

National Defense Authorization Act for Fiscal Year 1995 (Public Law 103-337; 108 Stat. 2837; 22 U.S.C. 2291-4) is amended by striking “, before the interdiction occurs, has determined” and inserting “has, during the 12-month period ending on the date of the interdiction, certified to Congress”.

(b) ANNUAL REPORTS.—That section is further amended—

(1) by redesignating subsection (c) as subsection (d); and

(2) by inserting after subsection (b) the following new subsection:

“(c) ANNUAL REPORTS.—(1) Not later than February 1 each year, the President shall submit to Congress a report on the assistance provided under subsection (b) during the preceding calendar year. Each report shall include for the calendar year covered by such report the following:

“(A) A list specifying each country for which a certification referred to in subsection (a)(2) was in effect for purposes of that subsection during any portion of such calendar year, including the nature of the illicit drug trafficking threat to each such country.

“(B) A detailed explanation of the procedures referred to in subsection (a)(2)(B) in effect for each country listed under subparagraph (A), including any training and other mechanisms in place to ensure adherence to such procedures.

“(C) A complete description of any assistance provided under subsection (b).

“(D) A summary description of the aircraft interception activity for which the United States Government provided any form of assistance under subsection (b).

“(2) Each report under paragraph (1) shall be submitted in unclassified form, but may include a classified annex.”.

SEC. 505. UNDERGRADUATE TRAINING PROGRAM FOR EMPLOYEES OF THE NATIONAL IMAGERY AND MAPPING AGENCY.

(a) AUTHORITY TO CARRY OUT TRAINING PROGRAM.—Subchapter III of chapter 22 of title 10, United States Code, is amended by adding at the end the following new section:

“§462. Financial assistance to certain employees in acquisition of critical skills

“The Secretary of Defense may establish an undergraduate training program with respect to civilian employees of the National Imagery and Mapping Agency that is similar in purpose, conditions, content, and administration to the program established by the Secretary of Defense under section 16 of the National Security Agency Act of 1959 (50 U.S.C. 402 note) for civilian employees of the National Security Agency.”.

(b) CLERICAL AMENDMENT.—The table of sections at the beginning of such subchapter is amended by adding at the end the following new item:

“462. Financial assistance to certain employees in acquisition of critical skills.”.

SEC. 506. TECHNICAL AMENDMENTS.

Section 2555 of title 10, United States Code, as added by section 1203(a) of the Floyd D. Spence National Defense Authorization Act for Fiscal Year 2001 (as enacted by Public Law 106-398; 114 Stat. 1654, 1654A-324), is amended—

(1) in subsection (a)—

(A) by striking “CONVEY OR” in the subsection heading and inserting “TRANSFER TITLE TO OR OTHERWISE”;

(B) in paragraph (1)—

(i) by striking “convey” and inserting “transfer title”; and

(ii) by striking “and” after “equipment.”;

(C) by striking the period at the end of paragraph (2) and inserting “; and”;

(D) by adding at the end the following new paragraph:

“(3) inspect, test, maintain, repair, or replace any such equipment.”; and

(2) in subsection (b)—

(A) by striking “conveyed or otherwise provided” and inserting “provided to a foreign government”;

(B) by inserting “and” at the end of paragraph (1);

(C) by striking “; and” at the end of paragraph (2) and inserting a period; and

(D) by striking paragraph (3).

AMENDMENT NO. 7 OFFERED BY MR. GOSS

Mr. GOSS. Mr. Chairman, I offer an amendment.

The CHAIRMAN. The Clerk will designate the amendment.

The text of the amendment is as follows:

Amendment No. 7 offered by Mr. GOSS:

Strike section 503 (page 23, lines 1 through 16).

Strike section 506 (page 26, line 1, through page 27, line 5).

Mr. GOSS. Mr. Chairman, my amendment strikes section 503 and 506.

By way of explanation, 506 is a technical amendment which I understand has now been incorporated within H.R. 2586, the National Defense Authorization Act for Fiscal Year 2002. With respect to section 503 on the status of intelligence fusion centers in Florida and California, I have been asked by the gentleman from Arizona (Mr. STUMP), chairman of the Committee on Armed Services, to defer further action on this provision pending consultations between our committees.

Mr. Chairman, I certainly am prepared to honor the gentleman's request and would like to do so.

Ms. PELOSI. Mr. Chairman, will the gentleman yield?

Mr. GOSS. I yield to the gentleman from California.

Ms. PELOSI. Mr. Chairman, it is my understanding that issues raised by 503 will be addressed in the conference report. With that understanding, I am pleased to agree to the gentleman's amendment.

Mr. GOSS. Mr. Chairman, reclaiming my time, I believe that is accurate.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Florida (Mr. GOSS).

The amendment was agreed to.

The CHAIRMAN. Are there any other amendments to the bill?

If not, the question is on the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. SIMPSON) having assumed the chair, Mr. LATOURETTE, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2883) to authorize appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Govern-

ment, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes, pursuant to House Resolution 252, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the committee amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time, and passed, and a motion to reconsider was laid on the table.

□ 1200

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN ENGROSSMENT OF H.R. 2883, INTELLIGENCE AUTHORIZATION ACT FOR FISCAL YEAR 2002

Mr. GOSS. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 2883, the Clerk be authorized to make such technical and conforming changes as necessary to reflect the actions of the House.

The SPEAKER pro tempore (Mr. SIMPSON). Is there objection to the request of the gentleman from Florida?

There was no objection.

GENERAL LEAVE

Mr. GOSS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and include extraneous material on the bill (H.R. 2883) to authorize appropriations for fiscal year 2002 for intelligence and intelligence-related activities of the United States Government, the Community Management Account, and the Central Intelligence Agency Retirement and Disability System, and for other purposes.

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

There was no objection.

FARM SECