew eligibility for a new certification period for the household without regard to whether the previous certification period has expired.

''(5) LIMITATION.—A household sanctioned under section 6, or for a failure to perform an action required by Federal, State, or local law relating to such cash assistance program, shall not be eligible for transitional benefits under this subsection.''.

(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 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. 404. QUALITY CONTROL SYSTEMS.**

(a) TARGETED QUALITY CONTROL SYSTEM.—Section 16(c) of the Food Stamp Act of 1977 (7 U.S.C. 2025(c)) is amended—

(1) in paragraph (1)(C)—

(A) in the matter preceding clause (i), by inserting ''the Secretary determines that a 95 percent statistical probability exists that for the 3d consecutive year'' after ''year in which''; and

(B) in clause (i)(II)(aa)(bbb) by striking ''the national performance measure for the fiscal year'' and inserting ''10 percent'';

(2) in the 1st sentence of paragraph (4)—

(A) by striking ''or claim'' and inserting ''claim''; and

(B) by inserting ''or performance under the measures established under paragraph (10),'' after ''for payment error,'';

(3) in paragraph (5), by inserting ''to comply with paragraph (10) and'' before ''to establish'';

(4) in the 1st sentence of paragraph (6), by inserting ''one percentage point more than'' after ''measure that shall be''; and

(5) by inserting at the end the following:

''(10)(A) In addition to the measures established under paragraph (1), the Secretary shall measure the performance of State agencies in each of the following regards—

''(i) compliance with the deadlines established under paragraphs (3) and (9) of section 11(e); and

''(ii) the percentage of negative eligibility decisions that are made correctly.

''(B) For each fiscal year, the Secretary shall make excellence bonus payments of $1,000,000 each to the 5 States with the highest combined performance in the 2 measures in subparagraph (A) and to the 5 States whose combined performance under the 2 measures in subparagraph (A) most improved in such fiscal year.

''(C) For any fiscal year in which the Secretary determines that a 95 percent statistical probability exists that a State agency's performance with respect to any of the 2 performance measures established in subparagraph (A) is substantially worse than a level the Secretary deems reasonable, other than for good cause shown, the Secretary shall investigate that State agency's administration of the food stamp program. If this investigation determines that the State's administration has been deficient, the Secretary shall require the State agency to take prompt corrective action.''.

(b) IMPLEMENTATION.—The amendment made by subsection (a)(5) shall apply to all fiscal years beginning on or after October 1, 2001, and ending before October 1, 2007. All other amendments made by this section shall apply to all fiscal years beginning on or after October 1, 1999.

**SEC. 405. SIMPLIFIED APPLICATION AND ELIGIBILITY DETERMINATION SYSTEMS.**

Section 16 of the Food Stamp Act of 1977 (7 U.S.C. 2025) is amended by inserting at the end the following:

''(1) SIMPLIFICATION OF SYSTEMS.—The Secretary shall expend up to $9,500,000 million in each fiscal year to pay 100 percent of the costs of State agencies to develop and implement simple application and eligibility determination systems.''.

**SEC. 406. AUTHORIZATION OF APPROPRIATIONS.**

(a) EMPLOYMENT AND TRAINING PROGRAMS.—Section 16(h)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(1)) is amended—

(1) in subparagraph (A)(vii) by striking ''fiscal year 2002'' and inserting ''each of the fiscal years 2003 through 2011''; and

(2) in subparagraph (B) by striking ''2002'' and inserting ''2011''.

(b) COST ALLOCATION.—Section 16(k)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(k)(3)) is amended—

(1) in subparagraph (A) by striking ''2002'' and inserting ''2011''; and

(2) in subparagraph (B)(ii) by striking ''2002'' and inserting ''2011''.

(c) 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 ''2011''.

(d) OUTREACH DEMONSTRATION PROJECTS.—Section 17(i)(1)(A) of the Food Stamp Act of 1977 (7 U.S.C. 2026(i)(1)(A)) is amended by striking ''1992 through 2002'' and inserting ''2003 through 2011''.

(e) AUTHORIZATION OF APPROPRIATIONS.—Section 18(a)(1) of the Food Stamp Act of 1977 (7 U.S.C. 2027(a)(1)) is amended by striking ''1996 through 2002'' and inserting ''2003 through 2011''.

(f) PUERTO RICO.—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) in clause (ii) by striking ''and'' at the end;

(B) in clause (iii) by adding ''and'' at the end; and

(C) by inserting after clause (iii) the following:

''(iv) for each of fiscal years 2003 through 2011, the amount equal to the amount required to be paid under this subparagraph for the preceding fiscal year, as adjusted by the percentage by which the thrifty food plan is adjusted under section 3(o)(4) for the current fiscal year for which the amount is determined under this clause;''; and

(2) in subparagraph (B)—

(A) by inserting ''(i)'' after ''(B)''; and

(B) by adding at the end the following:

''(ii) Notwithstanding subparagraph (A) and clause (i), the Commonwealth may spend up to $6,000,000 of the amount required under subparagraph (A) to be paid for fiscal year 2002 to pay 100 percent of the cost to upgrade and modernize the electronic data processing system used to provide such food assistance and to implement systems to simplify the determination of eligibility to receive such assistance.''.

(g) TERRITORY OF AMERICAN SAMOA.—Section 24 of the Food Stamp Act of 1977 (7 U.S.C. 2033) is amended—

(1) by striking ''Effective October 1, 1995, from'' and inserting ''From''; and

(2) by striking ''$5,300,000 for each of fiscal years 1996 through 2002'' and inserting ''$5,750,000 for fiscal year 2002 and $5,800,000 for each of fiscal years 2003 though 2011''.

(h) ASSISTANCE FOR COMMUNITY FOOD PROJECTS.—Section 25(b)(2) of the Food Stamp Act of 1977 (7 U.S.C. 2034(b)(2)) is amended—

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

(2) in subparagraph (B)—

(A) by striking ''2002'' and inserting ''2001''; and

(B) by striking the period at the end and inserting ''; and''; and

(3) by inserting after subparagraph (B) the following:

''(C) $7,500,000 for each of the fiscal years 2002 through 2011.''.

(i) AVAILABILITY OF COMMODITIES FOR THE EMERGENCY FOOD ASSISTANCE PROGRAM.—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 2011''; and

(B) by striking ''$100,000,000'' and inserting ''$140,000,000''; and

(2) by adding at the end the following:

''(c) USE OF FUNDS FOR RELATED COSTS.—For each of the fiscal years 2002 through 2011, the Secretary shall use $10,000,000 of the funds made available under subsection (a) to pay for the direct and indirect costs of the States related to the processing, storing, transporting, and distributing to eligible recipient agencies of commodities purchased by the Secretary under such subsection and commodities secured from other sources, including commodities secured by gleaning (as defined in section 111 of the Hunger Prevention Act of 1988 (7 U.S.C. 612c note)).''.

(j) SPECIAL EFFECTIVE DATE.—The amendments made by subsections (g), (h), and (i) shall take effect on October 1, 2001.

**Subtitle B—Commodity Distribution**

**SEC. 441. DISTRIBUTION OF SURPLUS COMMODITIES TO SPECIAL NUTRITION PROJECTS.**

Section 1114(a) of the Agriculture and Food Act of 1981 (7 U.S.C. 1431e) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 442. COMMODITY SUPPLEMENTAL FOOD PROGRAM.**

The Agriculture and Consumer Protection Act of 1973 (7 U.S.C. 612c note) is amended—

(1) in section 4(a) by striking ''1991 through 2002'' and inserting ''2003 through 2011''; and

(2) in subsections (a)(2) and (d)(2) of section 5 by striking ''1991 through 2002'' and inserting ''2003 through 2011''.

**SEC. 443. EMERGENCY FOOD ASSISTANCE.**

The 1st sentence of section 204(a)(1) of the Emergency Food Assistance Act of 1983 (7 U.S.C. 7508(a)(1)) is amended—

(1) by striking ''1991 through 2002'' and inserting ''2003 through 2011'';

(2) by striking ''administrative''; and

(3) by inserting ''storage,'' after ''processing,''.

**Subtitle C—Miscellaneous Provisions**

**SEC. 461. HUNGER FELLOWSHIP PROGRAM.**

(a) SHORT TITLE; FINDINGS.—

(1) SHORT TITLE.—This section may be cited as the ''Congressional Hunger Fellows Act of 2001''.

(2) FINDINGS.—The Congress finds as follows:

(A) There is a critical need for compassionate individuals who are committed to assisting people who suffer from hunger as well as a need for such individuals to initiate and administer solutions to the hunger problem.

(B) Bill Emerson, the distinguished late Representative from the 8th District of Missouri, demonstrated his commitment to solving the problem of hunger in a bipartisan manner, his commitment to public service, and his great affection for the institution and the ideals of the United States Congress.

(C) George T. (Mickey) Leland, the distinguished late Representative from the 18th District of Texas, demonstrated his compassion for those in need, his high regard for public service, and his lively exercise of political talents.

(D) 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.

(E) These two 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, and therefore it is especially appropriate to honor the memory of Mr. Emerson and Mr. Leland by creating a fellowship program to develop and train the future leaders of the United States to pursue careers in humanitarian service.

(b) ESTABLISHMENT.—There is established as an independent entity of the legislative branch of the United States Government the Congressional Hunger Fellows Program (hereinafter in this section referred to as the ''Program'').

(c) 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 OF TRUSTEES.—

(A) APPOINTMENT.—The Board shall be composed of 6 voting members appointed under clause (i) and one nonvoting ex officio member designated in clause (ii) as follows:

(i) VOTING MEMBERS.—(I) The Speaker of the House of Representatives shall appoint two members.

(II) The minority leader of the House of Representatives shall appoint one member.

(III) The majority leader of the Senate shall appoint two members.

(IV) The minority leader of the Senate shall appoint one member.

(ii) NONVOTING MEMBER.—The Executive Director of the program shall serve as a nonvoting ex officio member of the Board.

(B) TERMS.—Members of the Board shall serve a term of 4 years.

(C) VACANCY.—

(i) AUTHORITY OF BOARD.—A vacancy in the membership of the Board does not affect the power of the remaining members to carry out this section.

(ii) APPOINTMENT OF SUCCESSORS.—A vacancy in the membership of the Board shall be filled in the same manner in which the original appointment was made.

(iii) INCOMPLETE TERM.—If a member of the Board does not serve the full term applicable to 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.

(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), members of the Board may not receive compensation for service on the Board.

(ii) TRAVEL.—Members of the Board may be reimbursed for travel, subsistence, and other necessary expenses incurred in carrying out the duties of the program.

(3) DUTIES.—

(A) BYLAWS.—

(i) ESTABLISHMENT.—The Board shall establish such bylaws and other regulations as may be appropriate to enable the Board to carry out this section, including the duties described in this paragraph.

(ii) CONTENTS.—Such bylaws and other regulations shall include provisions—

(I) for appropriate fiscal control, funds accountability, and operating principles;

(II) to prevent any conflict of interest, or the appearance of any conflict of interest, in the procurement and employment actions taken by the Board or by any officer or employee of the Board and in 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) TRANSMITTAL TO CONGRESS.—Not later than 90 days after the date of the first meeting of the Board, the Chairperson of the Board shall transmit to the appropriate congressional committees a copy of such bylaws.

(B) BUDGET.—For each fiscal year the program is in operation, the Board shall determine a budget for the program for that fiscal year. All spending by the program shall be pursuant to such 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 of Trustees shall determine the priority of the programs to be carried out under this section and the amount of funds to be allocated for the Emerson and Leland fellowships.

(d) 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, to recognize the needs of people who are hungry and poor, and to provide assistance and compassion for those in need;

(B) to increase awareness of the importance of public service; and

(C) to provide training and development opportunities for such leaders through placement in programs operated by appropriate organizations or entities.

(2) AUTHORITY.—The program is authorized to develop such fellowships to carry out the purposes of this section, 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 OF BILL EMERSON HUNGER FELLOWSHIP.—The Bill Emerson Hunger Fellowship shall address hunger and other humanitarian needs in the United States.

(iii) FOCUS OF MICKEY LELAND HUNGER FELLOWSHIP.—The Mickey Leland Hunger Fellowship shall address international hunger and other humanitarian needs.

(iv) WORKPLAN.—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 specific duties and responsibilities related to those objectives.

(C) PERIOD OF FELLOWSHIP.—

(i) EMERSON FELLOW.—A Bill Emerson Hunger Fellowship awarded under this paragraph shall be for no more than 1 year.

(ii) LELAND FELLOW.—A Mickey Leland Hunger Fellowship awarded under this paragraph shall be for no more than 2 years. Not less than 1 year of the fellowship shall be dedicated to fulfilling the requirement of subparagraph (B)(i)(I).

(D) SELECTION OF FELLOWS.—

(i) IN GENERAL.—A fellowship shall be awarded pursuant to 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) a commitment to social change;

(III) leadership potential or actual leadership experience;

(IV) diverse life experience;

(V) proficient writing and speaking skills;

(VI) an ability to live in poor or diverse communities; and

(VII) such other attributes as determined to be appropriate by the Board.

(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 fellowship from the Bill Emerson Hunger Fellowship shall be known as an ''Emerson Fellow''.

(II) LELAND FELLOW.—An individual awarded a fellowship from the Mickey Leland Hunger Fellowship shall be known as a ''Leland Fellow''.

(4) EVALUATION.—The program shall conduct periodic evaluations of the Bill Emerson and Mickey Leland Hunger Fellowships. Such evaluations shall include the following:

(A) An assessment of the successful completion of the work plan of the fellow.

(B) An assessment of the impact of the fellowship on the fellows.

(C) An assessment of the accomplishment of the purposes of the program.

(D) An assessment of the impact of the fellow on the community.

(e) TRUST FUND.—

(1) ESTABLISHMENT.—There is established the Congressional Hunger Fellows Trust Fund (hereinafter in this section referred to as the ''Fund'') in the Treasury of the United States, consisting of amounts appropriated to the Fund under subsection (i), amounts credited to it under paragraph (3), and amounts received under subsection (g)(3)(A).

(2) INVESTMENT OF FUNDS.—The Secretary of the Treasury shall invest the full amount of the Fund. Each investment shall be made 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 in consultation with the Board, has a maturity suitable for the Fund.

(3) RETURN ON INVESTMENT.—Except as provided in subsection (f)(2), the Secretary of the Treasury shall credit to the Fund the interest on, and the proceeds from the sale or redemption of, obligations held in the Fund.

(f) EXPENDITURES; AUDITS.—

(1) IN GENERAL.—The Secretary of the Treasury shall transfer to the program from the amounts described in subsection (e)(3) and subsection (g)(3)(A) such sums as the Board determines are necessary to enable the program to carry out the provisions of this section.

(2) LIMITATION.—The Secretary may not transfer to the program the amounts appropriated to the Fund under subsection (i).

(3) USE OF FUNDS.—Funds transferred to the program under paragraph (1) shall be used for the following purposes:

(A) STIPENDS FOR FELLOWS.—To provide for a living allowance for the fellows.

(B) TRAVEL OF FELLOWS.—To defray the costs of transportation of the fellows to the fellowship placement sites.

(C) INSURANCE.—To defray the costs of appropriate insurance of the fellows, the program, and the Board.

(D) TRAINING OF FELLOWS.—To defray the costs of preservice and midservice education and training of fellows.

(E) SUPPORT STAFF.—Staff described in subsection (g).

(F) AWARDS.—End-of-service awards under subsection (d)(3)(D)(iii)(II).

(G) ADDITIONAL APPROVED USES.—For such other purposes that the Board determines appropriate to carry out the program.

(4) AUDIT BY GAO.—

(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 all other papers, things, or property belonging to or in use by the program and necessary to facilitate such audit.

(C) REPORT TO CONGRESS.—The Comptroller General shall submit a copy of the results of each such audit to the appropriate congressional committees.

(g) STAFF; POWERS OF PROGRAM.—

(1) EXECUTIVE DIRECTOR.—

(A) IN GENERAL.—The Board shall appoint an Executive Director of the program who shall administer the program. The Executive Director shall carry out such other functions consistent with the provisions of 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 of basic pay 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 additional personnel as the Executive Director considers necessary and appropriate to carry out the functions of the provisions of this section.

(B) COMPENSATION.—An individual appointed under subparagraph (A) shall be paid at a rate not to exceed the rate of basic pay payable for level GS–15 of the General Schedule.

(3) POWERS.—In order to carry out the provisions of this section, the program may perform the following functions:

(A) GIFTS.—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. Gifts, bequests, or devises of money and proceeds from sales of other property received as gifts, bequests, or devises shall be deposited in the Fund and shall be available for disbursement upon order of the Board.

(B) EXPERTS AND CONSULTANTS.—The program may procure temporary and intermittent services under section 3109 of title 5, United States Code, but at rates for individuals not to exceed the daily equivalent of the maximum annual rate of basic pay payable for GS–15 of the General Schedule.

(C) CONTRACT AUTHORITY.—The program may contract, with the approval of a majority of the members of the Board, 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.—The program shall make such other expenditures which the program considers necessary to carry out the provisions of this section, but excluding project development.

(h) 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 previous fiscal year, and shall include the following:

(1) An analysis of the evaluations conducted under subsection (d)(4) (relating to evaluations of the Emerson and Leland fellowships and accomplishment of the program purposes) during that fiscal year.

(2) A statement of the total amount of funds attributable to gifts received by the program in that fiscal year (as authorized under subsection (g)(3)(A)), and the total amount of such funds that were expended to carry out the program that fiscal year.

(i) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated $18,000,000 to carry out the provisions of this section.

(j) DEFINITION.—In this section, the term ''appropriate congressional committees'' means—

(1) the Committee on Agriculture and the Committee on International Relations of the House of Representatives; and

(2) the Committee on Agriculture, Nutrition and Forestry and the Committee on Foreign Relations of the Senate.

**SEC. 462. GENERAL EFFECTIVE DATE.**

Except as otherwise provided in this title, the amendments made by this title shall take effect on 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.**

(a) IN GENERAL.—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.''.

(b) REGULATIONS.—

(1) 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 subsection (a).

(2) PROCEDURE.—The promulgation of the regulations and administration of the amendment made by subsection (a) shall be made without regard to—

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

(B) 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

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

(3) CONGRESSIONAL REVIEW OF AGENCY RULEMAKING.—In carrying out the amendment made by subsection (a), the Secretary shall use the authority provided under section 808 of title 5, United States Code.

### 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 Native American farmer or rancher 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) for a direct loan made under this subtitle to a Native American farmer or rancher 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) 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 agreement (as determined by the Secretary in accordance with this section), 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 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 ''3.11(11)(B)(iv)'' and inserting ''3.11(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-related 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 the 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. EFFECT OF AMENDMENTS.**

(a) IN GENERAL.—Except as otherwise specifically provided in this title and notwithstanding any other provision of law, this title and the amendments made by this title shall not affect the authority of the Secretary of Agriculture to carry out a farm credit program for any of the 1996 through 2001 fiscal years under a provision of law in effect immediately before the enactment of this Act.

(b) LIABILITY.—A provision of this title or an amendment made by this title shall not affect the liability of any person under any provision of law as in effect immediately before the enactment of this Act.

**SEC. 554. 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

**SEC. 601. FUNDING FOR RURAL LOCAL TELEVISION BROADCAST SIGNAL LOAN GUARANTEES.**

Section 1011(a) of the Launching Our Communities' Access to Local Television Act of 2000 (title X of H.R. 5548, as enacted by section 1(a)(2) of Public Law 106–553) is amended by adding at the end the following: ''In addition, a total of $200,000,000 of the funds of the Commodity Credit Corporation shall be available during fiscal years 2002 through 2006, without fiscal year limitation, for loan guarantees under this title.''.

**SEC. 602. EXPANDED ELIGIBILITY FOR VALUE-ADDED AGRICULTURAL PRODUCT MARKET DEVELOPMENT GRANTS.**

Section 231(a) of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 1621 note) is amended—

(1) by striking paragraph (1) and inserting the following:

''(1) ESTABLISHMENT AND PURPOSES.—

''(A) IN GENERAL.—In each of fiscal years 2002 through 2011, the Secretary shall award competitive grants—

''(i) to eligible independent producers (as determined by the Secretary) of value-added agricultural commodities and products of agricultural commodities to assist an eligible producer—

''(I) to develop a business plan for viable marketing opportunities for a value-added agricultural commodity or product of an agricultural commodity; or

''(II) to develop strategies for the ventures that are intended to create marketing opportunities for the producers; and

''(ii) to public bodies, institutions of higher learning, and trade associations to assist such entities—

''(I) to develop a business plan for viable marketing opportunities in emerging markets for a value-added agricultural commodity or product of an agricultural commodity; or

''(II) to develop strategies for the ventures that are intended to create marketing opportunities in emerging markets for the producers.

''(B) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this paragraph $50,000,000 for each of fiscal years 2002 through 2011.'';

(2) by striking ''producer'' each place it appears thereafter and inserting ''grantee''; and

(3) in the heading for paragraph (3), by striking ''PRODUCER'' and inserting ''GRANTEE''.

**SEC. 603. AGRICULTURE INNOVATION CENTER DEMONSTRATION PROGRAM.**

(a) PURPOSES.—The purposes of this section are to carry out a demonstration program under which agricultural producers are provided—

(1) technical assistance, including engineering services, applied research, scale production, and similar services to enable the producers to establish businesses for further processing of agricultural products;

(2) marketing, market development, and business planning; and

(3) overall organizational, outreach, and development assistance to increase the viability, growth, and sustainability of value-added agricultural businesses.

(b) NATURE OF PROGRAM.—The Secretary of Agriculture (in this section referred to as the ''Secretary'') shall—

(1) make grants to eligible applicants for the purposes of enabling the applicants to obtain the assistance described in subsection (a); and

(2) provide assistance to eligible applicants through the research and technical services of the Department of Agriculture.

(c) ELIGIBILITY REQUIREMENTS.—

(1) IN GENERAL.—An applicant shall be eligible for a grant and assistance described in subsection (b) to establish an Agriculture Innovation Center if—

(A) the applicant—

(i) has provided services similar to those described in subsection (a); or

(ii) shows the capability of providing the services;

(B) the application of the applicant for the grant and assistance sets forth a plan, in accordance with regulations which shall be prescribed by the Secretary, outlining support of the applicant in the agricultural community, the technical and other expertise of the applicant, and the goals of the applicant for increasing and improving the ability of local producers to develop markets and processes for value-added agricultural products;

(C) the applicant demonstrates that resources (in cash or in kind) of definite value are available, or have been committed to be made available, to the applicant, to increase and improve the ability of local producers to develop markets and processes for value-added agricultural products; and

(D) the applicant meets the requirement of paragraph (2).

(2) BOARD OF DIRECTORS.—The requirement of this paragraph is that the applicant shall have a board of directors comprised of representatives of the following groups:

(A) The 2 general agricultural organizations with the greatest number of members in the State in which the applicant is located.

(B) The Department of Agriculture or similar State organization or department, for the State.

(C) Organizations representing the 4 highest grossing commodities produced in the State, according to annual gross cash sales.

(d) GRANTS AND ASSISTANCE.—

(1) IN GENERAL.—Subject to subsection (g), the Secretary shall make annual grants to eligible applicants under this section, each of which grants shall not exceed the lesser of—

(A) $1,000,000; or

(B) twice the dollar value of the resources (in cash or in kind) that the applicant has demonstrated are available, or have been committed to be made available, to the applicant in accordance with subsection (c)(1)(C).

(2) INITIAL LIMITATION.—In the first year of the demonstration program under this section, the Secretary shall make grants under this section, on a competitive basis, to not more than 5 eligible applicants.

(3) EXPANSION OF DEMONSTRATION PROGRAM.—In the second year of the demonstration program under this section, the Secretary may make grants under this section to not more than 10 eligible applicants, in addition to any entities to which grants are made under paragraph (2) for such year.

(4) STATE LIMITATION.—In the first 3 years of the demonstration program under this section, the Secretary shall not make an Agricultural Innovation Center Demonstration Program grant under this section to more than 1 entity in a single State.

(e) USE OF FUNDS.—An entity to which a grant is made under this section may use the grant only for the following purposes, but only to the extent that the use is not described in section 231(d) of the Agricultural Risk Protection Act of 2000:

(1) Applied research.

(2) Consulting services.

(3) Hiring of employees, at the discretion of the board of directors of the entity.

(4) The making of matching grants, each of which shall be not more than $5,000, to agricultural producers, so long as the aggregate amount of all such matching grants shall be not more than $50,000.

(5) Legal services.

(f) RULE OF INTERPRETATION.—This section shall not be construed to prevent a recipient of a grant under this section from collaborating with any other institution with respect to activities conducted using the grant.

(g) AVAILABILITY OF FUNDS.—Of the amount made available under section 231(a)(1) of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 7 U.S.C. 1621 note), the Secretary shall use to carry out this section—

(1) not less than $5,000,000 for fiscal year 2002; and

(2) not less than $10,000,000 for each of the fiscal years 2003 and 2004.

(h) REPORT ON BEST PRACTICES.—

(1) EFFECTS ON THE AGRICULTURAL SECTOR.—The Secretary shall utilize $300,000 per year of the funds made available pursuant to this section to support research at any university into the effects of value-added projects on agricultural producers and the

commodity markets. The research should systematically examine possible effects on demand for agricultural commodities, market prices, farm income, and Federal outlays on commodity programs using linked, long-term, global projections of the agricultural sector.

(2) DEPARTMENT OF AGRICULTURE.—Not later than 3 years after the first 10 grants are made under this section, the Secretary shall prepare and submit to the Committee on Agriculture, Nutrition, and Forestry of the Senate and to the Committee on Agriculture of the House of Representatives a written report on the effectiveness of the demonstration program conducted under this section at improving the production of value-added agricultural products and on the effects of the program on the economic viability of the producers, which shall include the best practices and innovations found at each of the Agriculture Innovation Centers established under the demonstration program under this section, and detail the number and type of agricultural projects assisted, and the type of assistance provided, under this section.

**SEC. 604. FUNDING OF COMMUNITY WATER ASSISTANCE GRANT PROGRAM.**

(a) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out section 306A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926a) $30,000,000 for each of fiscal years 2002 though 2011.

(b) EXTENSION OF 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 ''2011''.

(c) MISCELLANEOUS AMENDMENTS.—Section 306A of such Act (7 U.S.C. 1926a) is amended—

(1) in the heading by striking ''**emergency**'';

(2) in subsection (a)(1)—

(A) by striking ''after'' and inserting ''when''; and

(B) by inserting ''is imminent'' after ''communities''; and

(3) in subsection (c), by striking ''shall—'' and all that follows and inserting ''shall be a public or private nonprofit entity.''.

**SEC. 605. LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.**

Section 4 of the Rural Electrification Act of 1936 (7 U.S.C. 904) is amended—

(1) by inserting ''(a)'' before ''The Secretary''; and

(2) by adding after and below the end the following:

''(b) LOAN GUARANTEES FOR THE FINANCING OF THE PURCHASE OF RENEWABLE ENERGY SYSTEMS.—The Secretary may provide a loan guarantee, on such terms and conditions as the Secretary deems appropriate, for the purpose of financing the purchase of a renewable energy system, including a wind energy system and anaerobic digestors for the purpose of energy generation, by any person or individual who is a farmer, a rancher, or an owner of a small business (as defined by the Secretary) that is located in a rural area (as defined by the Secretary). In providing guarantees under this subsection, the Secretary shall give priority to loans used primarily for power generation on a farm, ranch, or small business (as so defined).''.

**SEC. 606. LOANS AND LOAN GUARANTEES FOR RENEWABLE ENERGY SYSTEMS.**

Section 310B(a)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)(3)) is amended by inserting ''and other renewable energy systems including wind energy systems and anaerobic digestors for the purpose of energy generation'' after ''solar energy systems''.

**SEC. 607. 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 ''2011''.

**SEC. 608. GRANTS FOR 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 2011''.

**SEC. 609. 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 ''2011''.

**SEC. 610. NATIONAL RESERVE ACCOUNT OF RURAL DEVELOPMENT TRUST FUND.**

Section 381E(e)(3)(F) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009d(e)(3)(F)) is amended by striking ''fiscal year 2002'' and inserting ''each of the fiscal years 2002 through 2011''.

**SEC. 611. RURAL VENTURE CAPITAL DEMONSTRATION PROGRAM.**

Section 381O(b)(3) of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009n(b)(3)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 612. INCREASE IN LIMIT ON CERTAIN LOANS FOR RURAL DEVELOPMENT.**

Section 310B(a) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(a)) is amended by striking ''$25,000,000'' and inserting ''$100,000,000''.

**SEC. 613. PILOT PROGRAM FOR DEVELOPMENT AND IMPLEMENTATION OF STRATEGIC REGIONAL DEVELOPMENT PLANS.**

(a) DEVELOPMENT.—

(1) SELECTION OF STATES.—The Secretary of Agriculture (in this section referred to as the ''Secretary'') shall, on a competitive basis, select States in which to implement strategic regional development plans developed under this subsection.

(2) GRANTS.—

(A) AUTHORITY.—

(i) IN GENERAL.—From the funds made available to carry out this subsection, the Secretary shall make a matching grant to 1 or more entities in each State selected under subsection (a), to develop a strategic regional development plan that provides for rural economic development in a region in the State in which the entity is located.

(ii) PRIORITY.—In making grants under this subsection, the Secretary shall give priority to entities that represent a regional coalition of community-based planning, development, governmental, and business organizations.

(B) TERMS OF MATCH.—In order for an entity to be eligible for a matching grant under this subsection, the entity shall make a commitment to the Secretary to provide funds for the development of a strategic regional development plan of the kind referred to in subparagraph (A) in an amount that is not less than the amount of the matching grant.

(C) LIMITATION.—The Secretary shall not make a grant under this subsection in an amount that exceeds $150,000.

(3) FUNDING.—

(A) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section for each of fiscal years 2002 through 2011 the total obtained by adding—

(i) $2,000,000; and

(ii) 2/13 of the amounts made available by section 943 of the Farm Security Act of 2001 for grants under this section.

(B) AVAILABILITY.—Funds made available pursuant to subparagraph (A) shall remain available without fiscal year limitation.

(b) STRATEGIC PLANNING IMPLEMENTATION.—

(1) The Secretary shall use the authorities provided in the provisions of law specified in section 793(c)(1)(A)(ii) of the Federal Agriculture Improvement and Reform Act of 1996 to implement the strategic regional development plans developed pursuant to subsection (a) of this section.

(2) FUNDING.—

(A) IN GENERAL.—The Secretary shall use $13,000,000 of the funds of the Commodity Credit Corporation, plus 11/13 of the amounts made available by section 943 of the Farm Security Act of 2001 for grants under this section, in each of fiscal years 2002 through 2011 to carry out this subsection.

(B) AVAILABILITY.—Funds made available pursuant to subparagraph (A) shall remain available without fiscal year limitation.

(c) USE OF FUNDS.—The amounts made available under subsections (a) and (b) may be used as the Secretary deems appropriate to carry out any provision of this section.

**SEC. 614. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.**

(a) IN GENERAL.—Subtitle A of the Consolidated Farm and Rural Development Act (7 U.S.C. 1922–1949) is amended by inserting after section 306D the following:

**''SEC. 306E. GRANTS TO NONPROFIT ORGANIZATIONS TO FINANCE THE CONSTRUCTION, REFURBISHING, AND SERVICING OF INDIVIDUALLY-OWNED HOUSEHOLD WATER WELL SYSTEMS IN RURAL AREAS FOR INDIVIDUALS WITH LOW OR MODERATE INCOMES.**

''(a) DEFINITION OF ELIGIBLE INDIVIDUAL.—In this section, the term 'eligible individual' means an individual who is a member of a household, the combined income of whose members for the most recent 12-month period for which the information is available, is not more than 100 percent of the median nonmetropolitan household income for the State or territory in which the individual resides, according to the most recent decennial census of the United States.

''(b) GRANTS.—The Secretary may make grants to private nonprofit organizations for the purpose of assisting eligible individuals in obtaining financing for the construction, refurbishing, and servicing of individual household water well systems in rural areas that are owned (or to be owned) by the eligible individuals.

''(c) USE OF FUNDS.—A grant made under this section may be—

''(1) used, or invested to provide income to be used, to carry out subsection (b); and

''(2) used to pay administrative expenses associated with providing the assistance described in subsection (b).

''(d) PRIORITY IN AWARDING GRANTS.—In awarding grants under this section, the Secretary shall give priority to an applicant that has substantial expertise and experience in promoting the safe and productive use of individually-owned household water well systems and ground water.''.

(b) EFFECTIVE DATE.—The amendment made by this section takes effect on October 1, 2001.

**SEC. 615. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**

Subtitle E of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009–2009n) is amended by adding at the end the following:

**''SEC. 381P. NATIONAL RURAL DEVELOPMENT PARTNERSHIP.**

''(a) RURAL AREA DEFINED.—In this section, the term 'rural area' means such areas as the Secretary may determine.

''(b) ESTABLISHMENT.—There is established a National Rural Development Partnership

(in this section referred to as the 'Partnership'), which shall be composed of—

''(1) the National Rural Development Coordinating Committee established in accordance with subsection (c); and

''(2) State rural development councils established in accordance with subsection (d).

''(c) NATIONAL RURAL DEVELOPMENT COORDINATING COMMITTEE.—

''(1) COMPOSITION.—The National Rural Development Coordinating Committee (in this section referred to as the 'Coordinating Committee') may be composed of—

''(A) representatives of all Federal departments and agencies with policies and programs that affect or benefit rural areas;

''(B) representatives of national associations of State, regional, local, and tribal governments and intergovernmental and multijurisdictional agencies and organizations;

''(C) national public interest groups; and

''(D) other national nonprofit organizations that elect to participate in the activities of the Coordinating Committee.

''(2) FUNCTIONS.—The Coordinating Committee may—

''(A) provide support for the work of the State rural development councils established in accordance with subsection (d); and

''(B) develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting rural areas.

''(d) STATE RURAL DEVELOPMENT COUNCILS.—

''(1) COMPOSITION.—A State rural development council may—

''(A) be composed of representatives of Federal, State, local, and tribal governments, and nonprofit organizations, the private sector, and other entities committed to rural advancement; and

''(B) have a nonpartisan and nondiscriminatory membership that is broad and representative of the economic, social, and political diversity of the State.

''(2) FUNCTIONS.—A State rural development council may—

''(A) facilitate collaboration among Federal, State, local, and tribal governments and the private and non-profit sectors in the planning and implementation of programs and policies that affect the rural areas of the State, and to do so in such a way that provides the greatest degree of flexibility and innovation in responding to the unique needs of the State and the rural areas; and

''(B) in conjunction with the Coordinating Committee, develop and facilitate strategies to reduce or eliminate conflicting or duplicative administrative and regulatory impediments confronting the rural areas of the State.

''(e) ADMINISTRATION OF THE PARTNERSHIP.—The Secretary may 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) TERMINATION.—The authority provided by this section shall terminate on the date that is 5 years after the date of the enactment of this section.''.

**SEC. 616. ELIGIBILITY OF RURAL EMPOWERMENT ZONES, RURAL ENTERPRISE COMMUNITIES, AND CHAMPION COMMUNITIES FOR DIRECT AND GUARANTEED LOANS FOR ESSENTIAL COMMUNITY FACILITIES.**

Section 306(a)(1) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(1)) is amended by inserting after the 1st sentence the following: ''The Secretary may also make or insure loans to communities that have been designated as rural empowerment zones or rural enterprise communities pursuant to part I of subchapter U of chapter 1 of the Internal Revenue Code of 1986, as rural enterprise communities pursuant to section 766 of the Agriculture, Rural Development, Food and Drug Administration, and Related Agencies Appropriations Act, 1999, or as champion communities (as determined by the Secretary), to provide for the installation or improvement of essential community facilities including necessary related equipment, and to furnish financial assistance or other aid in planning projects for such purposes.''.

**SEC. 617. GRANTS TO TRAIN FARM WORKERS IN NEW TECHNOLOGIES AND TO TRAIN FARM WORKERS IN SPECIALIZED SKILLS NECESSARY FOR HIGHER VALUE CROPS.**

(a) IN GENERAL.—The Secretary of Agriculture may make a grant to a nonprofit organization with the capacity to train farm workers, or to a consortium of non-profit organizations, agribusinesses, State and local governments, agricultural labor organizations, and community-based organizations with that capacity.

(b) USE OF FUNDS.—An entity to which a grant is made under this section shall use the grant to train farm workers to use new technologies and develop specialized skills for agricultural development.

(c) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—For grants under this section, there are authorized to be appropriated to the Secretary of Agriculture not more than $10,000,000 for each of fiscal years 2002 through 2011.

**SEC. 618. LOAN GUARANTEES FOR THE PURCHASE OF STOCK IN A FARMER COOPERATIVE SEEKING TO MODERNIZE OR EXPAND.**

Section 310B(g)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932(g)(2)) is amended by striking ''start-up'' and all that follows and inserting ''capital stock of a farmer cooperative established for an agricultural purpose.''.

**SEC. 619. INTANGIBLE ASSETS AND SUBORDINATED UNSECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.**

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) INTANGIBLE ASSETS AND SUBORDINATED UNSECURED DEBT REQUIRED TO BE CONSIDERED IN DETERMINING ELIGIBILITY OF FARMER-OWNED COOPERATIVE FOR BUSINESS AND INDUSTRY GUARANTEED LOAN.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary may consider the value of the intangible assets and subordinated unsecured debt of the cooperative organization.''.

**SEC. 620. BAN ON LIMITING ELIGIBILITY OF FARMER COOPERATIVE FOR BUSINESS AND INDUSTRY LOAN GUARANTEE BASED ON POPULATION OF AREA IN WHICH COOPERATIVE IS LOCATED; REFINANCING.**

Section 310B of the Consolidated Farm and Rural Development Act (7 U.S.C. 1932) is further amended by adding at the end of the following:

''(i) SPECIAL RULES APPLICABLE TO FARMER COOPERATIVES UNDER THE BUSINESS AND INDUSTRY LOAN PROGRAM.—In determining whether a cooperative organization owned by farmers is eligible for a guaranteed loan under subsection (a)(1), the Secretary shall not apply any lending restriction based on population to the area in which the cooperative organization is located.

''(j) REFINANCING.—A cooperative organization owned by farmers that is eligible to receive a business or industry guaranteed loan under subsection (a) shall be eligible to refinance an existing loan with the same lender or a new lender if—

''(1) the original loan—

''(A) is current and performing; and

''(B) is not in default; and

''(2) the cooperative organization has adequate security or collateral (including tangible and intangible assets).''.

**SEC. 621. RURAL WATER AND WASTE FACILITY GRANTS.**

Section 306(a)(2) of the Consolidated Farm and Rural Development Act (7 U.S.C. 1926(a)(2)) is amended by striking ''aggregating not to exceed $590,000,000 in any fiscal year''.

**SEC. 622. RURAL WATER CIRCUIT RIDER PROGRAM.**

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a national rural water and wastewater circuit rider grant program that shall be modeled after the National Rural Water Association Rural Water Circuit Rider Program that receives funding from the Rural Utilities Service.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture $15,000,000 for each fiscal year.

**SEC. 623. RURAL WATER GRASSROOTS SOURCE WATER PROTECTION PROGRAM.**

(a) ESTABLISHMENT.—The Secretary of Agriculture shall establish a national grassroots source water protection program that will utilize the on-site technical assistance capabilities of State rural water associations that are operating wellhead or ground water protection programs in each State.

(b) LIMITATIONS ON AUTHORIZATION OF APPROPRIATIONS.—To carry out subsection (a), there are authorized to be appropriated to the Secretary of Agriculture $5,000,000 for each fiscal year.

**SEC. 624. DELTA REGIONAL AUTHORITY.**

Section 382N of the Consolidated Farm and Rural Development Act (7 U.S.C. 2009aa–13) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 625. PREDEVELOPMENT AND SMALL CAPITALIZATION LOAN FUND.**

The Secretary of Agriculture may make grants to private, nonprofit, multi-State rural community assistance programs to capitalize revolving funds for the purpose of financing eligible projects of predevelopment, repair, and improvement costs of existing water and wastewater systems. Financing provided using funds appropriated to carry out this program may not exceed $300,000.

**SEC. 626. RURAL ECONOMIC DEVELOPMENT LOAN AND GRANT PROGRAM.**

The Secretary of Agriculture may use an additional source of funding for economic development programs administered by the Department of Agriculture through guaranteeing fees on guarantees of bonds and notes issued by cooperative lenders for electricity and telecommunications purposes.

## TITLE VII—RESEARCH AND RELATED MATTERS

### Subtitle A—Extensions

**SEC. 700. MARKET EXPANSION RESEARCH.**

Section 1436(b)(3)(C) of the Food Security Act of 1985 (7 U.S.C. 1632(b)(3)(C)) is amended by striking ''1990'' and inserting ''2011''.

**SEC. 701. NATIONAL RURAL INFORMATION CENTER CLEARINGHOUSE.**

Section 2381(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 3125b(e)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 702. GRANTS AND FELLOWSHIPS FOR FOOD AND AGRICULTURAL SCIENCES EDUCATION.**

Section 1417(l) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3152(l)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 703. POLICY RESEARCH CENTERS.**

Section 1419A(d) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(d)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 704. 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 ''2011''.

**SEC. 705. 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 ''2011''.

**SEC. 706. 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 ''2011''.

**SEC. 707. CONTINUING 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 by striking ''2002'' and inserting ''2011''.

**SEC. 708. APPROPRIATIONS FOR 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 ''2011''.

**SEC. 709. 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 ''2002'' and inserting ''2011''.

**SEC. 710. NATIONAL RESEARCH AND TRAINING CENTENNIAL CENTERS AT 1890 LAND-GRANT INSTITUTIONS.**

Sections 1448(a)(1) and (f) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222c(a)(1) and (f)) are amended by striking ''2002'' each place it appears and inserting ''2011''.

**SEC. 711. 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 ''2011''.

**SEC. 712. 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 ''2011''.

**SEC. 713. UNIVERSITY RESEARCH.**

Subsections (a) and (b) of section 1463 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3311(a) and (b)) are amended by striking ''2002'' each place it appears and inserting ''2011''.

**SEC. 714. EXTENSION SERVICE.**

Section 1464 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3312) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 715. 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 ''2011''.

**SEC. 716. AGRICULTURE RESEARCH FACILITIES.**

The first sentence of section 1477 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3324) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 717. 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 ''2011''.

**SEC. 718. NATIONAL GENETICS 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 ''2011''.

**SEC. 719. HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.**

Section 1672(h) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925(h)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 720. 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 ''2011''.

**SEC. 721. 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 ''2011''.

**SEC. 722. ALTERNATIVE AGRICULTURAL RESEARCH AND COMMERCIALIZATION REVOLVING FUND.**

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 1664(g)(1) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5908(g)(1)) is amended by striking ''2002'' and inserting ''2011''.

(b) CAPITALIZATION.—Section 1664(g)(2) of such Act (7 U.S.C. 5908(g)(2)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 723. 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 ''2011''.

**SEC. 724. 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 ''2011''.

**SEC. 725. BIOBASED PRODUCTS.**

(a) PILOT PROJECT.—Section 404(e)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7624(e)(2)) is amended by striking ''2001'' and inserting ''2011''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 404(h) of such Act (7 U.S.C. 7624(h)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 726. INTEGRATED RESEARCH, EDUCATION, AND EXTENSION COMPETITIVE GRANTS PROGRAM.**

Section 406(e) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7626(e)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 727. INSTITUTIONAL CAPACITY BUILDING GRANTS.**

(a) GENERALLY.—Section 535(b)(1) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''2000'' and inserting ''2011''.

(b) AUTHORIZATION OF APPROPRIATIONS.—Section 535(c) of such Act is amended by striking ''2000'' and inserting ''2011''.

**SEC. 728. 1994 INSTITUTION RESEARCH GRANTS.**

Section 536(c) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 729. ENDOWMENT FOR 1994 INSTITUTIONS.**

The first sentence of section 533(b) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''$4,600,000'' and all that follows through the period and inserting ''such sums as are necessary to carry out this section for each of fiscal years 1996 through 2011.''.

**SEC. 730. PRECISION AGRICULTURE.**

Section 403(i) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623(i)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 731. 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 ''2011''.

**SEC. 732. SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.**

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 ''2011''.

**SEC. 733. FOOD ANIMAL RESIDUE AVOIDANCE DATABASE PROGRAM.**

Section 604 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7642) is amended by adding at the end the following:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $1,000,000 for each of fiscal years 2002 through 2006.''.

**SEC. 734. 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 ''2011''.

**SEC. 735. 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 ''2011''.

**SEC. 736. GRANTS FOR RESEARCH ON 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 ''2011''.

**SEC. 737. BIOMASS RESEARCH AND DEVELOPMENT.**

Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) is amended—

(1) in section 307(f), by striking ''2005'' and inserting ''2011''; and

(2) in section 310, by striking ''2005'' and inserting ''2011''.

**SEC. 738. AGRICULTURAL EXPERIMENT STATIONS RESEARCH FACILITIES.**

Section 6(a) of the Research Facilities Act (7 U.S.C. 390d(a)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 739. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS NATIONAL RESEARCH INITIATIVE.**

Section 2(b)(10) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(b)(10)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 740. FEDERAL AGRICULTURAL RESEARCH FACILITIES AUTHORIZATION OF APPROPRIATIONS.**

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 ''2011''.

**SEC. 740A. 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. 473a) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 740B. CRITICAL AGRICULTURAL MATERIALS RESEARCH.**

Section 16(a) of the Critical Agricultural Materials Act (7 U.S.C. 178n(a)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 740C. PRIVATE NONINDUSTRIAL HARDWOOD RESEARCH PROGRAM.**

(a) IN GENERAL.—The Secretary shall establish a program to provide competitive grants to producers to be used for basic hardwood research projects directed at—

(1) improving timber management techniques;

(2) increasing timber production;

(3) expanding genetic research; and

(4) addressing invasive and endangered species.

(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to carry out this section $10,000,000 for each of fiscal years 2002 through 2011.

**Subtitle B—Modifications**

**SEC. 741. EQUITY IN EDUCATIONAL LAND-GRANT STATUS ACT OF 1994.**

(a) AUTHORIZATION OF APPROPRIATIONS.—Section 534(a)(1)(A) of the Equity in Educational Land-Grant Status Act of 1994 (7 U.S.C. 301 note) is amended by striking ''$50,000'' and inserting ''$100,000''.

(b) WITHDRAWALS AND EXPENDITURES.—Section 533(c)(4)(A) of such Act is amended by striking ''section 390(3)'' and all that follows through ''1998)'' and inserting ''section 2(a)(7) of the Tribally Controlled College or University Assistance Act of 1978)''.

(c) ACCREDITATION.—Section 533(a)(3) of such Act is amended by striking ''under sections 534 and 535'' and inserting ''under sections 534, 535, and 536''.

(d) 1994 INSTITUTIONS.—Section 532 of such Act 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.''.

**SEC. 742. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.**

Section 1404(4) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(4)) is amended—

(1) by striking the period at the end of subparagraph (E) and inserting '', or''; and

(2) by adding at the end the following: ''(F) is one of the 1994 Institutions (as defined in section 532 of the Equity in Educational Land-Grant Status Act of 1994).''.

**SEC. 743. AGRICULTURAL RESEARCH, EXTENSION, AND EDUCATION REFORM ACT OF 1998.**

(a) PRIORITY MISSION AREAS.—Section 401(c)(2) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(c)(2)) is amended—

(1) by striking ''and'' at the end of subparagraph (E);

(2) by striking the period at the end of subparagraph (F) and inserting ''; and''; and

(3) by adding at the end the following new subparagraph:

''(G) alternative fuels and renewable energy sources.''.

(b) PRECISION AGRICULTURE.—Section 403 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7623) is amended—

(1) in subsection (a)(5)(F), by inserting ''(including improved use of energy inputs)'' after ''farm production efficiencies''; and

(2) in subsection (d)—

(A) by redesignating paragraphs (4) and (5) as paragraphs (5) and (6), respectively; and

(B) by inserting after paragraph (3) the following new paragraph:

''(4) Improve on farm energy use efficiencies.''.

(c) THOMAS JEFFERSON INITIATIVE FOR CROP DIVERSIFICATION.—Section 405(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7625(a)) is amended by striking ''and marketing'' and inserting '', marketing, and efficient use''.

(d) COORDINATED PROGRAM OF RESEARCH, EXTENSION, AND EDUCATION TO IMPROVE VIABILITY OF SMALL- AND MEDIUM-SIZE DAIRY, LIVESTOCK, AND POULTRY OPERATIONS.—Section 407(b)(3) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7627(b)(3)) is amended by inserting ''(including improved use of energy inputs)'' after ''poultry systems that increase efficiencies''.

(e) SUPPORT FOR RESEARCH REGARDING DISEASES OF WHEAT, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA.—

(1) RESEARCH GRANT AUTHORIZED.—Section 408(a) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7628(a)) is amended to read as follows:

''(a) RESEARCH GRANT AUTHORIZED.—The Secretary of Agriculture may make grants to consortia of land-grant colleges and universities to enhance the ability of the consortia to carry out multi-State research projects aimed at understanding and combating diseases of wheat, triticale, and barley caused by Fusarium graminearum and related fungi (referred to in this section as 'wheat scab') or by Tilletia indica and related fungi (referred to in this section as 'Karnal bunt').''.

(2) RESEARCH COMPONENTS.—Section 408(b) of such Act (7 U.S.C. 7628(b)) is amended—

(A) in paragraph (1), by inserting ''or of Karnal bunt,'' after ''epidemiology of wheat scab'';

(B) in paragraph (1), by inserting '', triticale,'' after ''occurring in wheat'';

(C) in paragraph (2), by inserting ''or Karnal bunt'' after ''wheat scab'';

(D) in paragraph (3)(A), by striking ''and barley for the presence of'' and inserting '', triticale, and barley for the presence of Karnal bunt or of'';

(E) in paragraph (3)(B), by striking ''and barley infected with wheat scab'' and inserting '', triticale, and barley infected with wheat scab or with Karnal bunt'';

(F) in paragraph (3)(C), by inserting ''wheat scab'' after ''to render'';

(G) in paragraph (4), by striking ''and barley to wheat scab'' and inserting '', triticale, and barley to wheat scab and to Karnal bunt''; and

(H) in paragraph (5)—

(i) by inserting ''and Karnal bunt'' after ''wheat scab''; and

(ii) by inserting '', triticale,'' after ''resistant wheat''.

(3) COMMUNICATIONS NETWORKS.—Section 408(c) of such Act (7 U.S.C. 7628(c)) is amended by inserting ''or Karnal bunt'' after ''wheat scab''.

(4) TECHNICAL AMENDMENTS.—(A) The section heading for section 408 of such Act is amended by striking ''**AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM**'' and inserting ''**, TRITICALE, AND BARLEY CAUSED BY FUSARIUM GRAMINEARUM OR BY TILLETIA INDICA**''.

(B) The table of sections for such Act is amended by striking ''and barley caused by fusarium graminearum'' in the item relating to section 408 and inserting '', triticale, and barley caused by Fusarium graminearum or by Tilletia indica''.

(f) PROGRAM TO CONTROL JOHNE'S DISEASE.—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 new section:

**''SEC. 409. BOVINE JOHNE'S DISEASE CONTROL PROGRAM.**

''(a) ESTABLISHMENT.—The Secretary of Agriculture, in coordination with State veterinarians and other appropriate State animal health professionals, may establish a program to conduct research, testing, and evaluation of programs for the control and management of Johne's disease in livestock.

''(b) AUTHORIZATION OF APPROPRIATIONS.—There is authorized to be appropriated to the Secretary such sums as may be necessary to carry out this section for each of fiscal years 2003 through 2011.''.

**SEC. 744. FOOD, AGRICULTURE, CONSERVATION, AND TRADE ACT OF 1990.**

(a) AGRICULTURAL GENOME INITIATIVE.—Section 1671(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5924(b)) is amended—

(1) in paragraph (3), by inserting ''pathogens and'' before ''diseases causing economic hardship'';

(2) in paragraph (6), by striking ''and'' at the end;

(3) by redesignating paragraph (7) as paragraph (8); and

(4) by inserting after paragraph (6) the following new paragraph:

''(7) reducing the economic impact of plant pathogens on commercially important crop plants; and''.

(b) HIGH-PRIORITY RESEARCH AND EXTENSION INITIATIVES.—Section 1672(e) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5925) is amended by adding at the end the following new paragraphs:

''(25) RESEARCH TO PROTECT THE UNITED STATES FOOD SUPPLY AND AGRICULTURE FROM BIOTERRORISM.—Research grants may be made under this section for the purpose of developing technologies, which support the

capability to deal with the threat of agricultural bioterrorism.

''(26) WIND EROSION RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of validating wind erosion models.

''(27) CROP LOSS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of validating crop loss models.

''(28) LAND USE MANAGEMENT RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purposes of evaluating the environmental benefits of land use management tools such as those provided in the Farmland Protection Program.

''(29) WATER AND AIR QUALITY RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of better understanding agricultural impacts to air and water quality and means to address them.

''(30) REVENUE AND INSURANCE TOOLS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purposes of better understanding the impact of revenue and insurance tools on farm income.

''(31) AGROTOURISM RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of better understanding the economic, environmental, and food systems impacts on agrotourism.

''(32) HARVESTING PRODUCTIVITY FOR FRUITS AND VEGETABLES.—Research and extension grants may be made under this section for the purpose of improving harvesting productivity for fruits and vegetables (including citrus), including the development of mechanical harvesting technologies and effective, economical, and safe abscission compounds.

''(33) NITROGEN-FIXATION BY PLANTS.—Research and extension grants may be made under this section for the purpose of enhancing the nitrogen-fixing ability and efficiency of legumes, developing new varieties of legumes that fix nitrogen more efficiently, and developing new varieties of other commercially important crops that potentially are able to fix nitrogen.

''(34) AGRICULTURAL MARKETING.—Extension grants may be made under this section for the purpose of providing education materials, information, and outreach programs regarding commodity and livestock marketing strategies for agricultural producers and for cooperatives and other marketers of any agricultural commodity, including livestock.

''(35) ENVIRONMENT AND PRIVATE LANDS RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of researching the use of computer models to aid in assessment of best management practices on a watershed basis, working with government, industry, and private landowners to help craft industry-led solutions to identified environmental issues, researching and monitoring water, air, or soil environmental quality to aid in the development of new approaches to local environmental concerns, and working with local, State, and federal officials to help craft effective environmental solutions that respect private property rights and agricultural production realities.

''(36) LIVESTOCK DISEASE RESEARCH AND EXTENSION.—Research and extension grants may be made under this section for the purpose of identifying possible livestock disease threats, educating the public regarding livestock disease threats, training persons to deal with such threats, and conducting related research.

''(37) PLANT GENE EXPRESSION.—Research and development grants may be made under this section for the purpose of plant gene expression research to accelerate the application of basic plant genomic science to the development and testing of new varieties of enhanced food crops, crops that can be used as renewable energy sources, and other alternative uses of agricultural crops.''.

**SEC. 745. NATIONAL AGRICULTURAL RESEARCH, EXTENSION, AND TEACHING POLICY ACT OF 1977.**

(a) NATIONAL AGRICULTURAL RESEARCH, EXTENSION, EDUCATION, AND ECONOMIC ADVISORY BOARD.—Section 1408 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3123) is amended—

(1) in subsection (b)(3)—

(A) by redesignating subparagraphs (R) through (DD) as subparagraphs (S) through (EE), respectively; and

(B) by inserting after subparagraph (Q) the following new subparagraph:

''(R) 1 member representing a nonland grant college or university with a historic commitment to research in the food and agricultural sciences.'';

(2) in subsection (c)(1), by striking ''and land-grant colleges and universities'' and inserting '', land-grant colleges and universities, and the Committee on Agriculture of the House of Representatives, the Committee on Agriculture, Nutrition, and Forestry of the Senate, the Subcommittee on Agriculture, Rural Development, Food and Drug Administration and Related Agencies of the Committee on Appropriations of the House of Representatives, and the Subcommittee on Agriculture, Rural Development and Related Agencies of the Committee on Appropriations of the Senate'';

(3) in subsection (d)(1), inserting ''consult with any appropriate agencies of the Department of Agriculture and'' after ''the Advisory Board shall''; and

(4) in subsection (b)(1), by striking ''30 members'' and inserting ''31 members''.

(b) GRANTS FOR RESEARCH ON PRODUCTION AND MARKETING OF ALCOHOLS AND INDUSTRIAL HYDROCARBONS FROM AGRICULTURAL COMMODITIES AND FOREST PRODUCTS.—Section 1419 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3154) is amended—

(1) in subsection (a)(2), by inserting ''and animal fats and oils'' after ''industrial oilseed crops''; and

(2) in subsection (a)(4), by inserting ''or triglycerides'' after ''other industrial hydrocarbons''.

(c) FAS OVERSEAS INTERN PROGRAM.—Section 1458(a) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3291(a)) is amended—

(1) by striking ''and'' at the end of paragraph (8);

(2) by striking the period at the end of paragraph (9) and inserting ''; and''; and

(3) by adding at the end the following new paragraph:

''(10) establish a program, to be coordinated by the Cooperative State Research, Education, and Extension Service and the Foreign Agricultural Service, to place interns from United States colleges and universities at Foreign Agricultural Service field offices overseas.''.

**SEC. 746. BIOMASS RESEARCH AND DEVELOPMENT.**

Title III of the Agricultural Risk Protection Act of 2000 (7 U.S.C. 7624 note) is amended—

(1) in section 302(3), by inserting ''or biodiesel'' after ''such as ethanol'';

(2) in section 303(3), by inserting ''animal byproducts,'' after ''fibers,''; and

(3) in section 306(b)(1)—

(A) by redesignating subparagraphs (E) through (J) as subparagraphs (F) through (K), respectively; and

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

''(E) an individual affiliated with a livestock trade association;''.

**SEC. 747. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.**

Section 1668 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5921) is amended to read as follows:

**''SEC. 1668. BIOTECHNOLOGY RISK ASSESSMENT RESEARCH.**

''(a) PURPOSE.—It is the purpose of this section—

''(1) to authorize and support environmental assessment research to help identify and analyze environmental effects of biotechnology; and

''(2) to authorize research to help regulators develop long-term policies concerning the introduction of such technology.

''(b) GRANT PROGRAM.—The Secretary of Agriculture shall establish a grant program within the Cooperative State Research, Education, and Extension Service and the Agricultural Research Service to provide the necessary funding for environmental assessment research concerning the introduction of genetically engineered plants and animals into the environment.

''(c) TYPES OF RESEARCH.—Types of research for which grants may be made under this section shall include the following:

''(1) Research designed to identify and develop appropriate management practices to minimize physical and biological risks associated with genetically engineered animals and plants once they are introduced into the environment.

''(2) Research designed to develop methods to monitor the dispersal of genetically engineered animals and plants.

''(3) Research designed to further existing knowledge with respect to the characteristics, rates and methods of gene transfer that may occur between genetically engineered plants and animals and related wild and agricultural organisms.

''(4) Environmental assessment research designed to provide analysis, which compares the relative impacts of plants and animals modified through genetic engineering to other types of production systems.

''(5) Other areas of research designed to further the purposes of this section.

''(d) ELIGIBILITY REQUIREMENTS.—Grants under this section shall be—

''(1) made on the basis of the quality of the proposed research project; and

''(2) available to any public or private research or educational institution or organization.

''(e) CONSULTATION.—In considering specific areas of research for funding under this section, the Secretary of Agriculture shall consult with the Administrator of the Animal and Plant Health Inspection Service and the National Agricultural Research, Extension, Education, and Economics Advisory Board.

''(f) PROGRAM COORDINATION.—The Secretary of Agriculture shall coordinate research funded under this section with the Office of Research and Development of the Environmental Protection Agency in order to avoid duplication of research activities.

''(g) AUTHORIZATION OF APPROPRIATIONS.—

''(1) IN GENERAL.—There are authorized to be appropriated such sums as necessary to carry out this section.

''(2) WITHHOLDINGS FROM BIOTECHNOLOGY OUTLAYS.—The Secretary of Agriculture shall withhold from outlays of the Department of Agriculture for research on biotechnology, as defined and determined by the Secretary, at least 3 percent of such amount

for the purpose of making grants under this section for research on biotechnology risk assessment. Except that, funding from this authorization should be collected and applied to the maximum extent practicable to risk assessment research on all categories identified as biotechnology by the Secretary.''.

**SEC. 748. COMPETITIVE, SPECIAL, AND FACILITIES RESEARCH GRANTS.**

Section 2(a) of the Competitive, Special, and Facilities Research Grant Act (7 U.S.C. 450i(a)) is amended by adding at the end the following new paragraph:

''(3) DETERMINATION OF HIGH PRIORITY RESEARCH.—Research priorities shall be determined by the Secretary on an annual basis, taking into account input as gathered by the Secretary through the National Agricultural Research, Extension, Education, and Economics Advisory Board.''.

**SEC. 749. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES OF 1890 INSTITUTIONS.**

Section 1449 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3222d) is amended—

(1) by amending subsection (c) to read as follows:

''(c) MATCHING FORMULA.—For each of fiscal years 2003 through 2011, the State shall provide matching funds from non-Federal sources. Such matching funds shall be for an amount equal to not less than 60 percent of the formula funds to be distributed to the eligible institution, and shall increase by 10 percent each fiscal year thereafter until fiscal year 2007.''; and

(2) by amending subsection (d) to read as follows:

''(d) WAIVER AUTHORITY.—Notwithstanding subsection (f), the Secretary may waive the matching funds requirement under subsection (c) above the 50 percent level for fiscal years 2003 through 2011 for an eligible institution of a State if the Secretary determines that the State will be unlikely to satisfy the matching requirement.''.

**SEC. 749A. MATCHING FUNDS REQUIREMENT FOR RESEARCH AND EXTENSION ACTIVITIES FOR THE UNITED STATES TERRITORIES.**

(a) RESEARCH MATCHING REQUIREMENT.—Section 3(d)(4) of the Hatch Act of 1887 (7 U.S.C. 361c(d)(4)) is amended by striking ''the same matching funds'' and all that follows through the end of the sentence and inserting ''matching funds requirements from non-Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50 percent of the formula funds to be distributed to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year.''.

(b) EXTENSION MATCHING REQUIREMENT.—Section 3(e)(4) of the Smith-Lever Act (7 U.S.C. 343(e)(4)) is amended by striking ''the same matching funds'' and all that follows through the end of the sentence and inserting ''matching funds requirements from non-Federal sources for fiscal years 2003 through 2011 in an amount equal to not less than 50 percent of the formula funds to be distributed to the Territory. The Secretary may waive the matching funds requirements for a Territory for any of the fiscal years 2003 through 2011 if the Secretary determines that the Territory will be unlikely to satisfy the matching funds requirement for that fiscal year.''.

**SEC. 750. INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.**

(a) FUNDING.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) is amended to read as follows:

''(1) IN GENERAL.—

''(A) TOTAL AMOUNT TO BE TRANSFERRED.—On October 1, 2003, and each October 1 thereafter through September 30, 2011, the Secretary of Agriculture shall deposit funds of the Commodity Credit Corporation into the Account. The total amount of Commodity Credit Corporation funds deposited into the Account under this subparagraph shall equal $1,160,000,000.

''(B) EQUAL AMOUNTS.—To the maximum extent practicable, the amounts deposited into the Account pursuant to subparagraph (A) shall be deposited in equal amounts for each fiscal year.

''(C) AVAILABILITY OF FUNDS.—Amounts deposited into the Account pursuant to subparagraph (A) shall remain available until expended.''.

(b) AVAILABILITY OF FUNDS.—Section 401(f)(6) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(f)(6)) is amended to read as follows:

''(6) AVAILABILITY OF FUNDS.—Funds made available under this section to the Secretary prior to October 1, 2003, for grants under this section shall be available to the Secretary for a 2-year period.''.

**SEC. 751. CARBON CYCLE RESEARCH.**

Section 221 of the Agricultural Risk Protection Act of 2000 (Public Law 106–224; 114 Stat. 407) is amended—

(1) in subsection (a), by striking ''Of the amount'' and all that follows through ''to provide'' and inserting ''To the extent funds are made available for this purpose, the Secretary shall provide'';

(2) in subsection (d), by striking ''under subsection (a)'' and inserting ''for this section''; and

(3) by adding at the end the following new subsection:

''(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated for fiscal years 2002 through 2011 such sums as may be necessary to carry out this section.''.

**SEC. 752. DEFINITION OF FOOD AND AGRICULTURAL SCIENCES.**

Section 2(3) of the Research Facilities Act (7 U.S.C. 390(2)(3)) is amended to read as follows:

''(3) FOOD AND AGRICULTURAL SCIENCES.—The term 'food and agricultural sciences' has the meaning given that term in section 1404(8) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3103(8)).''.

**SEC. 753. FEDERAL EXTENSION SERVICE.**

Section 3(b)(3) of the Smith-Lever Act (7 U.S.C. 343(b)(3)) is amended by striking ''$5,000,000'' and inserting ''such sums as are necessary''.

**SEC. 754. POLICY RESEARCH CENTERS.**

Section 1419A(c)(3) of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3155(c)(3)) is amended by striking ''collect and analyze data'' and inserting ''collect, analyze, and disseminate data''.

**SEC. 755. ANIMALS USED IN RESEARCH.**

Section 2(g) of the Animal Welfare Act (7 U.S.C. 2132(g)) is amended by inserting ''birds, rats of the genus *Rattus*, and mice of the genus *Mus*, that are bred for use in research, and'' after ''excludes''.

## Subtitle C—Related Matters

**SEC. 761. RESIDENT INSTRUCTION AT LAND-GRANT COLLEGES IN UNITED STATES TERRITORIES.**

(a) PURPOSE.—It is the purpose of this section to promote and strengthen higher education in the food and agricultural sciences at agricultural and mechanical colleges located in the Commonwealth of Puerto Rico, the Virgin Islands of the United States, Guam, American Samoa, the Commonwealth of the Northern Mariana Islands, the Federated States of Micronesia, the Republic of the Marshall Islands, or the Republic of Palau (hereinafter referred to in this section as ''eligible institutions'') by formulating and administering programs to enhance teaching programs in agriculture, natural resources, forestry, veterinary medicine, home economics, and disciplines closely allied to the food and agriculture production and delivery system.

(b) GRANTS.—The Secretary of Agriculture shall make competitive grants to those eligible institutions having a demonstrable capacity to carry out the teaching of food and agricultural sciences.

(c) USE OF GRANT FUNDS.—Grants made under subsection (b) shall be used to—

(1) strengthen institutional educational capacities, including libraries, curriculum, faculty, scientific instrumentation, instruction delivery systems, and student recruitment and retention, in order to respond to identified State, regional, national, or international education needs in the food and agricultural sciences;

(2) attract and support undergraduate and graduate students in order to educate them in identified areas of national need to the food and agriculture sciences;

(3) facilitate cooperative initiatives between two or more eligible institutions or between eligible institutions and units of State Government, organizational in the private sector, to maximize the development and use of resources such as faculty, facilities, and equipment to improve food and agricultural sciences teaching programs; and

(4) conduct undergraduate scholarship programs to assist in meeting national needs for training food and agricultural scientists.

(d) GRANT REQUIREMENTS.—

(1) The Secretary of Agriculture shall ensure that each eligible institution, prior to receiving grant funds under subsection (b), shall have a significant demonstrable commitment to higher education programs in the food and agricultural sciences and to each specific subject area for which grant funds under this subsection are to be used.

(2) The Secretary of Agriculture may require that any grant awarded under this section contain provisions that require funds to be targeted to meet the needs identified in section 1402 of the National Agriculture Research, Extension, and Teaching Policy Act of 1977.

(e) AUTHORIZATION OF APPROPRIATIONS.—There are authorized to be appropriated such sums as are necessary for each of the fiscal years 2002 through 2011 to carry out this section.

**SEC. 762. DECLARATION OF EXTRAORDINARY EMERGENCY AND RESULTING AUTHORITIES.**

(a) REVIEW OF PAYMENT OF COMPENSATION.—Section 415(e) of the Plant Protection Act (7 U.S.C. 7715(e)) is amended by inserting before the final period the following: ''or review by any officer of the Government other than the Secretary or the designee of the Secretary''.

(b) REVIEW OF CERTAIN DECISIONS.—

(1) PLANT PROTECTION ACT.—Section 442 of the Plant Protection Act (7 U.S.C. 7772) is amended by adding at the end following new subsection:

''(f) SECRETARIAL DISCRETION.—The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.''.

(2) OTHER PLANT AND ANIMAL PEST AND DISEASE LAWS.—Section 11 of the Act of May 29, 1884 (21 U.S.C. 114a; commonly known as the ''Animal Industry Act'') and the first section of the Act of September 25, 1981 (7 U.S.C. 147b), are each amended by adding at the end the following new sentence: ''The action of any officer, employee, or agent of the Secretary in carrying out this section, including determining the amount of and making any payment authorized to be made under this section, shall not be subject to review by any officer of the Government other than the Secretary or the designee of the Secretary.''.

(c) METHYL BROMIDE.—The Plant Protection Act (7 U.S.C. 7701 et seq.) is amended by inserting after section 418 the following new section:

**''SEC. 419. METHYL BROMIDE.**

''(a) IN GENERAL.—The Secretary, upon request of State, local, or tribal authorities, shall determine whether methyl bromide treatments or applications required by State, local, or tribal authorities to prevent the introduction, establishment, or spread of plant pests (including diseases) or noxious weeds should be authorized as an official control or official requirement.

''(b) ADMINISTRATION.—

''(1) TIMELINE FOR DETERMINATION.—The Secretary shall make the determination required by subsection (a) not later than 90 days after receiving the request for such a determination.

''(2) REGULATIONS.—The promulgation of regulations for and the administration of this section shall be made without regard to—

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

''(B) 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

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

''(c) REGISTRY.—Not later than 180 days after the date of the enactment of this section, the Secretary shall publish, and thereafter maintain, a registry of State, local, and tribal requirements authorized by the Secretary under this section.''.

**SEC. 763. AGRICULTURAL BIOTECHNOLOGY RESEARCH AND DEVELOPMENT FOR THE DEVELOPING WORLD.**

(a) GRANT PROGRAM.—The Secretary of Agriculture shall establish a program to award grants to entities described in subsection (b) for the development of agricultural biotechnology with respect to the developing world. The Secretary shall administer and oversee the program through the Foreign Agricultural Service of the Department of Agriculture.

(b) PARTNERSHIPS.—(1) In order to be eligible to receive a grant under this section, the grantee must be a participating institution of higher education, a nonprofit organization, or consortium of for profit institutions with in-country agricultural research institutions.

(2) A participating institution of higher education shall be an historically black or land-grant college or university, an Hispanic serving institution, or a tribal college or university that has agriculture or the biosciences in its curricula.

(c) COMPETITIVE AWARD.—Grants shall be awarded under this section on a merit-reviewed competitive basis.

(d) USE OF FUNDS.—The activities for which the grant funds may be expended include the following:

(1) Enhancing the nutritional content of agricultural products that can be grown in the developing world to address malnutrition through biotechnology.

(2) Increasing the yield and safety of agricultural products that can be grown in the developing world through biotechnology.

(3) Increasing through biotechnology the yield of agricultural products that can be grown in the developing world that are drought and stress-resistant.

(4) Extending the growing range of crops that can be grown in the developing world through biotechnology.

(5) Enhancing the shelf-life of fruits and vegetables grown in the developing world through biotechnology.

(6) Developing environmentally sustainable agricultural products through biotechnology.

(7) Developing vaccines to immunize against life-threatening illnesses and other medications that can be administered by consuming genetically engineered agricultural products.

(e) FUNDING SOURCE.—Of the funds deposited in the Treasury account known as the Initiative for Future Agriculture and Food Systems on October 1, 2003, and each October 1 thereafter through October 1, 2007, the Secretary of Agriculture shall use $5,000,000 during each of fiscal years 2004 through 2008 to carry out this section.

## Subtitle D—Repeal of Certain Activities and Authorities

**SEC. 771. FOOD SAFETY RESEARCH INFORMATION OFFICE AND NATIONAL CONFERENCE.**

(a) REPEAL.—Subsections (b) and (c) of section 615 of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7654(b) and (c)) are repealed.

(b) CONFORMING AMENDMENTS.—

(1) GENERALLY.—Section 615 of such Act is amended—

(A) in the section heading, by striking ''**AND NATIONAL CONFERENCE**'';

(B) by striking ''(a) FOOD SAFETY RESEARCH INFORMATION OFFICE.—'';

(C) by redesignating paragraphs (1), (2), and (3) as subsections (a), (b), and (c), respectively, and moving the margins 2 ems to the left;

(D) in subsection (b) (as so redesignated), by redesignating subparagraphs (A) and (B) as paragraphs (1) and (2), respectively, and moving the margins 2 ems to the left; and

(E) in subsection (c) (as so redesignated), by striking ''this subsection'' and inserting ''this section''.

(2) TABLE OF SECTIONS.—The table of sections for such Act is amended by striking ''and National Conference'' in the item relating to section 615.

**SEC. 772. REIMBURSEMENT OF EXPENSES UNDER SHEEP PROMOTION, RESEARCH, AND INFORMATION ACT OF 1994.**

Section 617 of the Agricultural Research, Extension, and Education Reform Act of 1998 (Public Law 105–185; 112 Stat. 607) is repealed.

**SEC. 773. NATIONAL GENETIC RESOURCES PROGRAM.**

Section 1634 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5843) is repealed.

**SEC. 774. NATIONAL ADVISORY BOARD ON AGRICULTURAL WEATHER.**

(a) REPEAL.—Section 1639 of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5853) is repealed.

(b) CONFORMING AMENDMENT.—Section 1640(b) of the Food, Agriculture, Conservation, and Trade Act of 1990 (7 U.S.C. 5854(b)) is amended by striking ''take into'' and all that follows through ''Weather and''.

**SEC. 775. AGRICULTURAL INFORMATION EXCHANGE WITH IRELAND.**

Section 1420 of the National Agricultural Research, Extension and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1551) is repealed.

**SEC. 776. PESTICIDE RESISTANCE STUDY.**

Section 1437 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1558) is repealed.

**SEC. 777. EXPANSION OF EDUCATION STUDY.**

Section 1438 of the National Agricultural Research, Extension, and Teaching Policy Act Amendments of 1985 (Public Law 99–198; 99 Stat. 1559) is repealed.

**SEC. 778. SUPPORT FOR ADVISORY BOARD.**

(a) REPEAL.—Section 1412 of the National Agricultural Research, Extension, and Teaching Policy Act of 1977 (7 U.S.C. 3127) is repealed.

(b) CONFORMING AMENDMENT.—Section 1413(c) of such Act (7 U.S.C. 3128(c)) is amended by striking ''section 1412 of this title and''.

**SEC. 779. TASK FORCE ON 10-YEAR STRATEGIC PLAN FOR AGRICULTURAL RESEARCH FACILITIES.**

(a) REPEAL.—Section 4 of the Research Facilities Act (7 U.S.C. 390b) is repealed.

(b) CONFORMING AMENDMENT.—Section 2 of such Act (7 U.S.C. 390) is amended by striking paragraph (5).

## Subtitle E—Agriculture Facility Protection

**SEC. 790. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES.**

(a) DEFINITIONS.—The Research Facilities Act (7 U.S.C. 390 et seq.) is amended—

(1) by redesignating section 6 as section 7; and

(2) by inserting after section 5 the following new section:

**''SEC. 6. ADDITIONAL PROTECTIONS FOR ANIMAL OR AGRICULTURAL ENTERPRISES, RESEARCH FACILITIES, AND OTHER ENTITIES AGAINST DISRUPTION.**

''(a) DEFINITIONS.—For the purposes of this section, the following definitions apply:

''(1) ANIMAL OR AGRICULTURAL ENTERPRISE.—The term 'animal or agricultural enterprise' means any of the following:

''(A) A commercial, governmental, or academic enterprise that uses animals, plants, or other biological materials for food or fiber production, breeding, processing, research, or testing.

''(B) A zoo, aquarium, circus, rodeo, or other entity that exhibits or uses animals, plants, or other biological materials for educational or entertainment purposes.

''(C) A fair or similar event intended to advance agricultural arts and sciences.

''(D) A facility managed or occupied by an association, federation, foundation, council, or other group or entity of food or fiber producers, processors, or agricultural or biomedical researchers intended to advance agricultural or biomedical arts and sciences.

''(2) ECONOMIC DAMAGE.—The term 'economic damage' means the replacement of the following:

''(A) The cost of lost or damaged property (including all real and personal property) of an animal or agricultural enterprise.

''(B) The cost of repeating an interrupted or invalidated experiment.

''(C) The loss of revenue (including costs related to business recovery) directly related to the disruption of an animal or agricultural enterprise.

''(D) The cost of the tuition and expenses of any student to complete an academic program that was disrupted, or to complete a replacement program, when the tuition and expenses are incurred as a result of the damage or loss of the property of an animal or agricultural enterprise.

''(3) PROPERTY OF AN ANIMAL OR AGRICULTURAL ENTERPRISE.—The term 'property of

an animal or agricultural enterprise' means real and personal property of or used by any of the following:

''(A) An animal or agricultural enterprise.

''(B) An employee of an animal or agricultural enterprise.

''(C) A student attending an academic animal or agricultural enterprise.

''(4) DISRUPTION.—The term 'disruption' does not include any lawful disruption that results from lawful public, governmental, or animal or agricultural enterprise employee reaction to the disclosure of information about an animal or agricultural enterprise.

''(b) VIOLATION.—A person may not recklessly, knowingly, or intentionally cause, or contribute to, the disruption of the functioning of an animal or agricultural enterprise by damaging or causing the loss of any property of the animal or agricultural enterprise that results in economic damage, as determined by the Secretary.

''(c) ASSESSMENT OF CIVIL PENALTY.—

''(1) IN GENERAL.—The Secretary may impose on any person that the Secretary determines violates subsection (b) a civil penalty in an amount determined under paragraphs (2) and (3). The civil penalty may be assessed only on the record after an opportunity for a hearing.

''(2) RECOVERY OF DEPARTMENT COSTS.—The civil penalty assessed by the Secretary against a person for a violation of subsection (b) shall be not less than the total cost incurred by the Secretary for investigation of the violation, conducting any hearing regarding the violation, and assessing the civil penalty.

''(3) RECOVERY OF ECONOMIC DAMAGE.—In addition to the amount determined under paragraph (2), the amount of the civil penalty shall include an amount not less than the total cost (or, in the case of knowing or intentional disruption, not less than 150 percent of the total cost) of the economic damage incurred by the animal or agricultural enterprise, any employee of the animal or agricultural enterprise, or any student attending an academic animal or agricultural enterprise as a result of the damage or loss of the property of an animal or agricultural enterprise.

''(d) IDENTIFICATION.—The Secretary shall identify for each civil penalty assessed under subsection (c), the portion of the amount of the civil penalty that represents the recovery of Department costs and the portion that represents the recovery of economic losses.

''(e) OTHER FACTORS IN DETERMINING PENALTY.— In determining the amount of a civil penalty under subsection (c), the Secretary shall consider the following:

''(1) The nature, circumstance, extent, and gravity of the violation or violations.

''(2) The ability of the injured animal or agricultural enterprise to continue to operate, costs incurred by the animal or agricultural enterprise to recover lost business, and the effect of the violation on earnings of employees of the animal or agricultural enterprise.

''(3) The interruptions experienced by students attending an academic animal or agricultural enterprise.

''(4) Whether the violator has previously violated subsection (a).

''(5) The violator's degree of culpability.

''(f) FUND TO ASSIST VICTIMS OF DISRUPTION.—

''(1) FUND ESTABLISHED.—There is established in the Treasury a fund which shall consist of that portion of each civil penalty collected under subsection (c) that represents the recovery of economic damages.

''(2) USE OF AMOUNTS IN FUND.—The Secretary of Agriculture shall use amounts in the fund to compensate animal or agricultural enterprises, employees of an animal or agricultural enterprise, and student attending an academic animal or agricultural enterprise for economic losses incurred as a result of the disruption of the functioning of an animal or agricultural enterprise in violation of subsection (b).''.

## TITLE VIII—FORESTRY INITIATIVES

### SEC. 801. REPEAL OF FORESTRY INCENTIVES PROGRAM AND STEWARDSHIP INCENTIVE PROGRAM.

The Cooperative Forestry Assistance Act of 1978 is amended by striking section 4 (16 U.S.C. 2103) and section 6 (16 U.S.C. 2103b).

### SEC. 802. ESTABLISHMENT OF FOREST LAND ENHANCEMENT PROGRAM.

(a) FINDINGS.—Congress finds the following:

(1) There is a growing dependence on private nonindustrial forest lands to supply the necessary market commodities and nonmarket values, such as habitat for fish and wildlife, aesthetics, outdoor recreation opportunities, and other forest resources, required by a growing population.

(2) There is a strong demand for expanded assistance programs for owners of nonindustrial private forest land since the majority of the wood supply of the United States comes from nonindustrial private forest land.

(3) The soil, carbon stores, water and air quality of the United States can be maintained and improved through good stewardship of nonindustrial private forest lands.

(4) The products and services resulting from stewardship of nonindustrial private forest lands provide income and employment that contribute to the economic health and diversity of rural communities.

(5) Wildfires threaten human lives, property, forests, and other resources, and Federal and State cooperation in forest fire prevention and control has proven effective and valuable, in that properly managed forest stands are less susceptible to catastrophic fire, as dramatized by the catastrophic fire seasons of 1998 and 2000.

(6) Owners of private nonindustrial forest lands are being faced with increased pressure to convert their forestland to development and other uses.

(7) Complex, long-rotation forest investments, including sustainable hardwood management, are often the most difficult commitment for small, nonindustrial private forest landowners and, thus, should receive equal consideration under cost-share programs.

(8) The investment of one Federal dollar in State and private forestry programs is estimated to leverage $9 on average from State, local, and private sources.

(b) PURPOSE.—It is the purpose of this section to strengthen the commitment of the Department of Agriculture to sustainable forestry and to establish a coordinated and cooperative Federal, State, and local sustainable forest program for the establishment, management, maintenance, enhancement, and restoration of forests on nonindustrial private forest lands in the United States.

(c) FOREST LAND ENHANCEMENT PROGRAM.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 3 (16 U.S.C. 2102) the following new section 4:

### ''SEC. 4. FOREST LAND ENHANCEMENT PROGRAM.

''(a) ESTABLISHMENT.—

''(1) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Forest Land Enhancement Program (in this section referred to as the 'Program') for the purpose of providing financial, technical, educational, and related assistance to State foresters to encourage the long-term sustainability of nonindustrial private forest lands in the United States by assisting the owners of such lands in more actively managing their forest and related resources by utilizing existing State, Federal, and private sector resource management expertise, financial assistance, and educational programs.

''(2) ADMINISTRATION.—The Secretary shall carry out the Program within, and administer the Program through, the Natural Resources Conservation Service.

''(3) COORDINATION.—The Secretary shall implement the Program in coordination with State foresters.

''(b) PROGRAM OBJECTIVES.—In implementing the Program, the Secretary shall target resources to achieve the following objectives:

''(1) Investment in practices to establish, restore, protect, manage, maintain, and enhance the health and productivity of the nonindustrial private forest lands in the United States for timber, habitat for flora and fauna, water quality, and wetlands.

''(2) Ensuring that afforestation, reforestation, improvement of poorly stocked stands, timber stand improvement, practices necessary to improve seedling growth and survival, and growth enhancement practices occur where needed to enhance and sustain the long-term productivity of timber and nontimber forest resources to help meet future public demand for all forest resources and provide environmental benefits.

''(3) Reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire, insects, invasive species, disease, and damaging weather.

''(4) Increase and enhance carbon sequestration opportunities.

''(5) Enhance implementation of agroforestry practices.

''(6) Maintain and enhance the forest landbase and leverage State and local financial and technical assistance to owners that promote the same conservation and environmental values.

''(c) ELIGIBILITY.—

''(1) IN GENERAL.—An owner of nonindustrial private forest land is eligible for cost-sharing assistance under the Program if the owner—

''(A) agrees to develop and implement an individual stewardship, forest, or stand management plan addressing site specific activities and practices in cooperation with, and approved by, the State forester, state official, or private sector program in consultation with the State forester;

''(B) agrees to implement approved activities in accordance with the plan for a period of not less than 10 years, unless the State forester approves a modification to such plan; and

''(C) meets the acreage restrictions as determined by the State forester in conjunction with the State Forest Stewardship Coordinating Committee established under section 19.

''(2) STATE PRIORITIES.—The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee may develop State priorities for cost sharing under the Program that will promote forest management objectives in that State.

''(3) DEVELOPMENT OF PLAN.—An owner shall be eligible for cost-share assistance for the development of the individual stewardship, forest, or stand management plan required by paragraph (1).

''(d) APPROVED ACTIVITIES.—

''(1) DEVELOPMENT.—The Secretary, in consultation with the State forester and the State Forest Stewardship Coordinating Committee, shall develop a list of approved forest activities and practices that will be eligible for cost-share assistance under the Program within each State.

''(2) TYPE OF ACTIVITIES.—In developing a list of approved activities and practices under paragraph (1), the Secretary shall attempt to achieve the establishment, restoration, management, maintenance, and enhancement of forests and trees for the following:

''(A) The sustainable growth and management of forests for timber production.

''(B) The restoration, use, and enhancement of forest wetlands and riparian areas.

''(C) The protection of water quality and watersheds through the application of State-developed forestry best management practices.

''(D) Energy conservation and carbon sequestration purposes.

''(E) Habitat for flora and fauna.

''(F) The control, detection, and monitoring of invasive species on forestlands as well as preventing the spread and providing for the restoration of lands affected by invasive species.

''(G) Hazardous fuels reduction and other management activities that reduce the risks and help restore, recover, and mitigate the damage to forests caused by fire.

''(H) The development of forest or stand management plans.

''(I) Other activities approved by the Secretary, in coordination with the State forester and the State Forest Stewardship Coordinating Committee.

''(e) COOPERATION.—In implementing the Program, the Secretary shall cooperate with other Federal, State, and local natural resource management agencies, institutions of higher education, and the private sector.

''(f) REIMBURSEMENT OF ELIGIBLE ACTIVITIES.—

''(1) IN GENERAL.—The Secretary shall share the cost of implementing the approved activities that the Secretary determines are appropriate, in the case of an owner that has entered into an agreement to place nonindustrial private forest lands of the owner in the Program.

''(2) RATE.—The Secretary shall determine the appropriate reimbursement rate for cost-share payments under paragraph (1) and the schedule for making such payments.

''(3) MAXIMUM.—The Secretary shall not make cost-share payments under this subsection to an owner in an amount in excess of 75 percent of the total cost, or a lower percentage as determined by the State forester, to such owner for implementing the practices under an approved plan. The maximum payments to any one owner shall be determined by the Secretary.

''(4) CONSULTATION.—The Secretary shall make determinations under this subsection in consultation with the State forester.

''(g) RECAPTURE.—

''(1) IN GENERAL.—The Secretary shall establish and implement a mechanism to recapture payments made to an owner in the event that the owner fails to implement any approved activity specified in the individual stewardship, forest, or stand management plan for which such owner received cost-share payments.

''(2) ADDITIONAL REMEDY.—The remedy provided in paragraph (1) is in addition to any other remedy available to the Secretary.

''(h) DISTRIBUTION.—The Secretary shall distribute funds available for cost sharing under the Program among the States only after giving appropriate consideration to—

''(1) the total acreage of nonindustrial private forest land in each State;

''(2) the potential productivity of such land;

''(3) the number of owners eligible for cost sharing in each State;

''(4) the opportunities to enhance non-timber resources on such forest lands;

''(5) the anticipated demand for timber and nontimber resources in each State;

''(6) the need to improve forest health to minimize the damaging effects of catastrophic fire, insects, disease, or weather; and

''(7) the need and demand for agroforestry practices in each State.

''(i) DEFINITIONS.—In this section:

''(1) NONINDUSTRIAL PRIVATE FOREST LANDS.—The term 'nonindustrial private forest lands' means rural lands, as determined by the Secretary, that—

''(A) have existing tree cover or are suitable for growing trees; and

''(B) are owned or controlled by any nonindustrial private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) so long as the individual, group, association, corporation, tribe, or entity has definitive decision-making authority over the lands, including through long-term leases and other land tenure systems, for a period of time long enough to ensure compliance with the Program.

''(2) OWNER.—The term 'owner' includes a private individual, group, association, corporation, Indian tribe, or other private legal entity (other than a nonprofit private legal entity) that has definitive decision-making authority over nonindustrial private forest lands through a long-term lease or other land tenure systems.

''(3) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(4) STATE FORESTER.—The term 'State forester' means the director or other head of a State Forestry Agency or equivalent State official.

''(j) AVAILABILITY OF FUNDS.—The Secretary shall use $200,000,000 of funds of the Commodity Credit Corporation to carry out the Program during the period beginning on October 1, 2001, and ending on September 30, 2011.''.

(d) CONFORMING AMENDMENT.—Section 246(b)(2) of the Department of Agriculture Reorganization Act of 1994 (7 U.S.C. 6962(b)(2)) is amended by striking ''forestry incentive program'' and inserting ''Forest Land Enhancement Program''.

**SEC. 803. RENEWABLE RESOURCES EXTENSION ACTIVITIES.**

(a) EXTENSION AND AUTHORIZATION INCREASE.—Section 6 of the Renewable Resources Extension Act of 1978 (16 U.S.C. 1675) is amended—

(1) by striking ''$15,000,000'' and inserting ''$30,000,000''; and

(2) by striking ''2002'' and inserting ''2011''.

(b) 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 new section:

**''SEC. 5B. SUSTAINABLE FORESTRY OUTREACH INITIATIVE.**

''The Secretary shall establish a program to be known as the 'Sustainable Forestry Outreach Initiative' for the purpose of educating landowners regarding the following:

''(1) The value and benefits of practicing sustainable forestry.

''(2) The importance of professional forestry advice in achieving their sustainable forestry objectives.

''(3) The variety of public and private sector resources available to assist them in planning for and practicing sustainable forestry.''.

**SEC. 804. ENHANCED COMMUNITY FIRE PROTECTION.**

(a) FINDINGS.—Congress finds the following:

(1) The severity and intensity of wildland fires has 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.

(3) These wildfires threaten not only the nation's forested resources, but the thousands of communities intermingled with the wildlands in the wildland-urban interface.

(4) The National Fire Plan developed in response to the 2000 fire season is the proper, coordinated, and most effective means to address this wildfire issue.

(5) Whereas adequate authorities exist to tackle the wildfire issues at the landscape level on Federal lands, there is limited authority to take action on most private lands where the largest threat to life and property lies.

(6) There is a significant Federal interest in enhancing community protection from wildfire.

(b) ENHANCED PROTECTION.—The Cooperative Forestry Assistance Act of 1978 is amended by inserting after section 10 (16 U.S.C. 2106) the following new section:

**''SEC. 10A. ENHANCED COMMUNITY FIRE PROTECTION.**

''(a) COOPERATIVE MANAGEMENT RELATED TO WILDFIRE THREATS.—The Secretary may cooperate with State foresters and equivalent State officials in the management of lands in the United States for the following purposes:

''(1) Aid in wildfire prevention and control.

''(2) Protect communities from wildfire threats.

''(3) Enhance the growth and maintenance of trees and forests that promote overall forest health.

''(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) ESTABLISHMENT; PURPOSE.—The Secretary shall establish a Community and Private Land Fire Assistance program (in this section referred to as the 'Program')—

''(A) to focus the Federal role in promoting optimal firefighting efficiency at the Federal, State, and local levels;

''(B) to augment Federal projects that establish landscape level protection from wildfires;

''(C) to expand outreach and education programs to homeowners and communities about fire prevention; and

''(D) to establish defensible space around private landowners homes and property against wildfires.

''(2) ADMINISTRATION AND IMPLEMENTATION.—The Program shall be administered by the Forest Service and implemented through the State forester or equivalent State official.

''(3) COMPONENTS.—In coordination with existing authorities under this Act, the Secretary may undertake on both Federal and non-Federal lands—

''(A) fuel hazard mitigation and prevention;

''(B) invasive species management;

''(C) multi-resource wildfire planning;

''(D) community protection planning;

''(E) community and landowner education enterprises, including the program known as FIREWISE;

''(F) market development and expansion;

''(G) improved wood utilization;

''(H) special restoration projects.

''(4) CONSIDERATIONS.—The Secretary shall use local contract personnel wherever possible to carry out projects under the Program.

''(c) AUTHORIZATION OF APPROPRIATIONS.—There are hereby authorized to be appropriated to the Secretary $35,000,000 for each of fiscal years 2002 through 2011, and such sums as may be necessary thereafter, to carry out this section.''.

**SEC. 805. INTERNATIONAL FORESTRY PROGRAM.**

Section 2405(d) of the Global Climate Change Prevention Act of 1990 (title XXIV of Public Law 101–624; 7 U.S.C. 6704(d)) is amended by striking ''2002'' and inserting ''2011''.

**SEC. 806. 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 a value-added outlet for 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) DEFINITIONS.—In this section:

(1) BIOMASS-TO-ENERGY FACILITY.—The term ''biomass-to-energy facility'' means a facility that uses 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 near 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 forest land of the United States.

(4) HAZARDOUS FUEL.—

(A) IN GENERAL.—The term ''hazardous fuel'' means any excessive accumulation of organic material on public and 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 under the report of the Forest Service entitled 'Protecting People and Sustainable Resources in Fire-Adapted Ecosystems', dated October 13, 2000, or that is designated as condition class 3 under that report) that 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 wildfire, human, community, or firefighter safety, in a year in which drought conditions are present.

(B) EXCLUSION.—The term ''hazardous fuel'' does not include forest biomass.

(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.

(c) 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 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 derived from forest land.

(B) ACCESS.—On notice by the Secretary, the operator of a biomass-to-energy facility that purchases hazardous fuels, or uses hazardous fuels purchased, with funds from a grant under this subsection shall provide the Secretary with—

(i) reasonable access to the biomass-to-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 fiscal year.

(d) 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 shall 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;

(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)), include modifications in the restoration goals based on the effects of—

(I) fire;

(II) hazardous fuel treatments under the National Fire Plan; 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 land allocation categories in which the contract authorities shall be used; 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 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 on National Forest System land based on the stewardship treatment schedules provided in the annual assessments conducted under paragraph (1).

(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 be 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 such sums as are necessary to carry out this subsection.

(e) TERMINATION OF AUTHORITY.—The authority provided under this section shall terminate on September 30, 2006.

**SEC. 807. 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.

**TITLE IX—MISCELLANEOUS PROVISIONS**

**Subtitle A—Tree Assistance Program**

**SEC. 901. ELIGIBILITY.**

(a) LOSS.—Subject to the limitation in subsection (b), the Secretary of Agriculture shall provide assistance, as specified in section 902, to eligible orchardists that planted trees for commercial purposes but lost such trees as a result of a natural disaster, as determined by the Secretary.

(b) LIMITATION.—An eligible orchardist shall qualify for assistance under subsection (a) only if such orchardist's tree mortality, as a result of the natural disaster, exceeds 15 percent (adjusted for normal mortality).

**SEC. 902. ASSISTANCE.**

The assistance provided by the Secretary of Agriculture to eligible orchardists for losses described in section 901 shall consist of either—

(1) 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

(2) at the discretion of the Secretary, sufficient seedlings to reestablish the stand.

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**SA 2679.** Mr. DURBIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of section 164 and insert a period and the following:

**SEC. 165. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND; FOOD STAMP PROGRAM FUNDING INCREASES.**

(a) RESTRICTION.—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. RESTRICTION OF COMMODITY AND CROP INSURANCE PAYMENTS, LOANS, AND BENEFITS TO PREVIOUSLY CROPPED LAND.**

''(a) DEFINITION OF AGRICULTURAL COMMODITY.—In this section:

''(1) IN GENERAL.—The term 'agricultural commodity' has the meaning given the term in section 102 of the Agricultural Trade Act of 1978 (7 U.S.C. 5602).

''(2) EXCLUSIONS.—The term 'agricultural commodity' does not include forage, livestock, timber, forest products, or hay.

''(b) COMMODITIES.—

''(1) IN GENERAL.—Notwithstanding any other provision of this title, except as provided in paragraph (2), the Secretary shall not provide a payment, loan, or other benefit under this title to an owner or producer, with respect to land or a loan commodity planted or considered planted on land during a crop year unless the land has been planted, considered planted, or devoted to an agricultural commodity during —

''(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

''(B) at least 3 of the 10 crop years preceding the 2002 crop year.

''(2) CROP ROTATION.—Paragraph (1) shall not apply to an owner or producer, with respect to any agricultural commodity planted or considered planted, on land if the land—

''(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

''(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

''(c) CROP INSURANCE.—Notwithstanding any provision of the Federal Crop Insurance Act (7 U.S.C.1501 et seq.), the Federal Crop Insurance Corporation shall not pay premium subsidies or administrative costs of a reinsured company for insurance regarding a crop insurance policy of a producer under that Act unless, the land that is covered by the insurance policy—

''(1) has been planted, considered planted, or devoted to an agricultural commodity during—

''(A) at least 1 of the 5 crop years preceding the 2002 crop year; or

''(B) at least 3 of the 10 crop years preceding the 2002 crop year; or

''(2)(A) has been planted, considered planted, or devoted to an agricultural commodity during at least 1 of the 20 crop years preceding the 2002 crop year; and

''(B) has been maintained, and will continue to be maintained, using long-term crop rotation practices, as determined by the Secretary.

''(d) CONSERVATION RESERVE LAND.—For purposes of this section, land that is enrolled in 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.) shall be considered planted to an agricultural commodity.''.

(b) FOOD STAMP PROGRAM.—

(1) 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 by striking subparagraph (C) and inserting the following:

''(C) EXCLUDED VEHICLES.—Financial resources under this paragraph shall not include—

''(i) 1 licensed vehicle per household; and

''(ii) a vehicle (and any other property, real or personal, to the extent that the property is directly related to the maintenance or use of the vehicle) if the vehicle is—

''(I) used to produce earned income;

''(II) necessary for the transportation of a physically disabled household member; or

''(III) depended on by a household to carry fuel for heating or water for home use and provides the primary source of fuel or water, respectively, for the household.''.

(B) CONFORMING AMENDMENT.—Section 17 of the Food Stamp Act of 1977 (7 U.S.C. 2026) is amended by striking subsection (h).

(2) NUTRITION ASSISTANCE FOR ELDERLY INDIVIDUALS.—

(A) RESTORATION OF ELIGIBILITY.—Section 402(a)(2)(I) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1612(a)(2)(I)) is amended by striking ''who'' and all that follows and inserting the following: ''who—

''(i) is lawfully residing in the United States; and

''(ii) is 65 years of age or older.''.

(B) CONFORMING AMENDMENTS.—

(i) Section 421(d)(3) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1631(d)(3)) (as added by section 452(a)(2)(B)) is amended by striking ''section 402(a)(2)(J)'' and inserting ''subparagraph (I) or (J) of section 402(a)(2)''.

(ii) Section 423(d) of the Personal Responsibility and Work Opportunity Reconciliation Act of 1996 (8 U.S.C. 1183a note; Public Law 104–193) is amended by adding at the end the following:

''(12) Benefits under the Food Stamp Act of 1977 (7 U.S.C. 2011 et seq.).''.

(iii) Section 5(i)(2)(E) of the Food Stamp Act of 1977 (7 U.S.C. 2014(i)(2)(E)) (as amended by section 452(a)(2)(C)) is amended by inserting before the period at the end the following: ''or is 65 years of age or older''.

(C) APPLICABILITY.—The amendments made by this paragraph shall apply to fiscal year 2004 and each fiscal year thereafter.

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**SA 2680.** Mr. CRAIG submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

At the appropriate place, insert the following:

**SEC. 1022. STUDY OF PROPOSAL TO PROHIBIT PACKERS FROM OWNING, FEEDING, OR CONTROLLING LIVESTOCK.**

(a) IN GENERAL.—Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall complete a study to determine the impact that prohibiting packers described in subsection (b) from owning, feeding, or controlling livestock intended for slaughter more than 14 days prior to slaughter would have on—

(1) livestock producers that market under contract, grid, basis contract, or forward contract;

(2) rural communities and employees of commercial feedlots associated with a packer;

(3) private or cooperative joint ventures in packing facilities;

(4) livestock producers that market feeder livestock to feedlots owned or controlled by packers;

(5) the market price for livestock (both cash and future prices);

(6) the ability of livestock producers to obtain credit from commercial sources;

(7) specialized programs for marketing specific cuts of meat;

(8) the ability of the United States to compete in international livestock markets; and

(9) future investment decisions by packers and the potential location of new livestock packing operations.

(b) PACKERS.—The packers referred to in subsection (a) are packers that slaughter more than 2 percent of the slaughter of a particular type of livestock slaughtered in the United States in any year.

(c) CONSIDERATION.—In conducting the study under subsection (a), the Secretary of Agriculture shall—

(1) consider the legal conditions that have existed in the past regarding the feeding by packers of livestock intended for slaughter; and

(2) determine the impact of those legal conditions.

(d) EFFECTIVENESS OF OTHER PROVISION.—The section entitled '' **PROHIBITION ON PACKERS OWNING, FEEDING, OR CONTROLLING LIVESTOCK**'', amending section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192), shall have no effect.

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**SA 2681.** Mr. CRAIG 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 OF PROPOSAL TO PROHIBIT PACKERS FROM OWNING, FEEDING, OR CONTROLLING LIVESTOCK.**

(a) IN GENERAL.—Not later than 270 days after the date of enactment of this Act, the Secretary of Agriculture shall complete a study to determine the impact that prohibiting packers described in subsection (b) from owning, feeding, or controlling livestock intended for slaughter more than 14 days prior to slaughter would have on—

(1) livestock producers that market under contract, grid, basis contract, or forward contract;

(2) rural communities and employees of commercial feedlots associated with a packer;

(3) private or cooperative joint ventures in packing facilities;

(4) livestock producers that market feeder livestock to feedlots owned or controlled by packers;

(5) the market price for livestock (both cash and future prices);

(6) the ability of livestock producers to obtain credit from commercial sources;

(7) specialized programs for marketing specific cuts of meat;

(8) the ability of the United States to compete in international livestock markets; and

(9) future investment decisions by packers and the potential location of new livestock packing operations.

(b) PACKERS.—The packers referred to in subsection (a) are packers that slaughter more than 2 percent of the slaughter of a particular type of livestock slaughtered in the United States in any year.

(c) CONSIDERATION.—In conducting the study under subsection (a), the Secretary of Agriculture shall—

(1) consider the legal conditions that have existed in the past regarding the feeding by packers of livestock intended for slaughter; and

(2) determine the impact of those legal conditions.

(d) EFFECTIVENESS OF OTHER PROVISION.—The section entitled '' **PROHIBITION ON PACKERS OWNING, FEEDING, OR CONTROLLING LIVESTOCK**'', amending section 202 of the Packers and Stockyards Act, 1921 (7 U.S.C. 192), shall have no effect.

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**SA 2682.** Mr. DORGAN 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:

Strike section 165 and insert the following:

**SEC. 165. PAYMENT AND NET INCOME LIMITATIONS.**

(a) PAYMENT LIMITATIONS.—

(1) IN GENERAL.—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 PAYMENTS.—The total amount of direct payments made to a person during any fiscal year may not exceed $80,000, with a separate limitation for—

''(A) all contract commodities; and

''(B) peanuts.

''(2) LIMITATION ON COUNTER-CYCLICAL PAYMENTS.—The total amount of counter-cyclical payments made to a person during any fiscal year may not exceed $75,000, with a separate limitation for—

''(A) all contract commodities; and

''(B) peanuts.

''(3) LIMITATION ON MARKETING LOAN GAINS AND LOAN DEFICIENCY PAYMENTS.—

''(A) IN GENERAL.—The total amount of the payments and benefits specified in subparagraph (B) 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 $75,000, with a separate limitation for—

''(i) all loan commodities (other than wool and honey);

''(ii) wool;

''(iii) honey; and

''(iv) peanuts.

''(B) DESCRIPTION OF PAYMENTS AND BENEFITS SUBJECT TO LIMITATION.—The payments referred to in subparagraph (A) are the following:

''(i) MARKETING LOAN GAINS.—Any gain realized by a producer from repaying a marketing assistance loan under section 131 or 158G(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a lower level than the original loan rate established for the loan commodity or peanuts under section 132 or 158G(d) of that Act, respectively.

''(ii) LOAN DEFICIENCY PAYMENTS.—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.

''(E) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.''.

(2) TRANSITION.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308), as in effect on the day before the date of the enactment of this Act, shall continue to apply with respect to fiscal year 2001 and the 2001 crop of any contract commodity or loan commodity (as defined in section 102 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7202)).

(b) NET INCOME LIMITATION.—The Food Security Act of 1985 is amended by inserting after section 1001E (7 U.S.C. 1308–5) the following:

**''SEC. 1001F. NET INCOME LIMITATION.**

''(a) DEFINITIONS.—In this section:

''(1) ADJUSTED GROSS AGRICULTURAL INCOME.—The term 'adjusted gross agricultural income' means the adjusted gross income for all agricultural enterprises of an owner or producer in a 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 owner or 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 owner or producer, including payments and benefits described in section 1001(2)(B);

''(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 owner or producer; and

''(D) as represented on a schedule F of the Federal income tax returns of the owner or producer or a comparable tax form related to the agricultural enterprises of the owner or producer, as approved by the Secretary.

''(2) ADJUSTED GROSS INCOME.—The term 'adjusted gross income' has the meaning given the term in section 62 of the Internal Revenue Code of 1986.

''(b) LIMITATION.—Notwithstanding any other provision of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.), an owner or producer shall not be eligible for a payment or benefit described in paragraphs (1) or (2) of section 1001 for a fiscal or crop year (as appropriate) if—

''(1) the average adjusted gross income of the owner or producer for each of the preceding 3 taxable years exceeds $2,500,000; and

''(2) less than 75 percent of the adjusted gross income of the owner or producer is adjusted gross agricultural income.''.

(c) LOAN DEFICIENCY PAYMENTS.—

(1) ELIGIBILITY.—Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) (as amended by section 126(1)) is amended by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—The Secretary may make loan deficiency payments available to—

''(1) producers on a farm that, although eligible to obtain a marketing assistance loan

under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the covered commodity in return for payments under this section; and

''(2) effective only for the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 131, produce a loan commodity.''.

(2) BENEFICIAL INTEREST.—Section 135(e)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(e)) (as amended by section 126(2)) is amended by striking ''A producer'' and inserting ''Effective for the 2001 crop, a producer''.

(d) PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.—Subtitle C of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7231 et seq.) is amended by adding at the end the following:

**''SEC. 138. PAYMENTS IN LIEU OF LOAN DEFICIENCY PAYMENTS FOR GRAZED ACREAGE.**

''(a) IN GENERAL.—For each of the 2002 through 2006 crops of wheat, grain sorghum, barley, and oats, in the case of the producers on a farm that would be eligible for a loan deficiency payment under section 135 for wheat, grain sorghum, barley, or oats, but that elects to use acreage planted to the wheat, grain sorghum, barley, or oats for the grazing of livestock, the Secretary shall make a payment to the producers on the farm under this section if the producers on the farm enter into an agreement with the Secretary to forgo any other harvesting of the wheat, grain sorghum, barley, or oats on the acreage.

''(b) PAYMENT AMOUNT.—The amount of a payment made to the producers on a farm under this section shall be equal to the amount obtained by multiplying—

''(1) the loan deficiency payment rate determined under section 135(c) in effect, as of the date of the agreement, for the county in which the farm is located; by

''(2) the payment quantity obtained by multiplying—

''(A) the quantity of the grazed acreage on the farm with respect to which the producers on the farm elect to forgo harvesting of wheat, grain sorghum, barley, or oats; and

''(B) the payment yield for that contract commodity on the farm.

''(c) TIME, MANNER, AND AVAILABILITY OF PAYMENT.—

''(1) TIME AND MANNER.—A payment under this section shall be made at the same time and in the same manner as loan deficiency payments are made under section 135.

''(2) AVAILABILITY.—The Secretary shall establish an availability period for the payment authorized by this section that is consistent with the availability period for wheat, grain sorghum, barley, and oats established by the Secretary for marketing assistance loans authorized by this subtitle.

''(d) PROHIBITION ON CROP INSURANCE OR NONINSURED CROP ASSISTANCE.—The producers on a farm shall not be eligible for insurance under the Federal Crop Insurance Act (7 U.S.C. 1501 et seq.) or noninsured crop assistance under section 196 with respect to a 2002 through 2006 crop of wheat, grain sorghum, barley, or oats planted on acreage that the producers on the farm elect, in the agreement required by subsection (a), to use for the grazing of livestock in lieu of any other harvesting of the crop.''.

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**SA 2683.** Mr. LEAHY submitted an amendment intended to be proposed to amendment SA 2568 submitted by Mr. HELMS and intended to be proposed to the amendment SA 2471 proposed by Mr. DASCHLE to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter proposed to be inserted, in amendment No. 2568, insert the following:

**SEC. 1___. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.**

Title III of the Packers and Stockyards Act, 1921, (7 U.S.C. 201 et seq.) is amended by adding at the end the following:

**''SEC. 318. UNLAWFUL STOCKYARD PRACTICES INVOLVING NONAMBULATORY LIVESTOCK.**

''(a) DEFINITIONS.—In this section:

''(1) HUMANELY EUTHANIZE.—The term 'humanely euthanize' 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.—Except as provided in paragraph (2), it shall be unlawful 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.

''(c) APPLICATION OF PROHIBITION.—Subsection (b) shall apply beginning one year after the date of the enactment of the Agriculture, Conservation, and Rural Enhancement Act of 2001. By the end of such period, the Secretary shall promulgate regulations to carry out this section.''.

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**SA 2684.** Mr. LEVIN submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

Strike the period at the end of subtitle C of title X and insert a period and the following:

**SEC. 1033. IMPORTATION OF MUNICIPAL SOLID WASTE.**

(a) DEFINITION OF MUNICIPAL SOLID WASTE.—

(1) IN GENERAL.—In this section, the term ''municipal solid waste'' means waste material generated by—

(A) a household (including a single family or multifamily residence); and

(B) a commercial, industrial, or institutional entity, to the extent that the waste material—

(i) is essentially the same as waste normally generated by a household;

(ii) is collected and disposed of with other municipal solid waste as part of normal municipal solid waste collection services; and

(iii) contains a relative quantity of hazardous substances no greater than the relative quantity of hazardous substances contained in waste material generated by a typical single-family household.

(2) INCLUSIONS.—The term ''municipal solid waste'' includes—

(A) food and yard waste;

(B) paper;

(C) clothing;

(D) appliances;

(E) consumer product packaging;

(F) disposable diapers;

(G) office supplies;

(H) cosmetics;

(I) glass and metal food containers;

(J) elementary or secondary school science laboratory waste; and

(K) household hazardous waste.

(3) EXCLUSIONS.—The term ''municipal solid waste'' does not include—

(A) combustion ash generated by resource recovery facilities or municipal incinerators; or

(B) waste material from manufacturing or processing operations (including pollution control operations) that is not essentially the same as waste normally generated by households.

(b) IMPLEMENTATION OF AGREEMENTS.—As soon as practicable after the date of enactment of this Act, the President shall implement the agreement entitled ''Agreement Between the Government of the United States and the Government of Canada Concerning the Transboundary Movement of Hazardous Waste, Ottawa, 1986'', done at Ottawa on October 28, 1986 (TIAS 11099), as amended at Washington on November 4 and 25, 1992.

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**SA 2685.** Mr. ALLARD 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. ___. AGRICULTURAL RESEARCH AND TECHNOLOGY.**

(a) FIELD STUDIES.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the Secretary of Agriculture shall conduct field studies on—

(A) the transmission of spongiform encephalopathy in deer, elk, and moose; and

(B) chronic wasting disease (including the risks that chronic wasting disease poses to livestock).

(2) REPORT.—Not later than February 1, 2002, 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 field studies.

(b) RESEARCH AND EXTENSION GRANT PROGRAM.—As soon as practicable after the date of enactment of this Act, the Secretary shall establish a program to provide research and extension grants to eligible entities (as determined by the Secretary) to develop, for livestock production—

(1) prevention and control methodologies for infectious animal diseases that affect trade, including—

(A) vesicular stomatitis;

(B) bovine tuberculosis;

(C) transmissible spongiform encephalopathy;

(D) burcellosis; and

(E) E. coli 0157:H7 infection;

(2) laboratory tests to expedite detection of—

(A) infected livestock; and

(B) the presence of diseases within herds or flocks of livestock; and

(3) prevention strategies, including vaccination programs, for infectious diseases that affect livestock.

(c) OFFICE OF SCIENCE AND TECHNOLOGY POLICY.—

(1) IN GENERAL.—As soon as practicable after the date of enactment of this Act, the President shall—

(A) establish within the Office of Science and Technology Policy a noncareer, senior executive service appointment position for a Veterinary Advisor; and

(B) appoint an individual to the position.

(2) QUALIFICATIONS; DUTIES.—The individual appointed to the position described in paragraph (1) shall—

(A) hold the degree of Doctor of Veterinary Medicine from an accredited college of veterinary medicine in the United States; and

(B) provide to the science advisor of the President expertise in—

(i) exotic animal disease detection, prevention, and control;

(ii) food safety; and

(iii) animal agriculture.

(3) EXECUTIVE SCHEDULE PAY RATES.—Section 5313 of title 5, United States Code, is amended by adding at the end the following:

''Veterinary Advisor, Office of Science and Technology Policy.''.

(d) VACCINES.—

(1) VACCINE STORAGE STUDY.—Not later than December 1, 2001, the Secretary shall—

(A) conduct a study to determine the number of doses of livestock disease vaccines that should be available to protect against livestock diseases that could be introduced into the United States; and

(B) compare that number with the number of doses of the livestock disease vaccines that are available as of that date.

(2) STOCKPILING OF VACCINES.—If, after conducting the study and comparison described in paragraph (1), the Secretary determines that there is an insufficient number of doses of a particular vaccine referred to in that paragraph, the Secretary shall take such actions as are necessary to obtain the required additional doses of the vaccine.

(e) VETERINARY TRAINING.—Not later than December 1, 2001, the Secretary shall develop a plan to ensure that, during the 2-year period beginning on that date, veterinarians representing all regions of the United States, especially regions in which livestock production is a major industry, are trained to identify highly infectious livestock diseases.

(f) FUNDING FOR FISCAL YEAR 2002.—

(1) IN GENERAL.—On October 1, 2002, out of any moneys in the Treasury not otherwise appropriated, the Secretary of the Treasury shall provide to the Secretary $15,000,000 to carry out this section, to remain available until expended.

(2) RECEIPT AND ACCEPTANCE.—The Secretary shall be entitled to receive the funds and shall accept the funds provided under paragraph (1), without further appropriation.

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**SA 2686.** Mr. GRASSLEY (for himself, Mr. HAGEL, Mr. LUGAR, and Mr. JOHNSON) submitted an amendment intended to be proposed to amendment SA 2471 submitted by Mr. DASCHLE and intended to be proposed to the bill (S. 1731) to strengthen the safety net for agricultural producers, to enhance resource conservation and rural development, to provide for farm credit, agricultural research, nutrition, and related programs, to ensure consumers abundant food and fiber, and for other purposes; which was ordered to lie on the table; as follows:

In lieu of the matter to be inserted, insert:

Notwithstanding any other provision of this act, the payment limitation provisions shall be:

**SEC. . PAYMENT LIMITATIONS; NUTRITION AND COMMODITY PROGRAMS.**

(a) PAYMENT LIMITATIONS.—

(1) IN GENERAL.—Section 1001 of the Food Security Act of 1985 (7 U.S.C. 1308) is amended by striking paragraphs (1) through (6) and inserting the following:

''(1) LIMITATIONS ON DIRECT AND COUNTER-CYCLICAL PAYMENTS.—Subject to paragraph (5)(A), the total amount of direct payments and counter-cyclical payments made directly or indirectly to an individual or entity during any fiscal year may not exceed $75,000.

''(2) LIMITATIONS ON MARKETING LOAN GAINS, LOAN DEFICIENCY PAYMENTS, AND COMMODITY CERTIFICATE TRANSACTIONS.—

''(A) IN GENERAL.—Subject to paragraph (5)(A), the total amount of the payments and benefits described in subparagraph (B) that an individual or entity may directly or indirectly receive during any crop year may not exceed $150,000.

''(B) PAYMENTS AND BENEFITS.—Subparagraph (A) shall apply to the following payments and benefits:

''(i) MARKETING LOAN GAINS.—

''(I) REPAYMENT GAINS.—Any gain realized by a producer from repaying a marketing assistance loan under section 131 or 158G(a) of the Federal Agriculture Improvement and Reform Act of 1996 for a crop of any loan commodity or peanuts, respectively, at a lower level than the original loan rate established for the loan commodity or peanuts under section 132 or 158G(d) of that Act, respectively.

''(II) FORFEITURE GAINS.—In the case of settlement of a marketing assistance loan under section 131 or 158G(a) of that Act for a crop of any loan commodity or peanuts, respectively, by forfeiture, the amount by which the loan amount exceeds the repayment amount for the loan if the loan had been settled by repayment instead of forfeiture.

''(ii) LOAN DEFICIENCY PAYMENTS.—Any loan deficiency payment received for a loan commodity or peanuts under section 135 or 158G(e) of that Act, respectively.

''(iii) COMMODITY CERTIFICATES.—Any gain realized from the use of a commodity certificate issued by the Commodity Credit Corporation, as determined by the Secretary, including the use of a certificate for the settlement of a marketing assistance loan made under section 131 or 158G(a) of that Act.

''(3) SETTLEMENT OF CERTAIN LOANS.—Notwithstanding subtitle C and section 158G of the Federal Agriculture Improvement and Reform Act of 1996, if the amount of payments and benefits described in paragraph (2)(B) attributed directly or indirectly to an individual or entity for a crop year reaches the limitation described in paragraph (2)(A), the portion of any unsettled marketing assistance loan made under section 131 or 158G(a) of that Act attributed directly or indirectly to the individual or entity shall be settled through the repayment of the total loan principal, plus applicable interest.

''(4) DEFINITIONS.—In this section and sections 1001A through 1001F:

''(A) COUNTER-CYCLICAL PAYMENT.—The term 'counter-cyclical payment'' means a payment made under section 114 or 158D of the Federal Agriculture Improvement and Reform Act of 1996.

''(B) DIRECT PAYMENT.—The term 'direct payment' means a payment made under section 113 or 158C of that Act.

''(C) LOAN COMMODITY.—The term 'loan commodity' has the meaning given the term in section 102 of that Act.

''(D) SECRETARY.—The term 'Secretary' means the Secretary of Agriculture.

''(5) APPLICATION OF LIMITATION.—

''(A) MARRIED COUPLES.—The total amount of payments and benefits described paragraphs (1) and (2) that a married couple may receive directly or indirectly may not exceed $275,000 during the fiscal or crop year (as appropriate).

''(B) TENANT RULE.—

''(i) IN GENERAL.—Any individual or entity that conducts a farming operation to produce a crop subject to the limitations established under this section as a tenant shall be ineligible to receive any payment or benefit described in paragraph (1) or (2), or subtitle D of title XII, with respect to the land unless the individual or entity makes a contribution of active personal labor to the operation that is at least equal to the lesser of—

''(I) 1000 hours; or

''(II) 40 percent of the minimum number of labor hours required to produce each commodity by the operation (as described in clause (ii)).

''(ii) MINIMUM NUMBER OF LABOR HOURS.—For the purpose of clause (i)(II), the minimum number of labor hours required to produce each commodity shall be equal to the number of hours that would be necessary to conduct a farming operation for the production of each commodity that is comparable in size to an individual or entity's commensurate share in the farming operation for the production of the commodity, based on the minimum number of hours per acre required to produce the commodity in the State where the farming operation is located, as determined by the Secretary.

''(6) PUBLIC SCHOOLS.—The provisions of this section that limit payments to any individual or entity shall not be applicable to land owned by a public school district or land owned by a State that is used to maintain a public school.''.

(2) SUBSTANTIVE CHANGE.—Section 1001A(a) of the Food Security Act of 1985 (7 U.S.C. 1308–1(a)) is amended—

(A) in the section heading, by striking ''**PREVENTION OF CREATION OF ENTITIES TO QUALITY AS SEPARATE PERSONS;'' AND INSERTING ''SUBSTANTIVE CHANGE;**'';

(B) by striking ''(a) PREVENTION'' and all that follows through the end of paragraph (2) and inserting the following:

''(a) SUBSTANTIVE CHANGE.—

''(1) IN GENERAL.—The Secretary may not approve (for purposes of the application of the limitations under this section) any change in a farming operation that otherwise will increase the number of individuals or entities to which the limitations under this section are applied unless the Secretary determines that the change is bona fide and substantive.

''(2) FAMILY MEMBERS.—For the purpose of paragraph (1), the addition of a family member to a farming operation under the criteria established under subsection (b)(1)(B) shall be considered a bona fide and substantive change in the farming operation.'';

(C) in the first sentence of paragraph (3)—

(i) by striking ''as a separate person''; and

(ii) by inserting '', as determined by the Secretary'' before the period at the end; and

(D) by striking paragraph (4).

(3) ACTIVELY ENGAGED IN FARMING.—Section 1001A(b) of the Food Security Act of 1985 (7 U.S.C. 1308–1(b)) is amended—

(A) by striking paragraph (1) and inserting the following:

''(1) IN GENERAL.—To be eligible to receive, directly or indirectly, payments (as described in paragraphs (1) and (2) of section 1001 as being subject to limitation) with respect to a particular farming operation an individual or entity shall be actively engaged in farming with respect to the operation, as provided under paragraphs (2), (3), and (4).'';

(B) in paragraph (2), by adding at the end the following:

''(E) ACTIVE PERSONAL MANAGEMENT.—For an individual to be considered to be providing active personal management under this paragraph on behalf of the individual or a corporation or entity, the management provided by the individual shall be personally provided on a regular, substantial, and continuous basis through the direction supervision and direction of—

''(i) activities and labor involved in the farming operation; and

''(ii) on-site services that are directly related and necessary to the farming operation.'';

(C) in paragraph (3)—

(i) by striking subparagraph (A) and inserting the following:

''(A) LANDOWNERS.—An individual or entity that is a landowner contributing the owned land to the farming operation and that meets the standard provided in clauses (ii) and (iii) of paragraph (2)(A), if the landowner—

''(i) share rents the land; or

''(ii) makes a significant contribution of active personal management.''; and

(ii) in subparagraph (B), by striking ''persons'' and inserting ''individuals and entities''; and

(D) in paragraph (4)—

(i) in the paragraph heading, by striking ''PERSONS'' and inserting ''INDIVIDUALS AND ENTITIES'';

(ii) in the matter preceding subparagraph (A), by striking ''persons'' and inserting ''individuals and entities''; and

(iii) in subparagraph (B)—

(I) in the subparagraph heading, by striking ''PERSONS'' and inserting ''INDIVIDUALS AND ENTITIES''; and

(II) by striking ''person, or class of persons'' and inserting ''individual or entity, or class of individuals or entities'';

(E) by striking paragraph (5);

(F) in paragraph (6), by striking ''a person'' and inserting ''an individual or entity''; and

(G) by redesignating paragraph (6) as paragraph (5).

(4) ADMINISTRATION.—Section 1001A of the Food Security Act of 1985 (7 U.S.C. 1308–1) is amended by adding at the end the following:

''(c) ADMINISTRATION.—

''(1) REVIEWS.—

''(A) IN GENERAL.—During each of fiscal years 2002 through 2006, the Office of Inspector General for the Department of Agriculture shall conduct a review of the administration of the requirements of this section and sections 1001, 1001B, 1001C, and 1001E in at least 6 States.

''(B) MINIMUM NUMBER OF COUNTIES.—Each State review described in subparagraph (A) shall cover at least 5 counties in the State.

''(C) REPORT.—Not later than 90 days after completing a review described in subparagraph (A), the Inspector General for the Department of Agriculture shall issue a final report to the Secretary of the findings of the Inspector General.

''(2) EFFECT OF REPORT.—If a report issued under paragraph (1) reveals that significant problems exist in the implementation of payment limitation requirements of this section and sections 1001, 1001B, 1001C, and 1001E in a State and the Secretary agrees that the problems exist, the Secretary—

''(A) shall initiate a training program regarding the payment limitation requirements; and

''(B) may require that all payment limitation determinations regarding farming operations in the State be issued from the headquarters of the Farm Service Agency.''.

(5) SCHEME OR DEVICE.—Section 1001B of the Food Security Act of 1985 (7 U.S.C. 1308–2) is amended by striking ''person'' each place it appears and inserting ''individual or entity''.

(6) FOREIGN INDIVIDUALS AND ENTITIES.—Section 1001C(b) of the Food Security Act of 1985 (7 U.S.C. 1308–3(b)) is amended in the first sentence by striking ''considered a person that is''.

(7) EDUCATION PROGRAM.—Section 1001D(c) of the Food Security Act of 1985 (7 U.S.C. 1308–4(c)) is amended by striking ''5 persons'' and inserting ''5 individuals or entities''.

(8) REPORT TO CONGRESS.—No later than 180 days after the date of enactment of this Act, the Secretary of Agriculture shall provide a report to and to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate that describes—

(A) how State and county office employees are trained regarding the payment limitation requirements of section 1001 through 1001E of the Food Security Act of 1985 (7 U.S.C. 1308 through 1308–5);

(B) the general procedures used by State and county office employees to identify potential violations of the payment limitation requirements;

(C) the requirements for State and county office employees to report serious violations of the payment limitation requirements, including violations of section 1001B of that Act to the county committee, higher level officials of the Farm Service Agency, and to the Office of Inspector General; and

(D) the sanctions imposed against State and county office employees who fail to report or investigate potential violations of the payment limitation requirements.

(b) NET INCOME LIMITATION.—The Food Security Act of 1985 is amended by inserting after section 1001E (7 U.S.C. 1308–5) the following:

**''SEC. 1001F. NET INCOME LIMITATION.**

''Notwithstanding any other provision of title I of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7201 et seq.), an owner or producer shall not be eligible for a payment or benefit described in paragraphs (1) or (2) of section 1001 for a fiscal or crop year (as appropriate) if the average adjusted gross income (as defined in section 62 of the Internal Revenue Code of 1986) of the owner or producer for each of the preceding 3 taxable years exceeds $2,500,000.''.

(c) FOOD STAMP PROGRAM.—

(1) INCREASE IN BENEFITS TO HOUSEHOLDS WITH CHILDREN.—Section 5(e) of the Food Stamp Act of 1977 (7 U.S.C. 2014(e)) is amended by striking paragraph (1) and inserting the following:

''(1) STANDARD DEDUCTION.—

''(A) IN GENERAL.—Subject to the other provisions of this paragraph, the Secretary shall allow for each household a standard deduction that is equal to the greater of—

''(i) the applicable percentage specified in subparagraph (D) of the applicable income standard of eligibility established under subsection (c)(1); or

''(ii) the minimum deduction specified in subparagraph (E).

''(B) GUAM.—The Secretary shall allow for each household in Guam a standard deduction that is—

''(i) equal to the applicable percentage specified in subparagraph (D) of twice the income standard of eligibility established under subsection (c)(1) for the 48 contiguous States and the District of Columbia; but

''(ii) not less than the minimum deduction for Guam specified in subparagraph (E).

''(C) HOUSEHOLDS OF 6 OR MORE MEMBERS.—The income standard of eligibility established under subsection (c)(1) for a household of 6 members shall be used to calculate the standard deduction for each household of 6 or more members.

''(D) APPLICABLE PERCENTAGE.—For the purpose of subparagraph (A), the applicable percentage shall be—

''(i) 8 percent for each of fiscal years 2002 through 2004;

''(ii) 8.25 percent for each of fiscal years 2005 and 2006;

''(iii) 8.5 percent for each of fiscal years 2007 and 2008;

''(iv) 8.75 percent for fiscal year 2009; and

''(v) 9 percent for each of fiscal years 2010 and 2011.

''(E) MINIMUM DEDUCTION.—The minimum deduction shall be $134, $229, $189, $269, and $118 for the 48 contiguous States and the District of Columbia, Alaska, Hawaii, Guam, and the Virgin Islands of the United States, respectively.''.

(2) PARTICIPANT EXPENSES.—Section 6(d)(4)(I)(i)(I) of the Food Stamp Act of 1977 (7 U.S.C. 2015(d)(4)(I)(i)(I)) is amended by striking '', except that the State agency may limit such reimbursement to each participant to $25 per month''.

(3) FEDERAL REIMBURSEMENT.—Section 16(h)(3) of the Food Stamp Act of 1977 (7 U.S.C. 2025(h)(3)) is amended by striking ''such total amount shall not exceed an amount representing $25 per participant per month for costs of transportation and other actual costs (other than dependent care costs) and'' and inserting ''the amount of the reimbursement for dependent care expenses shall not exceed''.

(4) EFFECTIVENESS OF CERTAIN PROVISIONS.—Section 413 and subsections (c) and (d) of section 433, and the amendments made by section 413 and subsections (c) and (d) of section 433, shall have no effect.

(d) 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 423(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)).''.

(e) LOAN DEFICIENCY PAYMENTS.—

(1) ELIGIBILITY.—Section 135 of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235) (as amended by section 126(1)) is amended by striking subsection (a) and inserting the following:

''(a) IN GENERAL.—The Secretary may make loan deficiency payments available to—

''(1) producers on a farm that, although eligible to obtain a marketing assistance loan under section 131 with respect to a loan commodity, agree to forgo obtaining the loan for the covered commodity in return for payments under this section; and

''(2) effective only for the 2000 and 2001 crop years, producers that, although not eligible to obtain such a marketing assistance loan under section 131, produce a loan commodity.''.

(2) BENEFICIAL INTEREST.—Section 135(e)(1) of the Federal Agriculture Improvement and Reform Act of 1996 (7 U.S.C. 7235(e)) (as amended by section 126(2)) is amended by striking ''A producer'' and inserting ''Effective for the 2001 through 2006 crops, a producer''.

(f) INITIATIVE FOR FUTURE AGRICULTURE AND FOOD SYSTEMS.—Section 401(b)(1) of the Agricultural Research, Extension, and Education Reform Act of 1998 (7 U.S.C. 7621(b)(1)) (as amended by section 741) is amended—

(1) in subparagraph (A), by striking ''$120,000,000'' and inserting ''$130,000,000''; and

(2) in subparagraph (B), by striking ''$145,000,000'' and inserting ''$225,000,000''.

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**SA 2687.** Mr. HOLLINGS submitted an amendment intended to be proposed by him to the bill H.R. 3210, to ensure the continued financial capacity of insurers to provide coverage for risks from terrorism; which was ordered to lie on the table; as follows:

Strike out 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 ''National Terrorism Reinsurance Loan and Grant Act''.

(b) TABLE OF CONTENTS.—The table of contents for this Act is as follows:

Sec. 1. Short title; table of contents.

TITLE I—GENERAL PROVISIONS

Sec. 101. Loan and grant programs.
Sec. 102. Credit for reinsurance.
Sec. 103. Mandatory coverage by property and casualty insurers for acts of terrorism.
Sec. 104. Monitoring and enforcement.
Sec. 105. Administrative provisions.
Sec. 106. Termination of programs.
Sec. 107. Definitions.

TITLE II—LOAN PROGRAM

Sec. 201. National terrorism reinsurance loan program.
Sec. 202. Repayment of loans.
Sec. 203. Reports by insurers.
Sec. 204. Rates; rate-making methodology and data.

TITLE III—GRANT PROGRAM

Sec. 301. National terrorism insurance loss grant program.
Sec. 302. Coverage provided.
Sec. 303. Authorization of appropriations.

TITLE IV—LITIGATION

Sec. 401. Procedures for civil actions.
Sec. 402. Punitive damages against insurers.

## TITLE I—GENERAL PROVISIONS

**SEC. 101. LOAN AND GRANT PROGRAMS.**

(a) IN GENERAL.—If the Secretary determines that there are losses from terrorism on covered lines in calendar year 2002 then the Secretary shall—

(1) make loans to insurers under title II, to the extent that the aggregate amount of such losses does not exceed $10,000,000,000; and

(2) make grants under title III, to the extent that the aggregate amount of such losses exceeds $10,000,000,000.

(b) DETERMINATION.—

(1) INITIAL DETERMINATION.—The Secretary shall make an initial determination as to whether the losses were caused by an act of terrorism.

(2) NOTICE AND HEARING.—The Secretary shall give public notice of the initial determination and afford all interested parties an opportunity to be heard on the question of whether the losses were caused by an act of terrorism.

(3) FINAL DETERMINATION.—Within 30 days after the Secretary's initial determination, the Secretary shall make a final determination as to whether the losses were caused by an act of terrorism.

(4) STANDARD OF REVIEW.—The Secretary's determination shall be upheld upon judicial review if based upon substantial evidence.

**SEC. 102. CREDIT FOR REINSURANCE.**

Each State shall afford an insurer credit on the same basis and to the same extent that credit for reinsurance would be available to that insurer under applicable State law when reinsurance is obtained from an assuming insurer licensed or accredited in that State that is economically equivalent to that insurer's eligibility for loans under title II and grants under title III.

**SEC. 103. MANDATORY COVERAGE BY PROPERTY AND CASUALTY INSURERS FOR ACTS OF TERRORISM.**

(a) IN GENERAL.—An insurer that provides lines of coverage described in section 107(1)(A) or (B) may not—

(1) exclude or limit coverage in those lines for losses from acts of terrorism in the United States, its territories, and possessions in property and casualty insurance policy forms; or

(2) deny or cancel coverage solely due to the risk of losses from acts of terrorism in the United States.

(b) TERMS AND CONDITIONS.—Insurance against losses from acts of terrorism in the United States shall be covered with the same deductibles, limits, terms, and conditions as the standard provisions of the policy for noncatastrophic perils.

**SEC. 104. MONITORING AND ENFORCEMENT.**

(a) FTC ANALYSIS AND ENFORCEMENT.—The Federal Trade Commission shall review reports submitted by insurers under title II or III treating any proprietary data, privileged data, or trade or business secret information contained in the reports as privileged and confidential, for the purpose of determining whether any insurer is engaged in unfair methods of competition or unfair or deceptive acts or practices in or affecting commerce (within the meaning of section 5 of the Federal Trade Commission Act (15 U.S.C. 45)).

(b) GAO REVIEW OF REPORTS AND STATE REGULATORS.—The Comptroller General shall—

(1) provide for review and analysis of the reports submitted under titles II and III;

(2) review the efforts of State insurance regulatory authorities to keep premium rates for insurance against losses from acts of terrorism on covered lines reasonable:

(3) if the Secretary makes any loans under this title, provide for the audit of loan claims filed by insurers as requested by the Secretary; and

(4) on a timely basis, make any recommendations the Comptroller General may deem appropriate to the Congress for improvements in the programs established by this title before its termination.

(c) APPLICATION OF CERTAIN LAWS.—Notwithstanding any limitation in the McCarran-Ferguson Act (15 U.S.C. 1011 et seq.) or section 6 of the Federal Trade Commission Act (15 U.S.C. 46), the Federal Trade Commission Act (15 U.S.C. 41 et seq.) shall apply to insurers receiving a loan or grant under this Act. In determining whether any such insurer has been, or is, using any unfair method of competition, or unfair or deceptive act or practice, in violation of section 5 of that Act (15 U.S.C. 45), the Federal Trade Commission shall consider relevant information provided in reports submitted under this Act.

**SEC. 105. ADMINISTRATIVE PROVISIONS.**

In carrying out this Act, the Secretary may—

(1) issue such rules and regulations as may be necessary to administer this Act;

(2) make loans and grants and carry out the activities necessary to implement this Act;

(3) take appropriate action to collect premiums or assessments under this Act; and

(4) audit the reports, claims, books, and records of insurers to which the Secretary has made loans or grants under this Act.

**SEC. 106. TERMINATION OF PROGRAMS.**

(a) LOAN PROGRAM.

(1) IN GENERAL.—The authority of the Secretary to make loans under title II terminates on December 31, 2002, except to the extent necessary—

(A) to provide loans for losses from acts of terrorism occurring during calendar year 2002; and

(B) to recover the amount of any loans made under this title.

(2) ASSESSMENT AND COLLECTION OF LOAN REPAYMENTS.—The Secretary shall continue assessment and collection operations under title II as long as loans from the Secretary under that title are outstanding.

(3) REPORTING AND ENFORCEMENT.—The provisions of sections 202, 203, and 204 shall terminate when the authority of the Secretary to make loans under this title terminates.

(b) GRANT PROGRAM.—The authority of the Secretary to make grants under title III terminates on December 31, 2002.

**SEC. 107. DEFINITIONS.**

In this Act:

(1) COVERED LINE.

(A) IN GENERAL.—The term ''covered line'' means any one or a combination of the following, written on a direct basis, as reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank:

(i) Fire.
(ii) Allied lines.
(iii) Commercial multiple peril.
(iv) Ocean marine.
(v) Inland marine.
(vi) Workers compensation.
(vii) Products liability.
(viii) Commercial auto no-fault (personal injury protection), other commercial auto liability, or commercial auto physical damage.
(ix) Aircraft (all peril).
(x) Fidelity and surety.
(xi) Burglary and theft.
(xii) Boiler and machinery.
(xiii) Any other line of insurance that is reported by property and casualty insurers in required financial reports on Statutory Page 14 of the NAIC Annual Statement Blank which is voluntarily elected by an insurer to be included in its terrorism coverage.

(B) OTHER LINES.—For purposes of clause (xiii), the lines of business that may be voluntarily selected are the following:

(i) Farmowners multiple peril.
(ii) Homeowners multiple peril.
(iii) Mortgage guaranty.
(iv) Financial guaranty.
(v) Private passenger automobile insurance

(C) ELECTION.—The election to voluntarily include another line of insurance, if made, must apply to all affiliated insurers that are members of an insurer group. Any voluntary election is on a one-time basis and is irrevocable.

(2) INSURER.

(A) IN GENERAL.—The term ''insurer'' means an entity writing covered lines on a direct basis and licensed as a property and casualty insurer, risk retention group, or other entity authorized by law as a residual market mechanism providing property or casualty coverage in at least one jurisdiction of the United States, its territories, or possessions and includes residual market insurers.

(B) VOLUNTARY PARTICIPATION.—A State workers' compensation, auto, or property insurance fund may voluntarily participate as an insurer.

(C) GROUP LIFE INSURERS.—The Secretary shall provide, by rule, for—

(i) the term ''insurer'' to include entities writing group life insurance on a direct basis and licensed as group life insurers; and

(ii) the term ''covered line'' to include group life insurance written on a direct basis, as reported by group life insurers in required financial reports on the appropriate NAIC Annual Statement Blank.

(3) LOSSES.—The term ''losses'' means direct incurred losses from an act of terrorism for covered lines, plus defense and cost containment expenses.

(4) NAIC.—The term ''NAIC'' means the National Association of Insurance Commissioners.

(5) SECRETARY.—Except where otherwise specifically provided, the term ''Secretary'' means the Secretary of Commerce.

(6) TERRORISM; ACT OF TERRORISM.

(A) IN GENERAL.—The terms ''terrorism'' and ''act of terrorism'' mean any act, certified by the Secretary in concurrence with the Secretary of State and the Attorney General, as a violent act or act dangerous to human life, property or infrastructure, within the United States, its territories and possessions, that is committed by an individual or individuals acting on behalf of foreign agents or foreign government) as part of an effort to coerce or intimidate the civilian population of the United States or to influence the policy or affect the conduct of the United States government.

(B) ACTS OF WAR.—No act shall be certified as an act of terrorism if the act is committed in the course of a war declared by the Congress of the United States or by a foreign government.

(C) FINALITY OF CERTIFICATION.—Any certification, or determination not to certify, by the Secretary under subparagraph (A) is final and not subject to judicial review.

## TITLE II—LOAN PROGRAM

### SEC. 201. NATIONAL TERRORISM REINSURANCE LOAN PROGRAM.

(a) IN GENERAL.—The Secretary of Commerce shall establish and administer a program to provide loans to insurers for claims for losses due to acts of terrorism.

(b) 80 PERCENT COVERAGE.—If the Secretary makes the determination described in section 101(a), then the Secretary shall provide a loan to any insurer for losses on covered lines from acts of terrorism occurring in calendar 2002 equal to 80 percent of the aggregate amount of claims on covered lines.

(c) $800 MILLION LOAN LIMIT.—Notwithstanding any other provision of this title, the total amount of loans outstanding at any time to insurers from the Secretary under this title may not exceed $800,000,000.

(d) 7.5 PERCENT RETENTION MUST BE PAID BEFORE LOAN RECEIVED.—The Secretary may not make a loan under subsection (b) to an insurer until that insurer has paid claims on covered lines for losses from acts of terrorism occurring in calendar year 2002 equal to at least 7.5 percent of that insurer's aggregate liability for such losses.

(e) TERM AND INTEREST RATE.—The Secretary, after consultation with the Secretary of the Treasury and after taking into account market rates of interest, credit ratings of the borrowers, risk factors, and the purpose of this title, shall establish the term, repayment schedule, and the rate of interest for any loan made under subsection (a).

### SEC. 202. REPAYMENT OF LOANS.

If the Secretary makes loans to insurers under section 201, the Secretary shall assess all insurers an annual assessment of not more than 3 percent of the direct written premium for covered lines. The annual assessment may be recovered by an insurer from its covered lines policyholders as a direct surcharge calculated as a uniform percentage of premium.

### SEC. 203. REPORTS BY INSURERS.

(a) COVERAGE AND CAPACITY.

(1) REPORTING TERRORISM COVERAGE.—An insurer shall—

(A) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and

(B) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.

(2) REPORTS TO SECRETARY.—The State regulator shall furnish a copy of the certification received under paragraph (1) to the Secretary.

(b) ADDITIONAL REPORTS.—Insurers receiving loans under this title shall submit reports on a quarterly or other basis (as required by the Secretary) to the Secretary, the Federal Trade Commission, and the General Accounting Office setting forth rates, premiums, risk analysis, coverage, reserves, claims made for loans from the Secretary, and such additional financial and actuarial information as the Secretary may require regarding lines of coverage described in section 107(1)(A) or (B). The information in these reports shall be treated as confidential by the recipient.

### SEC. 204. RATES; RATE-MAKING METHODOLOGY AND DATA.

(a) PREMIUM MUST BE SEPARATELY STATED.—Each insurer offering insurance against losses from acts of terrorism in the United States on covered lines during calendar year 2002 shall state the premium for that insurance separately in any invoice, proposal, or other written communication to policyholders and prospective policyholders.

(b) RATE-MAKING METHODS AND DATA MUST BE PUBLICLY DISCLOSED.

(1) 45-DAY NOTICE.—Not less than 45 days before the date on which an insurer establishes or increases the premium rate for any covered line of insurance described in section 107(1) based, in whole or in part, on risk associated with insurance against losses due to acts of terrorism during calendar year 2002, the insurer shall file a report with the State insurance regulatory authority for the State in which the premium is effective that—

(A) sets forth the methodology and data used to determine the premium; and

(B) identifies the portion of the premium properly attributable to risk associated with insurance offered by that insurer against losses due to acts of terrorism; and

(C) demonstrates, by substantial evidence, why that premium is actuarially justified.

(2) COPY TO FEDERAL TRADE COMMISSION AND GENERAL ACCOUNTING OFFICE.—Each insurer filing a report under paragraph (1) shall file a duplicate of the report with the Federal Trade Commission and the General Accounting Office at the same time as it is submitted to the State regulatory authority.

(3) REPORTS BY STATE REGULATORS.—Within 15 days after a State insurance regulatory authority receives a report from an insurer required by paragraph (1), the authority—

(A) shall submit a report to the Secretary of Commerce, the Federal Trade Commission, and the General Accounting Office;

(B) shall include in that report a determination with respect to whether an insurer has met the requirement of paragraph (1)(C);

(C) shall certify that—

(i) the methodology and data used by the insurer to determine the premium or increase are reasonable and adequate; and

(ii) the premium or increase is not excessive;

(D) shall disclose the methodology used by the authority to analyze the report and the methodology on which the authority based its certification; and

(E) may include with the report any commentary or analysis it deems appropriate.

(c) BASELINE DATA REPORTS.—Each insurer required to file a report under subsection (b) that provided insurance on covered lines against risk of loss from acts of terrorism in the United States on September 11, 2001, shall file a report with a report with the State insurance regulatory authority for the State in which that insurance was provided, the Federal Trade Commission, and the General Accounting Office that sets forth the methodology and data used to determine the premium for, or portion of the premium properly attributable to, insurance against risk of loss due to acts of terrorism in the United States under its insurance policies in effect on that date.

(d) SPECIAL RULE FOR INITIAL PERIOD.

(1) SEPARATE STATEMENT OF PREMIUM.—An insurer offering insurance against losses from acts of terrorism in the United States on covered lines after the date of enactment of this Act and before March 15, 2002, shall notify each policyholder in writing as soon as possible, but no later than March 1, 2002, of the premium, or portion of the premium, attributable to that insurance, stated separately from any premium or increase in premium attributable to insurance against losses from other risks. Each such insurer shall file a copy of each such policyholder notice with the State insurance regulatory authority for the State in which the premium is effective.

(2) JUSTIFICATION OF PREMIUM; BASELINE DATA.—As soon as possible after the date of enactment of this Act, but no later than March 1, 2002, each such insurer shall comply with—

(A) the requirements of subsection (b)(1) and (2), with respect to the premium or portion of the premium attributable to such insurance; and

(B) the requirements of subsection (c).

## TITLE III—GRANT PROGRAM

### SEC. 301. NATIONAL TERRORISM INSURANCE LOSS GRANT PROGRAM.

If the Secretary determines under section 101(a) that losses from terrorism on covered lines in calendar year 2002 exceed $10,000,000,000 in the aggregate, then the Secretary shall establish and administer a program under this title to provide grants to insurers for losses to the extent that the aggregate amount of such losses exceeds $10,000,000,000.

### SEC. 302. GRANT AMOUNTS.

(a) IN GENERAL.—The Secretary shall make grants to insurers for 90 percent of losses in excess, in the aggregate, of $10,000,000,000 in calendar year 2002.

(b) $50,000,000,000 LIMIT.—Except as provided in subsection (c), the Secretary may not make grants in excess of a total amount for all insurers of $50,000,000,000.

(c) REPORTS TO STATE REGULATOR; CERTIFICATION.

(1) REPORTING TERRORISM COVERAGE.—An insurer shall—

(A) report the amount of its terrorism insurance coverage to the insurance regulatory authority for each State in which it does business; and

(B) obtain a certification from the State that it is not providing terrorism insurance coverage in excess of its capacity under State solvency requirements.

(2) REPORTS TO SECRETARY.—The State regulator shall furnish a copyof the certification received under paragraph (1) to the Secretary.

### SEC. 303. AUTHORIZATION OF APPROPRIATIONS.

There are authorized to be appropriated to the Secretary such sums as may be necessary to carry out this title.

## TITLE IV—LITIGATION

### SEC. 401. PROCEDURES FOR CIVIL ACTIONS.

(a) FEDERAL CAUSE OF ACTION.—There shall exist a Federal cause of action for property

damage, personal injury, or death arising out of or resulting from an act of terrorism, which shall be the exclusive cause of action and remedy for claims for property damage, personal injury, or death arising out of or resulting from an act of terrorism. All State causes of action of any kind for property damage, personal injury, or death otherwise available arising out of or resulting from an act of terrorism, are hereby preempted, except as provided in subsection (c).

(b) GOVERNING LAW.—The substantive law for decision in an action for property damage, personal injury, or death arising out of or resulting from an act of terrorism under this section shall be derived from the law, including applicable choice of law principles, of the State, or States determined to be required by the district court having jurisdiction over the action, unless such law is inconsistent with or otherwise preempted by Federal law.

(c) CLAIMS AGAINST TERRORISTS.—Nothing in this section shall in any way limit the ability of any plaintiff to seek any form of recovery from any person, government, or other entity that was a participant in, or aider and abettor of, any act of terrorism.

(d) EFFECTIVE PERIOD.—This section shall apply only to actions for property damage, personal injury, or death arising out of or resulting from acts of terrorism that occur during the period in which the Secretary is authorized to make loans and grants under this Act, including, if applicable, any extension of that period.

**SEC. 402. PUNITIVE DAMAGES AGAINST INSURERS.**

No punitive damages may be awarded in an action brought under section 401(a) against an insurer.

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**SA 2688.** Mr. DODD (for himself, Mr. MCCONNELL, Mr. SCHUMER, Mr. BOND, Mr. TORRICELLI, Mr. MCCAIN, and Mr. DURBIN) submitted an amendment intended to be proposed by him to the bill S. 565, to establish the Commission on Voting Rights and Procedures to study and make recommendations regarding election technology, voting, and election administration, to establish a grant program under which the Office of Justice Programs and the Civil Rights Division of the Department of Justice shall provide assistance to States and localities in improving election technology and the administration of Federal elections, to require States to meet uniform and nondiscriminatory election technology and administration requirements for the 2004 Federal elections, and for other purposes; which was ordered to lie on the table; 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 ''Equal Protection of Voting Rights Act of 2001''.

(b) TABLE OF CONTENTS.—The table of contents of this Act is as follows:

Sec. 1. Short title; table of contents.
TITLE I—UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS
Sec. 101. Voting systems standards.
Sec. 102. Provisional voting and voting information requirements.
Sec. 103. Computerized statewide voter registration list requirements and requirements for voters who register by mail.
Sec. 104. Enforcement by the Civil Rights Division of the Department of Justice.
TITLE II—GRANT PROGRAMS
Subtitle A—Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program
Sec. 201. Establishment of the Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program.
Sec. 202. State plans.
Sec. 203. Application.
Sec. 204. Approval of applications.
Sec. 205. Authorized activities.
Sec. 206. Payments.
Sec. 207. Audits and examinations of States and localities.
Sec. 208. Reports to Congress and the Attorney General.
Sec. 209. Authorization of appropriations.
Sec. 210. Effective date.
Subtitle B—Federal Election Reform Incentive Grant Program
Sec. 211. Establishment of the Federal Election Reform Incentive Grant Program.
Sec. 212. Application.
Sec. 213. Approval of applications.
Sec. 214. Authorized activities.
Sec. 215. Payments; Federal share.
Sec. 216. Audits and examinations of States and localities.
Sec. 217. Reports to Congress and the Attorney General.
Sec. 218. Authorization of appropriations.
Sec. 219. Effective date.
Subtitle C—Federal Election Accessibility Grant Program
Sec. 221. Establishment of the Federal Election Accessibility Grant Program.
Sec. 222. Application.
Sec. 223. Approval of applications.
Sec. 224. Authorized activities.
Sec. 225. Payments; Federal share.
Sec. 226. Audits and examinations of States and localities.
Sec. 227. Reports to Congress and the Attorney General.
Sec. 228. Authorization of appropriations.
Sec. 229. Effective date.
TITLE III—ADMINISTRATION
Subtitle A—Election Administration Commission
Sec. 301. Establishment of the Election Administration Commission.
Sec. 302. Membership of the Commission.
Sec. 303. Duties of the Commission.
Sec. 304. Meetings of the Commission.
Sec. 305. Powers of the Commission.
Sec. 306. Commission personnel matters.
Sec. 307. Authorization of appropriations.
Subtitle B—Transition Provisions
Sec. 311. Equal Protection of Voting Rights Act of 2001.
Sec. 312. Federal Election Campaign Act of 1971.
Sec. 313. National Voter Registration Act of 1993.
Sec. 314. Transfer of property, records, and personnel.
Sec. 315. Coverage of Election Administration Commission under certain laws and programs.
Sec. 316. Effective date; transition.
TITLE IV—MISCELLANEOUS
Sec. 401. Criminal penalties.
Sec. 402. Relationship to other laws.

**TITLE I—UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS**

**SEC. 101. VOTING SYSTEMS STANDARDS.**

(a) REQUIREMENTS.—Each voting system used in an election for Federal office shall meet the following requirements:

(1) IN GENERAL.—

(A) Except as provided in subparagraph (B), the voting system (including any lever voting system, optical scanning voting system, or direct recording electronic system) shall—

(i) permit the voter to verify the votes selected by the voter on the ballot before the ballot is cast and counted;

(ii) provide the voter with the opportunity to change the ballot or correct any error before the ballot is cast and counted (including the opportunity to correct the error through the issuance of a replacement ballot if the voter was otherwise unable to change the ballot or correct any error); and

(iii) if the voter selects votes for more than 1 candidate for a single office, the voting system shall—

(I) notify the voter that the voter has selected more than 1 candidate for a single office on the ballot;

(II) notify the voter before the ballot is cast and counted of the effect of casting multiple votes for the office; and

(III) provide the voter with the opportunity to correct the ballot before the ballot is cast and counted.

(B) A State or locality that uses a paper ballot voting system or a punchcard voting system may meet the requirement of subparagraph (A) by—

(i) establishing a voter education program specific to that voting system that notifies each voter of the effect of casting multiple votes for an office; and

(ii) providing the voter with the opportunity to correct the ballot before it is cast and counted.

(C) The voting system shall ensure that any notification required under this paragraph preserves the privacy of the voter and the confidentiality of the ballot.

(2) AUDIT CAPACITY.—The voting system shall produce a record with an audit capacity for such system.

(3) ACCESSIBILITY FOR INDIVIDUALS WITH DISABILITIES.—The voting system shall—

(A) be accessible for individuals with disabilities, including nonvisual accessibility for the blind and visually impaired, in a manner that provides the same opportunity for access and participation (including privacy and independence) as for other voters;

(B) satisfy the requirement of subparagraph (A) through the use of at least 1 direct recording electronic voting system or other voting system equipped for individuals with disabilities at each polling place; and

(C) meet the voting system standards for disability access if purchased with funds made available under title II on or after January 1, 2007.

(4) MULTILINGUAL VOTING MATERIALS.—

(A) IN GENERAL.—Except as provided in subparagraph (B), the voting system shall provide alternative language accessibility—

(i) with respect to a language other than English in a State or jurisdiction if, as determined by the Director of the Bureau of the Census—

(I)(aa) at least 5 percent of the total number of voting-age citizens who reside in such State or jurisdiction speak that language as their first language and who are limited-English proficient; or

(bb) there are at least 10,000 voting-age citizens who reside in that jurisdiction who speak that language as their first language and who are limited-English proficient; and

(II) the illiteracy rate of the group of citizens who speak that language is higher than the national illiteracy rate; or

(ii) with respect to a language other than English that is spoken by Native American or Alaskan native citizens in a jurisdiction that contains all or any part of an Indian reservation if, as determined by the Director of the Bureau of the Census—

(I) at least 5 percent of the total number of citizens on the reservation are voting-age Native American or Alaskan native citizens who speak that language as their first language and who are limited-English proficient; and

(II) the illiteracy rate of the group of citizens who speak that language is higher than the national illiteracy rate.

(B) EXCEPTION.—If a State meets the criteria of item (aa) of subparagraph (A)(i)(I) with respect to a language, a jurisdiction of that State shall not be required to provide alternative language accessibility under this paragraph with respect to that language if—

(i) less than 5 percent of the total number of voting age citizens who reside in that jurisdiction speak that language as their first language and are limited-English proficient; and

(ii) the jurisdiction does not meet the criteria of item (bb) of such subparagraph with respect to that language.

(5) ERROR RATES.—The error rate of the voting system in counting ballots (determined by taking into account only those errors which are attributable to the voting system and not attributable to an act of the voter) shall not exceed the error rate standards established under the voting systems standards issued and maintained by the Director of the Office of Election Administration of the Federal Election Commission (as revised by the Director of such Office under subsection (c)).

(b) VOTING SYSTEM DEFINED.—In this section, the term ''voting system'' means—

(1) the total combination of mechanical, electromechanical, or electronic equipment (including the software, firmware, and documentation required to program, control, and support the equipment) that is used—

(A) to define ballots;

(B) to cast and count votes;

(C) to report or display election results; and

(D) to maintain and produce any audit trail information;

(2) the practices and associated documentation used—

(A) to identify system components and versions of such components;

(B) to test the system during its development and maintenance;

(C) to maintain records of system errors and defects;

(D) to determine specific system changes to be made to a system after the initial qualification of the system; and

(E) to make available any materials to the voter (such as notices, instructions, forms, or paper ballots).

(c) ADMINISTRATION BY THE OFFICE OF ELECTION ADMINISTRATION.—

(1) IN GENERAL.—Not later than January 1, 2004, the Director of the Office of Election Administration of the Federal Election Commission, in consultation with the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)), shall promulgate standards revising the voting systems standards issued and maintained by the Director of such Office so that such standards meet the requirements established under subsection (a).

(2) QUADRENNIAL REVIEW.—The Director of the Office of Election Administration of the Federal Election Commission shall review the voting systems standards revised under paragraph (1) no less frequently than once every 4 years.

(d) CONSTRUCTION.—Nothing in this section shall require a jurisdiction to change the voting system or systems (including paper balloting systems, including in-person, absentee, and mail-in paper balloting systems, lever machine systems, punchcard systems, optical scanning systems, and direct recording electronic systems) used in an election in order to be in compliance with this Act.

(e) EFFECTIVE DATE.—Each State and locality shall be required to comply with the requirements of this section on and after January 1, 2006.

**SEC. 102. PROVISIONAL VOTING AND VOTING INFORMATION REQUIREMENTS.**

(a) REQUIREMENTS.—If an individual declares that such individual is a registered voter in the jurisdiction in which the individual desires to vote and that the individual is eligible to vote in an election for Federal office, but the name of the individual does not appear on the official list of eligible voters for the polling place, or an election official asserts that the individual is not eligible to vote, such individual shall be permitted to cast a provisional ballot as follows:

(1) An election official at the polling place shall notify the individual that the individual may cast a provisional ballot in that election.

(2) The individual shall be permitted to cast a provisional ballot at that polling place upon the execution of a written affirmation by the individual before an election official at the polling place stating that the individual is—

(A) a registered voter in the jurisdiction in which the individual desires to vote; and

(B) eligible to vote in that election.

(3) An election official at the polling place shall transmit the ballot cast by the individual to an appropriate State or local election official for prompt verification of the written affirmation executed by the individual under paragraph (2).

(4) If the appropriate State or local election official to whom the ballot is transmitted under paragraph (3) determines that the individual is eligible under State law to vote in the jurisdiction, the individual's provisional ballot shall be counted as a vote in that election.

(5) At the time that an individual casts a provisional ballot, the appropriate State or local election official shall give the individual written information that states that—

(A) the individual will not receive any further notification if the individual's vote is counted;

(B) if the individual's vote is not counted, the individual will be notified not later than the date that is 30 days after the date of the election that the vote was not counted; and

(C) regardless of whether the individual's vote was counted, any individual casting a provisional ballot will be able to ascertain through a free access system (such as a toll-free telephone number or an Internet website) whether the vote was counted, and if the vote was not counted, the reason that the vote was not counted.

(6) The appropriate State or local election official shall—

(A) notify the individual who cast the ballot in writing not later than the date that is 30 days after the date of the election if a provisional ballot that is cast under this subsection is not counted; and

(B) establish a free access system (such as a toll-free telephone number or an Internet website) that any individual casting a provisional ballot may access to discover the reason that such vote was not counted.

(b) VOTING INFORMATION REQUIREMENTS.—

(1) PUBLIC POSTING ON ELECTION DAY.—The appropriate State or local election official shall cause voting information to be publicly posted at each polling place on the day of each election for Federal office.

(2) VOTING INFORMATION DEFINED.—In this section, the term ''voting information'' means—

(A) a sample version of the ballot that will be used for that election;

(B) information regarding the date of the election and the hours during which polling places will be open;

(C) instructions on how to vote, including how to cast a vote and how to cast a provisional ballot;

(D) instructions for mail-in registrants and first-time voters under section 103(b); and

(E) general information on voting rights under applicable Federal and State laws, including information on the right of an individual to cast a provisional ballot and instructions on how to contact the appropriate officials if these rights are alleged to have been violated.

(c) ADMINISTRATION BY THE CIVIL RIGHTS DIVISION.—Not later than January 1, 2003, the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice shall promulgate such guidelines as are necessary to implement the requirements of subsection (a).

(d) EFFECTIVE DATE.—

(1) PROVISIONAL VOTING.—Each State and locality shall be required to comply with the requirements of subsection (a) on and after January 1, 2004.

(2) VOTING INFORMATION.—Each State and locality shall be required to comply with the requirements of subsection (b) on and after the date of enactment of this Act.

**SEC. 103. COMPUTERIZED STATEWIDE VOTER REGISTRATION LIST REQUIREMENTS AND REQUIREMENTS FOR VOTERS WHO REGISTER BY MAIL.**

(a) COMPUTERIZED STATEWIDE VOTER REGISTRATION LIST REQUIREMENTS.—

(1) IMPLEMENTATION.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each State, acting through the chief State election official, shall implement an interactive computerized statewide voter registration list that contains the name and registration information of every legally registered voter in the State and assigns a unique identifier to each legally registered voter in the State (in this subsection referred to as the ''computerized list'').

(B) EXCEPTION.—The requirement under subparagraph (A) shall not apply to a State in which, under a State law in effect continuously on and after the date of enactment of this Act, there is no voter registration requirement for individuals in the State with respect to elections for Federal office.

(2) ACCESS.—The computerized list shall be accessible to each State and local election official in the State.

(3) COMPUTERIZED LIST MAINTENANCE.—

(A) IN GENERAL.—The appropriate State or local election official shall perform list maintenance with respect to the computerized list on a regular basis as follows:

(i) If an individual is to be removed from the computerized list, such individual shall be removed in accordance with the provisions of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.), including subsections (a)(4), (c)(2), (d), and (e) of section 8 of such Act (42 U.S.C. 1973gg–6).

(ii) For purposes of removing names of ineligible voters from the official list of eligible voters—

(I) under section 8(a)(3)(B) of such Act (42 U.S.C. 1973gg–6(a)(3)(B)), the State shall coordinate the computerized list with State agency records on felony status; and

(II) by reason of the death of the registrant under section 8(a)(4)(A) of such Act (42 U.S.C. 1973gg–6(a)(4)(A)), the State shall coordinate the computerized list with State agency records on death.

(B) CONDUCT.—The list maintenance performed under subparagraph (A) shall be conducted in a manner that ensures that—

(i) the name of each registered voter appears in the computerized list;

(ii) only voters who are not registered or who are not eligible to vote are removed from the computerized list; and

(iii) duplicate names are eliminated from the computerized list.

(b) REQUIREMENTS FOR VOTERS WHO REGISTER BY MAIL.—

(1) IN GENERAL.—Notwithstanding section 6(c) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–4(c)) and subject to paragraph (3), a State shall require an individual to meet the requirements of paragraph (2) if—

(A) the individual registered to vote in a jurisdiction by mail; and

(B) the individual has not previously voted in an election for Federal office in that jurisdiction.

(2) REQUIREMENTS.—

(A) IN GENERAL.—An individual meets the requirements of this paragraph if the individual—

(i) in the case of an individual who votes in person—

(I) presents to the appropriate State or local election official a current and valid photo identification; or

(II) presents to the appropriate State or local election official a copy of a current utility bill, bank statement, Government check, paycheck, or other Government document that shows the name and address of the voter; or

(ii) in the case of an individual who votes by mail, submits with the ballot—

(I) a copy of a current and valid photo identification; or

(II) a copy of a current utility bill, bank statement, Government check, paycheck, or other Government document that shows the name and address of the voter.

(B) PROVISIONAL VOTING.—An individual who desires to vote in person, but who does not meet the requirements of subparagraph (A)(i), may cast a provisional ballot under section 102(a).

(3) INAPPLICABILITY.—Paragraph (1) shall not apply in the case of a person—

(A) who registers to vote by mail under section 6 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–4) and submits as part of such registration either—

(i) a copy of a current valid photo identification; or

(ii) a copy of a current utility bill, bank statement, Government check, paycheck, or Government document that shows the name and address of the voter; or

(B) who is described in a subparagraph of section 6(c)(2) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–4(c)(2)).

(4) CONTENTS OF MAIL-IN REGISTRATION FORM.—The mail voter registration form developed under section 6 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–4) shall include:

(A) The question ''Are you a citizen of the United States of America?'' and boxes for the applicant to check to indicate whether the applicant is or is not a citizen of the United States.

(B) The question ''Will you be 18 years of age on or before election day?'' and boxes for the applicant to check to indicate whether or not the applicant will be 18 or older on election day.

(C) The statement ''If you checked 'no' in response to either of these questions, do not complete this form''.

(c) ADMINISTRATION BY THE CIVIL RIGHTS DIVISION.—Not later than October 1, 2003, the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice shall promulgate such guidelines as are necessary to implement the requirements of subsection (a).

(d) EFFECTIVE DATE.—

(1) COMPUTERIZED STATEWIDE VOTER REGISTRATION LIST REQUIREMENTS.—Each State and locality shall be required to comply with the requirements of subsection (a) on and after January 1, 2004.

(2) REQUIREMENTS FOR VOTERS WHO REGISTER BY MAIL.—Each State and locality shall be required to comply with the requirements of subsection (b) on and after the date of enactment of this Act.

**SEC. 104. ENFORCEMENT BY THE CIVIL RIGHTS DIVISION OF THE DEPARTMENT OF JUSTICE.**

(a) IN GENERAL.—Subject to subsection (b), the Attorney General, acting through the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice, may bring a civil action in an appropriate district court for such declaratory or injunctive relief as may be necessary to carry out this title.

(b) SAFE HARBOR.—

(1) IN GENERAL.—Except as provided in paragraph (2), if a State or locality receives funds under a grant program under subtitle A or B of title II for the purpose of meeting a requirement under section 101, 102, or 103, such State or locality shall be deemed to be in compliance with such requirement until January 1, 2010, and no action may be brought against such State or locality on the basis that the State or locality is not in compliance with such requirement before such date.

(2) EXCEPTION.—The safe harbor provision under paragraph (1) shall not apply with respect to the requirement described in section 101(a)(3).

(c) RELATION TO OTHER LAWS.—The remedies established by this section are in addition to all other rights and remedies provided by law.

## TITLE II—GRANT PROGRAMS

### Subtitle A—Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program

**SEC. 201. ESTABLISHMENT OF THE UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS GRANT PROGRAM.**

(a) IN GENERAL.—There is established a Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program under which the Attorney General, subject to the general policies and criteria for the approval of applications established under section 204 and in consultation with the Federal Election Commission and the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)), is authorized to make grants to States and localities to pay the costs of the activities described in section 205.

(b) ACTION THROUGH OFFICE OF JUSTICE PROGRAMS AND CIVIL RIGHTS DIVISION.—In carrying out this subtitle, the Attorney General shall act through the Assistant Attorney General in charge of the Office of Justice Programs of the Department of Justice and the Assistant Attorney General in charge of the Civil Rights Division of that Department.

**SEC. 202. STATE PLANS.**

(a) IN GENERAL.—Each State that desires to receive a grant under this subtitle shall develop a State plan, in consultation with State and local election officials of that State, that provides for each of the following:

(1) UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS.—A description of how the State will use the funds made available under this subtitle to meet each of the following requirements:

(A) The voting system standards under section 101.

(B) The provisional voting requirements under section 102.

(C) The computerized statewide voter registration list requirements under section 103(a), including a description of—

(i) how State and local election officials will ensure the accuracy of the list of eligible voters in the State to ensure that only registered voters appear in such list; and

(ii) the precautions that the State will take to prevent the removal of eligible voters from the list.

(D) The requirements for voters who register by mail under section 103(b), including the steps that the State will take to ensure—

(i) the accuracy of mail-in and absentee ballots; and

(ii) that the use of mail-in and absentee ballots does not result in duplicate votes.

(2) IDENTIFICATION, DETERRENCE, AND INVESTIGATION OF VOTING FRAUD.—An assessment of the susceptibility of elections for Federal office in the State to voting fraud and a description of how the State intends to identify, deter, and investigate such fraud.

(3) COMPLIANCE WITH EXISTING FEDERAL LAW.—Assurances that the State will comply with existing Federal laws, including the following:

(A) The Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.), including sections 4(f)(4) and 203 of such Act (42 U.S.C. 1973b(f)(4) and 1973aa–1a).

(B) The Voting Accessibility for the Elderly and Handicapped Act (42 U.S.C. 1973ee et seq.).

(C) The Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.).

(D) The National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.).

(E) The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

(4) TIMETABLE.—A timetable for meeting the elements of the State plan.

(b) AVAILABILITY OF STATE PLANS FOR REVIEW AND COMMENT.—A State shall make the State plan developed under subsection (a) available for public review and comment before the submission of an application under section 203(a).

**SEC. 203. APPLICATION.**

(a) IN GENERAL.—Each State or locality that desires to receive a grant under this subtitle shall submit an application to the Attorney General at such time and in such manner as the Attorney General may require, and containing the information required under subsection (b) and such other information as the Attorney General may require.

(b) CONTENTS.—

(1) STATES.—Each application submitted by a State shall contain the State plan developed under section 202 and a description of how the State proposes to use funds made available under this subtitle to implement such State plan.

(2) LOCALITIES.—Each application submitted by a locality shall contain a description of how the locality proposes to use the funds made available under this subtitle in a manner that is consistent with the State plan developed under section 202.

(c) SAFE HARBOR.—No action may be brought against a State or locality on the basis of any information contained in the application submitted under subsection (a), including any information contained in the State plan developed under section 202.

**SEC. 204. APPROVAL OF APPLICATIONS.**

The Attorney General shall establish general policies and criteria with respect to the approval of applications submitted by States

and localities under section 203(a) (including a review of State plans developed under section 202), the awarding of grants under this subtitle, and the use of assistance made available under this subtitle.

**SEC. 205. AUTHORIZED ACTIVITIES.**

A State or locality may use grant payments received under this subtitle for any of the following purposes:

(1) To implement voting system standards that meet the requirements of section 101.

(2) To provide for provisional voting that meets the requirements of section 102(a) and to meet the voting information requirements under section 102(b).

(3) To establish a computerized statewide voter registration list that meets the requirements of section 103(a) and to meet the requirements for voters who register by mail under section 103(b).

**SEC. 206. PAYMENTS.**

(a) IN GENERAL.—The Attorney General shall pay to each State or locality having an application approved under section 203 the cost of the activities described in that application.

(b) RETROACTIVE PAYMENTS.—The Attorney General may make retroactive payments to States and localities having an application approved under section 203 for any costs for election technology or administration that meets a requirement of section 101, 102, or 103 that were incurred during the period beginning on January 1, 2001, and ending on the date on which such application was approved under such section.

**SEC. 207. AUDITS AND EXAMINATIONS OF STATES AND LOCALITIES.**

(a) RECORDKEEPING REQUIREMENT.—Each recipient of a grant under this subtitle shall keep such records as the Attorney General, in consultation with the Federal Election Commission, shall prescribe.

(b) AUDITS AND EXAMINATIONS.—The Attorney General and the Comptroller General, or any authorized representative of the Attorney General or the Comptroller General, may audit or examine any recipient of a grant under this subtitle and shall, for the purpose of conducting an audit or examination, have access to any record of a recipient of a grant under this subtitle that the Attorney General or the Comptroller General determines may be related to the grant.

**SEC. 208. REPORTS TO CONGRESS AND THE ATTORNEY GENERAL.**

(a) REPORTS TO CONGRESS.—

(1) IN GENERAL.—Not later than January 31, 2003, and each year thereafter, the Attorney General shall submit to the President and Congress a report on the grant program established under this subtitle for the preceding year.

(2) CONTENTS.—Each report submitted under paragraph (1) shall contain the following:

(A) A description and analysis of any activities funded by a grant awarded under this subtitle.

(B) Any recommendation for legislative or administrative action that the Attorney General considers appropriate.

(b) REPORTS TO THE ATTORNEY GENERAL.—The Attorney General shall require each recipient of a grant under this subtitle to submit reports to the Attorney General at such time, in such manner, and containing such information as the Attorney General considers appropriate.

**SEC. 209. AUTHORIZATION OF APPROPRIATIONS.**

(a) IN GENERAL.—There are authorized to be appropriated to carry out the provisions of this subtitle the following amounts:

(1) For fiscal year 2003, $1,000,000,000.

(2) For fiscal year 2004, $1,300,000,000.

(3) For fiscal year 2005, $500,000,000.

(4) For fiscal year 2006, $200,000,000.

(5) For each subsequent fiscal year, such sums as may be necessary.

(b) AVAILABILITY.—Any amounts appropriated pursuant to the authority of subsection (a) shall remain available until expended.

**SEC. 210. EFFECTIVE DATE.**

The Attorney General shall establish the general policies and criteria for the approval of applications under section 204 in a manner that ensures that the Attorney General is able to approve applications not later than October 1, 2002.

**Subtitle B—Federal Election Reform Incentive Grant Program**

**SEC. 211. ESTABLISHMENT OF THE FEDERAL ELECTION REFORM INCENTIVE GRANT PROGRAM.**

(a) IN GENERAL.—There is established a Federal Election Reform Incentive Grant Program under which the Attorney General, subject to the general policies and criteria for the approval of applications established under section 213(a) and in consultation with the Federal Election Commission and the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)), is authorized to make grants to States and localities to pay the costs of the activities described in section 214.

(b) ACTION THROUGH OFFICE OF JUSTICE PROGRAMS AND CIVIL RIGHTS DIVISION.—In carrying out this subtitle, the Attorney General shall act through—

(1) the Assistant Attorney General in charge of the Office of Justice Programs of the Department of Justice; and

(2) the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice (in this subtitle referred to as the ''Assistant Attorney General for Civil Rights'').

**SEC. 212. APPLICATION.**

(a) IN GENERAL.—Each State or locality that desires to receive a grant under this subtitle shall submit an application to the Attorney General at such time, in such manner, and containing such information as the Attorney General shall require, consistent with the provisions of this section.

(b) CONTENTS.—Each application submitted under subsection (a) shall—

(1) describe the activities for which assistance under this section is sought;

(2) contain a request for certification by the Assistant Attorney General for Civil Rights described in subsection (c);

(3) provide assurances that the State or locality will pay the non-Federal share of the cost of the activities for which assistance is sought from non-Federal sources; and

(4) provide such additional assurances as the Attorney General determines to be essential to ensure compliance with the requirements of this subtitle.

(c) REQUEST FOR CERTIFICATION BY THE CIVIL RIGHTS DIVISION.—

(1) COMPLIANCE WITH CURRENT FEDERAL ELECTION LAW.—

(A) IN GENERAL.—Except as provided in subparagraph (B), each request for certification described in subsection (b)(2) shall contain a specific and detailed demonstration that the State or locality is in compliance with each of the following laws:

(i) The Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.), including sections 4(f)(4) and 203 of such Act (42 U.S.C. 1973b(f)(4) and 1973aa–1a).

(ii) The Voting Accessibility for the Elderly and Handicapped Act (42 U.S.C. 1973ee et seq.).

(iii) The Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.).

(iv) The National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.).

(v) The Americans with Disabilities Act of 1990 (42 U.S.C. 1994 et seq.).

(vi) The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

(B) APPLICANTS UNABLE TO MEET REQUIREMENTS.—Each State or locality that, at the time it applies for a grant under this subtitle, does not demonstrate that it meets each requirement described in subparagraph (A), shall submit to the Attorney General a detailed and specific demonstration of how the State or locality intends to use grant funds to meet each such requirement.

(2) UNIFORM AND NONDISCRIMINATORY REQUIREMENTS FOR ELECTION TECHNOLOGY AND ADMINISTRATION.—In addition to the demonstration required under paragraph (1), each request for certification described in subsection (b)(2) shall contain a specific and detailed demonstration that the proposed use of grant funds by the State or locality is not inconsistent with the requirements under section 101, 102, or 103.

(d) SAFE HARBOR.—No action may be brought against a State or locality on the basis of any information contained in the application submitted under subsection (a), including any information contained in the request for certification described in subsection (c).

**SEC. 213. APPROVAL OF APPLICATIONS.**

(a) IN GENERAL.—Subject to subsection (b), the Attorney General shall establish general policies and criteria for the approval of applications submitted under section 212(a).

(b) CERTIFICATION PROCEDURE.—

(1) IN GENERAL.—The Attorney General may not approve an application of a State or locality submitted under section 212(a) unless the Attorney General has received a certification from the Assistant Attorney General for Civil Rights under paragraph (4) with respect to such State or locality.

(2) TRANSMITTAL OF REQUEST.—Upon receipt of the request for certification submitted under section 212(b)(2), the Attorney General shall transmit such request to the Assistant Attorney General for Civil Rights.

(3) CERTIFICATION; NONCERTIFICATION.—

(A) CERTIFICATION.—If the Assistant Attorney General for Civil Rights finds that the request for certification demonstrates that—

(i) a State or locality meets the requirements of subparagraph (A) of section 212(c)(1), or that a State or locality has provided a detailed and specific demonstration of how it will use funds received under this section to meet such requirements under subparagraph (B) of such section; and

(ii) the proposed use of grant funds by the State or locality meets the requirements of section 212(c)(2),

the Assistant Attorney General for Civil Rights shall certify that the State or locality is eligible to receive a grant under this subtitle.

(B) NONCERTIFICATION.—If the Assistant Attorney General for Civil Rights finds that the request for certification does not demonstrate that a State or locality meets the requirements described in subparagraph (A), the Assistant Attorney General for Civil Rights shall not certify that the State or locality is eligible to receive a grant under this subtitle.

(4) TRANSMITTAL OF CERTIFICATION.—The Assistant Attorney General for Civil Rights shall transmit to the Attorney General either—

(A) a certification under subparagraph (A) of paragraph (3); or

(B) a notice of noncertification under subparagraph (B) of such paragraph, together with a report identifying the relevant deficiencies in the State's or locality's system for voting or administering elections for Federal office or in the request for certification submitted by the State or locality.

**SEC. 214. AUTHORIZED ACTIVITIES.**

A State or locality may use grant payments received under this subtitle—

(1) to improve, acquire, lease, modify, or replace voting systems and technology and to improve the accessibility of polling places, including providing physical access for individuals with disabilities, providing nonvisual access for individuals with visual impairments, and providing assistance to individuals with limited proficiency in the English language;

(2) to implement new election administration procedures to increase voter participation and to reduce disenfranchisement, such as ''same-day'' voter registration procedures;

(3) to educate voters concerning voting procedures, voting rights or voting technology, and to train election officials, poll workers, and election volunteers;

(4) to implement new election administration procedures such as requiring individuals to present identification at the polls and programs to identify, to deter, and to investigate voting fraud and to refer allegations of voting fraud to the appropriate authority;

(5) to meet the requirements of current Federal election law in accordance with the demonstration submitted under section 212(c)(1)(B) of such section; or

(6) to meet the requirements under section 101, 102, or 103.

**SEC. 215. PAYMENTS; FEDERAL SHARE.**

(a) PAYMENTS.—

(1) IN GENERAL.—The Attorney General shall pay to each State or locality having an application approved under section 213 the Federal share of the costs of the activities described in that application.

(2) RETROACTIVE PAYMENTS.—The Attorney General may make retroactive payments to States and localities having an application approved under section 213 for the Federal share of any costs for election technology or administration that meets the requirements of sections 101, 102, and 103 that were incurred during the period beginning on January 1, 2001, and ending on the date on which such application was approved under such section.

(b) FEDERAL SHARE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Federal share of the costs shall be a percentage determined by the Attorney General that does not exceed 80 percent.

(2) EXCEPTION.—The Attorney General may provide for a Federal share of greater than 80 percent of the costs for a State or locality if the Attorney General determines that such greater percentage is necessary due to the lack of resources of the State or locality.

**SEC. 216. AUDITS AND EXAMINATIONS OF STATES AND LOCALITIES.**

(a) RECORDKEEPING REQUIREMENT.—Each recipient of a grant under this subtitle shall keep such records as the Attorney General, in consultation with the Federal Election Commission, shall prescribe.

(b) AUDITS AND EXAMINATIONS.—The Attorney General and the Comptroller General, or any authorized representative of the Attorney General or the Comptroller General, may audit or examine any recipient of a grant under this subtitle and shall, for the purpose of conducting an audit or examination, have access to any record of a recipient of a grant under this subtitle that the Attorney General or the Comptroller General determines may be related to the grant.

(c) OTHER AUDITS.—If the Assistant Attorney General for Civil Rights has certified a State or locality as eligible to receive a grant under this subtitle in order to meet a certification requirement described in section 212(c)(1)(A) (as permitted under section 214(5)) and such State or locality is a recipient of such a grant, such Assistant Attorney General, in consultation with the Federal Election Commission shall—

(1) audit such recipient to ensure that the recipient has achieved, or is achieving, compliance with the certification requirements described in section 212(c)(1)(A); and

(2) have access to any record of the recipient that the Attorney General determines may be related to such a grant for the purpose of conducting such an audit.

**SEC. 217. REPORTS TO CONGRESS AND THE ATTORNEY GENERAL.**

(a) REPORTS TO CONGRESS.—

(1) IN GENERAL.—Not later than January 31, 2003, and each year thereafter, the Attorney General shall submit to the President and Congress a report on the grant program established under this subtitle for the preceding year.

(2) CONTENTS.—Each report submitted under paragraph (1) shall contain the following:

(A) A description and analysis of any activities funded by a grant awarded under this subtitle.

(B) Any recommendation for legislative or administrative action that the Attorney General considers appropriate.

(b) REPORTS TO THE ATTORNEY GENERAL.—The Attorney General shall require each recipient of a grant under this subtitle to submit reports to the Attorney General at such time, in such manner, and containing such information as the Attorney General considers appropriate.

**SEC. 218. AUTHORIZATION OF APPROPRIATIONS.**

(a) IN GENERAL.—There are authorized to be appropriated $400,000,000 for fiscal year 2002 to carry out the provisions of this subtitle.

(b) AVAILABILITY.—Any amounts appropriated pursuant to the authority of subsection (a) shall remain available without fiscal year limitation until expended.

**SEC. 219. EFFECTIVE DATE.**

The Attorney General shall establish the general policies and criteria for the approval of applications under section 213(a) in a manner that ensures that the Attorney General is able to approve applications not later than October 1, 2002.

**Subtitle C—Federal Election Accessibility Grant Program**

**SEC. 221. ESTABLISHMENT OF THE FEDERAL ELECTION ACCESSIBILITY GRANT PROGRAM.**

(a) IN GENERAL.—There is established a Federal Election Accessibility Grant Program under which the Attorney General, subject to the general policies and criteria for the approval of applications established under section 223 by the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)) (in this subtitle referred to as the ''Access Board''), is authorized to make grants to States and localities to pay the costs of the activities described in section 224.

(b) ACTION THROUGH OFFICE OF JUSTICE PROGRAMS AND CIVIL RIGHTS DIVISION.—In carrying out this subtitle, the Attorney General shall act through—

(1) the Assistant Attorney General in charge of the Office of Justice Programs of the Department of Justice; and

(2) the Assistant Attorney General in charge of the Civil Rights Division of that Department.

**SEC. 222. APPLICATION.**

(a) IN GENERAL.—Each State or locality that desires to receive a grant under this subtitle shall submit an application to the Attorney General at such time, in such manner, and containing such information as the Attorney General shall require, consistent with the provisions of this section.

(b) CONTENTS.—Each application submitted under subsection (a) shall—

(1) describe the activities for which assistance under this section is sought;

(2) provide assurances that the State or locality will pay the non-Federal share of the cost of the activities for which assistance is sought from non-Federal sources; and

(3) provide such additional assurances as the Attorney General determines to be essential to ensure compliance with the requirements of this subtitle.

(c) RELATION TO FEDERAL ELECTION REFORM INCENTIVE GRANT PROGRAM.—A State or locality that desires to do so may submit an application under this section as part of any application submitted under section 212(a).

(d) SAFE HARBOR.—No action may be brought against a State or locality on the basis of any information contained in the application submitted under subsection (a).

**SEC. 223. APPROVAL OF APPLICATIONS.**

The Access Board shall establish general policies and criteria for the approval of applications submitted under section 222(a).

**SEC. 224. AUTHORIZED ACTIVITIES.**

A State or locality may use grant payments received under this subtitle—

(1) to make polling places, including the path of travel, entrances, exits, and voting areas of each polling facility, accessible to individuals with disabilities, including the blind and visually impaired, in a manner that provides the same opportunity for access and participation (including privacy and independence) as for other voters; and

(2) to provide individuals with disabilities and the other individuals described in paragraph (1) with information about the accessibility of polling places, including outreach programs to inform the individuals about the availability of accessible polling places and to train election officials, poll workers, and election volunteers on how best to promote the access and participation of the individuals in elections for Federal office.

**SEC. 225. PAYMENTS; FEDERAL SHARE.**

(a) PAYMENTS.—The Attorney General shall pay to each State or locality having an application approved under section 223 the Federal share of the costs of the activities described in that application.

(b) FEDERAL SHARE.—

(1) IN GENERAL.—Except as provided in paragraph (2), the Federal share of the costs shall be a percentage determined by the Attorney General that does not exceed 80 percent.

(2) EXCEPTION.—The Attorney General may provide for a Federal share of greater than 80 percent of the costs for a State or locality if the Attorney General determines that such greater percentage is necessary due to the lack of resources of the State or locality.

**SEC. 226. AUDITS AND EXAMINATIONS OF STATES AND LOCALITIES.**

(a) RECORDKEEPING REQUIREMENT.—Each recipient of a grant under this subtitle shall keep such records as the Attorney General, in consultation with the Access Board, shall prescribe.

(b) AUDITS AND EXAMINATIONS.—The Attorney General and the Comptroller General, or any authorized representative of the Attorney General or the Comptroller General, may audit or examine any recipient of a grant under this subtitle and shall, for the purpose of conducting an audit or examination, have access to any record of a recipient of a grant under this subtitle that the Attorney General or the Comptroller General determines may be related to the grant.

**SEC. 227. REPORTS TO CONGRESS AND THE ATTORNEY GENERAL.**

(a) REPORTS TO CONGRESS.—

(1) IN GENERAL.—Not later than January 31, 2003, and each year thereafter, the Attorney General shall submit to the President and Congress a report on the grant program established under this subtitle for the preceding year.

(2) CONTENTS.—Each report submitted under paragraph (1) shall contain the following:

(A) A description and analysis of any activities funded by a grant awarded under this subtitle.

(B) Any recommendation for legislative or administrative action that the Attorney General considers appropriate.

(b) REPORTS TO THE ATTORNEY GENERAL.—The Attorney General shall require each recipient of a grant under this subtitle to submit reports to the Attorney General at such time, in such manner, and containing such information as the Attorney General considers appropriate.

**SEC. 228. AUTHORIZATION OF APPROPRIATIONS.**

(a) IN GENERAL.—There are authorized to be appropriated $100,000,000 for fiscal year 2002 to carry out the provisions of this subtitle.

(b) AVAILABILITY.—Any amounts appropriated pursuant to the authority of subsection (a) shall remain available without fiscal year limitation until expended.

**SEC. 229. EFFECTIVE DATE.**

The Access Board shall establish the general policies and criteria for the approval of applications under section 223 in a manner that ensures that the Attorney General is able to approve applications not later than October 1, 2002.

## TITLE III—ADMINISTRATION

### Subtitle A—Election Administration Commission

**SEC. 301. ESTABLISHMENT OF THE ELECTION ADMINISTRATION COMMISSION.**

There is established the Election Administration Commission (in this subtitle referred to as the ''Commission'') as an independent establishment (as defined in section 104 of title 5, United States Code).

**SEC. 302. MEMBERSHIP OF THE COMMISSION.**

(a) NUMBER AND APPOINTMENT.—

(1) COMPOSITION.—The Commission shall be composed of 4 members appointed by the President, by and with the advice and consent of the Senate.

(2) RECOMMENDATIONS.—Before the initial appointment of the members of the Commission and before the appointment of any individual to fill a vacancy on the Commission, the Majority Leader of the Senate, the Speaker of the House of Representatives, the Minority Leader of the Senate, and the Minority Leader of the House of Representatives shall each submit to the President a candidate recommendation with respect to each vacancy on the Commission affiliated with the political party of the officer involved.

(b) QUALIFICATIONS.—

(1) IN GENERAL.—Each member appointed under subsection (a) shall be appointed on the basis of—

(A) knowledge of—

(i) and experience with, election law;

(ii) and experience with, election technology;

(iii) and experience with, Federal, State, or local election administration;

(iv) the Constitution; or

(v) the history of the United States; and

(B) integrity, impartiality, and good judgment.

(2) PARTY AFFILIATION.—Not more than 2 of the 4 members appointed under subsection (a) may be affiliated with the same political party.

(3) FEDERAL OFFICERS AND EMPLOYEES.—Members appointed under subsection (a) shall be individuals who, at the time appointed to the Commission, are not elected or appointed officers or employees of the Federal Government.

(4) OTHER ACTIVITIES.—No member appointed to the Commission under subsection (a) may engage in any other business, vocation, or employment while serving as a member of the Commission and shall terminate or liquidate such business, vocation, or employment not later than the date on which the Commission first meets.

(c) DATE OF APPOINTMENT.—The appointments of the members of the Commission shall be made not later than the date that is 90 days after the date of enactment of this Act.

(d) PERIOD OF APPOINTMENT; VACANCIES.—

(1) PERIOD OF APPOINTMENT.—Members shall be appointed for a term of 6 years, except that, of the members first appointed, 2 of the members who are not affiliated with the same political party shall be appointed for a term of 4 years. Except as provided in paragraph (2), a member may only serve 1 term.

(2) VACANCIES.—

(A) IN GENERAL.—A vacancy on the Commission shall not affect its powers, but shall be filled in the manner in which the original appointment was made. The appointment made to fill the vacancy shall be subject to any conditions which applied with respect to the original appointment.

(B) EXPIRED TERMS.—A member of the Commission may serve on the Commission after the expiration of the member's term until the successor of such member has taken office as a member of the Commission.

(C) UNEXPIRED TERMS.—An individual appointed to fill a vacancy on the Commission occurring before the expiration of the term for which the individual's predecessor was appointed shall be appointed for the unexpired term of the member replaced. Such individual may be appointed to a full term in addition to the unexpired term for which that individual is appointed.

(e) CHAIRPERSON; VICE CHAIRPERSON.—

(1) IN GENERAL.—The Commission shall elect a chairperson and vice chairperson from among its members for a term of 1 year.

(2) NUMBER OF TERMS.—A member of the Commission may serve as the chairperson only twice during the term of office to which such member is appointed.

(3) POLITICAL AFFILIATION.—The chairperson and vice chairperson may not be affiliated with the same political party.

**SEC. 303. DUTIES OF THE COMMISSION.**

(a) IN GENERAL.—The Commission—

(1) shall serve as a clearinghouse, gather information, conduct studies, and issue reports concerning issues relating to elections for Federal office;

(2) shall carry out the provisions of section 9 of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–7);

(3) shall make available information regarding the Federal election system to the public and media;

(4) shall compile and make available to the public the official certified results of elections for Federal office and statistics regarding national voter registration and turnout;

(5) shall establish an Internet website to facilitate public access, public comment, and public participation in the activities of the Commission, and shall make all information on such website available in print;

(6) shall conduct the study on election technology and administration under subsection (b)(1) and submit the report under subsection (b)(2); and

(7) beginning on the transition date (as defined in section 316(a)(2)), shall administer—

(A) the voting systems standards under section 101;

(B) the provisional voting requirements under section 102;

(C) the computerized statewide voter registration list requirements and requirements for voters who register by mail under section 103;

(D) the Uniform and Nondiscriminatory Election Technology and Administration Requirements Grant Program under subtitle A of title II;

(E) the Federal Election Reform Incentive Grant Program under subtitle C of title II; and

(F) the Federal Election Accessibility Grant Program under subtitle B of title II.

(b) STUDIES AND REPORTS ON ELECTION TECHNOLOGY AND ADMINISTRATION.—

(1) STUDIES.—The Commission shall conduct periodic studies of—

(A) methods of election technology and voting systems in elections for Federal office, including the over-vote and under-vote notification capabilities of such technology and systems;

(B) ballot designs for elections for Federal office;

(C) methods of ensuring the accessibility of voting, registration, polling places, and voting equipment to all voters, including blind and disabled voters, and voters with limited proficiency in the English language;

(D) nationwide statistics and methods of identifying, deterring, and investigating voting fraud in elections for Federal office;

(E) methods of voter intimidation;

(F) the recruitment and training of poll workers;

(G) the feasibility and advisability of conducting elections for Federal office on different days, at different places, and during different hours, including the advisability of establishing a uniform poll closing time and establishing election day as a Federal holiday;

(H) ways that the Federal Government can best assist State and local authorities to improve the administration of elections for Federal office and what levels of funding would be necessary to provide such assistance; and

(I) such other matters as the Commission determines are appropriate.

(2) REPORTS.—The Commission shall submit to the President and Congress a report on each study conducted under paragraph (1) together with such recommendations for administrative and legislative action as the Commission determines is appropriate.

**SEC. 304. MEETINGS OF THE COMMISSION.**

The Commission shall meet at the call of any member of the Commission, but may not meet less often than monthly.

**SEC. 305. POWERS OF THE COMMISSION.**

(a) HEARINGS.—The Commission or, at its direction, any subcommittee or member of the Commission, may, for the purpose of carrying out this subtitle hold such hearings, sit and act at such times and places, take such testimony, receive such evidence, administer such oaths as the Commission or such subcommittee or member considers advisable.

(b) VOTING.—

(1) IN GENERAL.—Each action of the Commission shall be approved by a majority vote of the members of the Commission and each member of the Commission shall have 1 vote.

(2) SPECIAL RULES.—

(A) UNIFORM AND NONDISCRIMINATORY ELECTION TECHNOLOGY AND ADMINISTRATION REQUIREMENTS.—

(i) ADOPTION OR REVISION OF STANDARDS AND GUIDELINES.—If standards or guidelines have been promulgated under section 101, 102, or 103 as of the transition date (as defined in section 316(a)(2)), not later than 30

days after the transition date, the Commission shall—

(I) adopt such standards or guidelines by a majority vote of the members of the Commission; or

(II) promulgate revisions to such standards or guidelines and such revisions shall take effect only upon the approval of a majority of the members of the Commission.

(ii) ESTABLISHMENT OF STANDARDS AND GUIDELINES.—

(I) If standards or guidelines have not been promulgated under section 101, 102, or 103 as of the transition date (as defined in section 316(a)(2)), the Commission shall promulgate such standards or guidelines not later than the date described in subclause (II) and such standards or guidelines shall take effect only upon the approval of a majority of the members of the Commission.

(II) The date described this subclause is the later of—

(aa) the date described in section 101(c)(1), 102(c), or 103(c) (as applicable); or

(bb) the date that is 30 days after the transition date (as defined in section 316(a)(2)).

(B) GRANT PROGRAMS.—

(i) APPROVAL OR DENIAL.—The grants shall be approved or denied under sections 204, 213, and 223 by a majority vote of the members of the Commission not later than the date that is 30 days after the date on which the application is submitted to the Commission under section 203, 212, or 222.

(ii) ADOPTION OR REVISION OF GENERAL POLICIES AND CRITERIA.—If general policies and criteria for the approval of applications have been established under section 204, 213, or 223 as of the transition date (as defined in section 316(a)(2)), not later than 30 days after the transition date, the Commission shall—

(I) adopt such general policies and criteria by a majority vote of the members of the Commission; or

(II) promulgate revisions to such general policies and criteria and such revisions shall take effect only upon the approval of a majority of the members of the Commission.

(iii) ESTABLISHMENT OF GENERAL POLICIES AND CRITERIA.—

(I) If general policies and criteria for the approval of applications have been established under section 204, 213, or 223 as of the transition date (as defined in section 316(a)(2)), the Commission shall promulgate such general policies and criteria not later than the date described in subclause (II) and such general policies and criteria shall take effect only upon the approval of a majority of the members of the Commission.

(II) The date described this subclause is the later of—

(aa) the date described in section 101(c)(1), 102(c), or 103(c) (as applicable); or

(bb) the date that is 30 days after the transition date (as defined in section 316(a)(2)).

(c) INFORMATION FROM FEDERAL AGENCIES.—The Commission may secure directly from any Federal department or agency such information as the Commission considers necessary to carry out this subtitle. Upon request of the Commission, the head of such department or agency shall furnish such information to the Commission.

(d) POSTAL SERVICES.—The Commission may use the United States mails in the same manner and under the same conditions as other departments and agencies of the Federal Government.

**SEC. 306. COMMISSION PERSONNEL MATTERS.**

(a) COMPENSATION OF MEMBERS.—Each member of the Commission shall be compensated at the annual rate of basic pay prescribed for level IV of the Executive Schedule under section 5315 of title 5, United States Code.

(b) STAFF.—

(1) APPOINTMENT AND TERMINATION.—Subject to paragraph (2), the Commission may, without regard to the provisions of title 5, United States Code, governing appointments in the competitive service, appoint and terminate an Executive Director, a General Counsel, and such other personnel as may be necessary to enable the Commission to perform its duties.

(2) EXECUTIVE DIRECTOR; GENERAL COUNSEL.—

(A) APPOINTMENT AND TERMINATION.—The appointment and termination of the Executive Director and General Counsel under paragraph (1) shall be approved by a majority of the members of the Commission.

(B) INITIAL APPOINTMENT.—Beginning on the transition date (as defined in section 316(a)(2)), the Director of the Office of Election Administration of the Federal Election Commission shall serve as the Executive Director of the Commission until such date as a successor is appointed under paragraph (1).

(C) TERM.—The term of the Executive Director and the General Counsel shall be for a period of 6 years. An individual may not serve for more than 2 terms as the Executive Director or the General Counsel. The appointment of an individual with respect to each term shall be approved by a majority of the members of the Commission.

(D) CONTINUANCE IN OFFICE.—Notwithstanding subparagraph (C), the Executive Director and General Counsel shall continue in office until a successor is appointed under paragraph (1).

(3) COMPENSATION.—The Commission may fix the compensation of the Executive Director, General Counsel, and other personnel without regard to 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 for the Executive Director, General Counsel, and other personnel may not exceed the rate payable for level V of the Executive Schedule under section 5316 of such title.

(c) DETAIL OF GOVERNMENT EMPLOYEES.—Any Federal Government employee may be detailed to the Commission without reimbursement, and such detail shall be without interruption or loss of civil service status or privilege.

(d) PROCUREMENT OF TEMPORARY AND INTERMITTENT SERVICES.—The Commission may procure temporary and intermittent services under section 3109(b) of title 5, United States Code, at rates for individuals which 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 such title.

**SEC. 307. AUTHORIZATION OF APPROPRIATIONS.**

There are authorized to be appropriated to the Commission such sums as may be necessary to carry out this subtitle.

## Subtitle B—Transition Provisions

**SEC. 311. EQUAL PROTECTION OF VOTING RIGHTS ACT OF 2001.**

(a) TRANSFER OF CERTAIN FUNCTIONS OF FEDERAL ELECTION COMMISSION.—There are transferred to the Election Administration Commission established under section 301 all functions of the Federal Election Commission under section 101 and under subtitles A and B of title II before the transition date (as defined in section 316(a)(2)).

(b) TRANSFER OF CERTAIN FUNCTIONS OF THE ATTORNEY GENERAL.—

(1) TITLE I FUNCTIONS.—There are transferred to the Election Administration Commission established under section 301 all functions of the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice under sections 102 and 103 before the transition date (as defined in section 316(a)(2)).

(2) GRANTMAKING FUNCTIONS.—

(A) IN GENERAL.—Except as provided in paragraph (2), there are transferred to the Election Administration Commission established under section 301 all functions of the Attorney General, the Assistant Attorney General in charge of the Office of Justice Programs of the Department of Justice, and the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice under subtitles A, B, and C of title II before the transition date (as defined in section 316(a)(2)).

(B) EXCEPTION.—The functions of the Attorney General relating to the review of State plans under section 204 and the certification requirements under section 213 shall not be transferred under paragraph (1).

(3) ENFORCEMENT.—The Attorney General shall remain responsible for any enforcement action required under this Act, including the enforcement of the voting systems standards through the Assistant Attorney General in charge of the Civil Rights Division of the Department of Justice under section 104 and the criminal penalties under section 401.

(c) TRANSFER OF CERTAIN FUNCTIONS OF THE ACCESS BOARD.—There are transferred to the Election Administration Commission established under section 301 all functions of the Architectural and Transportation Barriers Compliance Board (as established under section 502 of the Rehabilitation Act of 1973 (29 U.S.C. 792)) under section 101 and under subtitles A, B, and C of title II before the transition date (as defined in section 316(a)(2)).

**SEC. 312. FEDERAL ELECTION CAMPAIGN ACT OF 1971.**

(a) TRANSFER OF FUNCTIONS OF OFFICE OF ELECTION ADMINISTRATION.—There are transferred to the Election Administration Commission established under section 301 all functions of the Director of the Office of the Election Administration of the Federal Election Commission before the transition date (as defined in section 316(a)(2)).

(b) CONFORMING AMENDMENT.—Section 311(a) of the Federal Election Campaign Act of 1971 (2 U.S.C. 438(a)) is amended—

(1) in paragraph (8), by inserting ''and'' at the end;

(2) in paragraph (9), by striking ''; and'' and inserting a period; and

(3) by striking paragraph (10) and the second and third sentences.

**SEC. 313. NATIONAL VOTER REGISTRATION ACT OF 1993.**

(a) TRANSFER OF FUNCTIONS.—There are transferred to the Election Administration Commission established under section 301 all functions of the Federal Election Commission under the National Voter Registration Act of 1993 before the transition date (as defined in section 316(a)(2)).

(b) CONFORMING AMENDMENT.—For purposes of section 9(a) of the National Voter Registration Act of 1993 (42 U.S.C. 1973gg–7(a)), the reference to the Federal Election Commission shall be deemed to be a reference to the Election Administration Commission.

**SEC. 314. TRANSFER OF PROPERTY, RECORDS, AND PERSONNEL.**

(a) PROPERTY AND RECORDS.—The contracts, liabilities, records, property, and other assets and interests of, or made available in connection with, the offices and functions of the Federal Election Commission which are transferred by this subtitle are transferred to the Election Administration Commission for appropriate allocation.

(b) PERSONNEL.—The personnel employed in connection with the offices and functions of the Federal Election Commission which are transferred by this subtitle are transferred to the Election Administration Commission.

**SEC. 315. COVERAGE OF ELECTION ADMINISTRATION COMMISSION UNDER CERTAIN LAWS AND PROGRAMS.**

(a) TREATMENT OF COMMISSION PERSONNEL UNDER CERTAIN CIVIL SERVICE LAWS.—

(1) COVERAGE UNDER HATCH ACT.—Section 7323(b)(2)(B)(i)(I) of title 5, United States Code, is amended by inserting ''or the Election Administration Commission'' after ''Commission''.

(2) EXCLUSION FROM SENIOR EXECUTIVE SERVICE.—Section 3132(a)(1)(C) of title 5, United States Code, is amended by inserting ''or the Election Administration Commission'' after ''Commission''.

(b) COVERAGE UNDER INSPECTOR GENERAL ACT OF 1978.—Section 8G(a)(2) of the Inspector General Act of 1978 (5 U.S.C. App.) is amended by inserting '', the Election Administration Commission,'' after ''Federal Election Commission,''.

**SEC. 316. EFFECTIVE DATE; TRANSITION.**

(a) EFFECTIVE DATE.—

(1) IN GENERAL.—This subtitle and the amendments made by this subtitle shall take effect on the transition date (as defined in paragraph (2)).

(2) TRANSITION DATE DEFINED.—In this section, the term ''transition date'' means the earlier of—

(A) the date that is 1 year after the date of enactment of this Act; or

(B) the date that is 60 days after the first date on which all of the members of the Election Administration Commission have been appointed under section 302.

(b) TRANSITION.—With the consent of the entity involved, the Election Administration Commission is authorized to utilize the services of such officers, employees, and other personnel of the entities from which functions have been transferred to the Commission under this title or the amendments made by this title for such period of time as may reasonably be needed to facilitate the orderly transfer of such functions.

**TITLE IV—MISCELLANEOUS**

**SEC. 401. CRIMINAL PENALTIES.**

(a) CONSPIRACY TO DEPRIVE VOTERS OF A FAIR ELECTION.—Any individual who gives false information in registering or voting in violation of section 11(c) of the National Voting Rights Act of 1965 (42 U.S.C. 1973i(c)), or conspires with another to violate such section, shall be fined or imprisoned, or both, in accordance with such section.

(b) FALSE INFORMATION IN REGISTERING AND VOTING.—Any individual who commits fraud or makes a false statement with respect to the naturalization, citizenry, or alien registry of such individual in violation of section 1015 of title 18, United States Code, shall be fined or imprisoned, or both, in accordance with such section.

**SEC. 402. RELATIONSHIP TO OTHER LAWS.**

(a) IN GENERAL.—Except as otherwise provided in this Act, nothing in this Act may be construed to authorize or require conduct prohibited under the following laws, or supersede, restrict, or limit such laws:

(1) The Voting Rights Act of 1965 (42 U.S.C. 1973 et seq.).

(2) The Voting Accessibility for the Elderly and Handicapped Act (42 U.S.C. 1973ee et seq.).

(3) The Uniformed and Overseas Citizens Absentee Voting Act (42 U.S.C. 1973ff et seq.).

(4) The National Voter Registration Act of 1993 (42 U.S.C. 1973gg et seq.).

(5) The Americans with Disabilities Act of 1990 (42 U.S.C. 1994 et seq.).

(6) The Rehabilitation Act of 1973 (29 U.S.C. 701 et seq.).

(b) NO EFFECT ON PRECLEARANCE OR OTHER REQUIREMENTS UNDER VOTING RIGHTS ACT.—The approval by the Attorney General of a State's application for a grant under title II, or any other action taken by the Attorney General or a State under such title, shall not be considered to have any effect on requirements for preclearance under section 5 of the Voting Rights Act of 1965 (42 U.S.C. 1973c) or any other requirements of such Act.

## AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON BANKING, HOUSING, AND URBAN AFFAIRS

Mr. WELLSTONE. 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 Wednesday, December 19, 2001, immediately following the 1:15 p.m. cloture vote, to conduct a markup on the nominations of Ms. Vickers B. Meadows, of Virginia, to be an Assistant Secretary of Housing and Urban Development; and Ms. Diane L. Tomb, of Virginia, to be an Assistant Secretary of Housing and Urban Development.

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

COMMITTEE ON FINANCE

Mr. WELLSTONE. Mr. President, I ask unanimous consent that the Committee on Finance be authorized to meet during the session of the Senate on Wednesday, December 19, 2001, at 10 a.m. to consider the nomination of Edward Kingman, Jr. to be Assistant Secretary for Management Budget and Chief Financial Officer, U.S. Department of Treasury.

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

## PRIVILEGE OF THE FLOOR

Mr. DURBIN. Mr. President, I ask unanimous consent that privilege of the floor be granted to Christopher Rhee, a detailee on the Judiciary Committee staff, during the remainder of the first session of the Congress.

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

## EXECUTIVE SESSION

## TREATY WITH RUSSIA ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to executive session to consider Executive Calendar No. 4, Treaty with Russia on Mutual Legal Assistance in Criminal Matters; that the treaty be considered as having advanced through its parliamentary stages up to and including the presentation of the resolution of ratification, and that the conditions be agreed to.

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

Mr. REID. Mr. President, I ask for a division vote.

The PRESIDING OFFICER. A division has been requested.

Senators in favor of the ratification of this treaty, please rise. (After a pause.) Those opposed will rise and stand until counted.

On a division vote with two-thirds of the Senators present having voted in the affirmative, the resolution of ratification is agreed to.

The resolution of ratification, with its conditions, reads as follows:

*Resolved (two thirds of the Senators present concurring therein),*

**SECTION 1. ADVICE AND CONSENT TO RATIFICATION OF THE TREATY WITH THE RUSSIAN FEDERATION ON MUTUAL LEGAL ASSISTANCE IN CRIMINAL MATTERS, SUBJECT TO CONDITIONS.**

The Senate advises and consents to the ratification of the Treaty Between the United States of America and the Russian Federation on Mutual Legal Assistance in Criminal Matters, signed at Washington on June 17, 1999 (Treaty Doc. 106–22; in this resolution referred to as the ''Treaty''), subject to the conditions in section 2.

**SEC. 2. CONDITIONS.**

The advice and consent of the Senate under section 1 is subject to the following conditions:

(1) TREATY INTERPRETATION.—The Senate reaffirms condition (8) of the resolution of ratification of the Document Agreed Among the States Parties to the Treaty on Conventional Armed Forces in Europe (CFE) of November 19, 1990 (adopted at Vienna on May 31 1996), approved by the Senate on May 14, 1997 (relating to condition (1) of the resolution of ratification of the INF Treaty, approved by the Senate on May 27, 1988).

(2) LIMITATION ON ASSISTANCE.—Pursuant to the right of the United States under the Treaty to deny legal assistance under the Treaty that would prejudice the essential public policy or interests of the United States, the United States shall deny any request for such assistance if the Central Authority of the United States (as designated in Article 3(2) of the Treaty), after consultation with all appropriate intelligence, antinarcotic, and foreign policy agencies, has specific information that a senior Government official of the requesting party who will have access to information to be provided as part of such assistance is engaged in a felony, including the facilitation of the production or distribution of illegal drugs.

(3) SUPREMACY OF THE CONSTITUTION.—Nothing in the Treaty requires or authorizes the enactment of legislation or the taking of any other action by the United States that is prohibited by the Constitution of the United States as interpreted by the United States.

Mr. REID. Mr. President, I ask unanimous consent that the motion to reconsider be laid upon the table, that any statements thereon be printed in the RECORD, and that the President be immediately notified of the Senate's action.

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

## EXECUTIVE CALENDAR

Mr. REID. Mr. President, I ask unanimous consent that the Senate proceed to consider the following nominations: Calendar Nos. 583, 662, and the Air Force and Army promotions on the Secretary's desk; that the nominations be confirmed, the motions to reconsider be laid upon the table, any statements thereon be printed in the RECORD, the President be immediately notified of the Senate's action, and the Senate return to legislative session.

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

The nominations considered and confirmed are as follows:

ARMY

The following named officer for appointment in the United States Army to the grade indicated while assigned to a position of importance and responsibility under title 10, U.S.C. section 601:

*To be lieutenant general*

Maj. Gen. Dennis D. Cavin, 8558.

AIR FORCE

The following named officers for appointment in the United States Air Force to the grade indicated under title 10, U.S.C., section 624:

*To be brigadier general*

Colonel Larry D. New, 2557.
Colonel Michael F. Planert, 4078.

NOMINATIONS PLACED ON THE SECRETARY'S DESK

AIR FORCE

PN1273 Air Force nominations (2) beginning Gerard W. Stalnaker, and ending Everett G. Willard, Jr., which nominations were received by the Senate and appeared in the Congressional Record of December 11, 2001.

PN1274 Air Force nominations (6) beginning James A. Barlow, and ending Glenn S. Roberts, which nominations were received by the Senate and appeared in the Congressional Record of December 11, 2001.

PN1275 Air Force nominations (8) beginning Cynthia M. Cadet, and ending David G. Young, III, which nominations were received by the Senate and appeared in the Congressional Record of December 11, 2001.

ARMY

PN1263 Army nomination of Robert W. Siegert, which was received by the Senate and appeared in the Congressional Record of December 5, 2001.

PN1264 Army nominations (5) beginning Catherine M. Banfield, and ending Jack M. Wedam, which nominations were received by the Senate and appeared in the Congressional Record of December 5, 2001.

PN1265 Army nominations (5) beginning Mary Carstensen, and ending William L. Tozier, which nominations were received by the Senate and appeared in the Congressional Record of December 5, 2001.

PN1276 Army nominations (2) beginning Joseph L. Culver, and ending Charles R. James, Jr., which nominations were received by the Senate and appeared in the Congressional Record of December 11, 2001.

PN1277 Army nominations (2) beginning Barry D. Keeling, and ending Ernesto E. Marra, which nominations were received by the Senate and appeared in the Congressional Record of December 11, 2001.

PN1278 Army nomination of James J. Waldeck, III, which was received by the Senate and appeared in the Congressional Record of December 11, 2001.

## LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

## AUTHORIZING CERTAIN EMPLOYEES OF THE SENATE TO BE PLACED IN A LEAVE WITHOUT PAY STATUS

Mr. REID. Mr. President, I ask consent that the Senate proceed to the consideration of S. Res. 193 submitted earlier today by Senators DASCHLE and LOTT.

The PRESIDING OFFICER. The clerk will report the resolution by title.

The legislative clerk read as follows:

A resolution (S. Res. 193) authorizing certain employees of the Senate who perform service in the uniformed services to be placed in a leave without pay status, and for other purposes.

There being no objection, the Senate proceeded to consider the resolution.

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

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

The resolution (S. Res. 193) was agreed to.

(The resolution is printed in today's RECORD under ''Submitted Resolutions.'')

## MEASURE READ THE FIRST TIME—H.R. 3343

Mr. REID. Mr. President, I understand that H.R. 3343, which was just received from the House, is at the desk, and I now ask for its first reading.

The PRESIDING OFFICER. The clerk will report the bill by title.

The legislative clerk read as follows:

A bill (H.R. 3343) to amend title X of the Energy Policy Act of 1992, and for other purposes.

Mr. REID. Mr. President, I now ask for its second reading, and object to my own request on behalf of a number of my colleagues.

The PRESIDING OFFICER. The bill will remain at the desk.

## ORDERS FOR THURSDAY, DECEMBER 20, 2001

Mr. REID. Mr. President, I ask unanimous consent that when the Senate completes its business today, it recess until 9:30 a.m., Thursday, December 20; that immediately following the prayer and Pledge, the Senate begin consideration of the Labor-HHS appropriations conference report.

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

## RECESS UNTIL 9:30 A.M. TOMORROW

Mr. REID. Mr. President, if there is no further business to come before the Senate, I ask unanimous consent that the Senate stand in recess under the previous order.

There being no objection, the Senate, at 8:04 p.m., recessed until Thursday, December 20, 2001, at 9:30 a.m.

## NOMINATIONS

Executive nominations received by the Senate December 19, 2001:

THE JUDICIARY

JOHN M. ROGERS, OF KENTUCKY, TO BE UNITED STATES CIRCUIT JUDGE FOR THE SIXTH CIRCUIT, VICE EUGENE E. SILER, JR., RETIRED.

TIMOTHY C. STANCEU, OF VIRGINIA, TO BE A JUDGE OF THE UNITED STATES COURT OF INTERNATIONAL TRADE, VICE RICHARD W. GOLDBERG, RETIRED.

## CONFIRMATIONS

Executive nominations confirmed by the Senate December 19, 2001:

IN THE ARMY

THE FOLLOWING NAMED OFFICER FOR APPOINTMENT IN THE UNITED STATES ARMY TO THE GRADE INDICATED WHILE ASSIGNED TO A POSITION OF IMPORTANCE AND RESPONSIBILITY UNDER TITLE 10, U.S.C., SECTION 601:

*To be lieutenant general*

MAJ. GEN. DENNIS D. CAVIN

IN THE AIR FORCE

THE FOLLOWING NAMED OFFICERS FOR APPOINTMENT IN THE UNITED STATES AIR FORCE TO THE GRADE INDICATED UNDER TITLE 10, U.S.C., SECTION 624:

*To be brigadier general*

COLONEL LARRY D. NEW
COLONEL MICHAEL F. PLANERT

AIR FORCE NOMINATIONS BEGINNING GERARD W. STALNAKER AND ENDING EVERETT G. WILLARD, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 11, 2001.

AIR FORCE NOMINATIONS BEGINNING JAMES A. BARLOW AND ENDING GLENN S. ROBERTS, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 11, 2001.

AIR FORCE NOMINATIONS BEGINNING CYNTHIA M. CADET AND ENDING DAVID G. YOUNG III, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 11, 2001.

ARMY NOMINATION OF ROBERT W. SIEGERT.

ARMY NOMINATIONS BEGINNING CATHERINE M. BANFIELD AND ENDING JACK M. WEDAM, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 5, 2001.

ARMY NOMINATIONS BEGINNING MARY CARSTENSEN AND ENDING WILLIAM L. TOZIER, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 5, 2001.

ARMY NOMINATIONS BEGINNING JOSEPH L. CULVER AND ENDING CHARLES R. JAMES, JR., WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 11, 2001.

ARMY NOMINATIONS BEGINNING BARRY D. KEELING AND ENDING ERNESTO E. MARRA, WHICH NOMINATIONS WERE RECEIVED BY THE SENATE AND APPEARED IN THE CONGRESSIONAL RECORD ON DECEMBER 11, 2001.

ARMY NOMINATION OF JAMES J. WALDECK III.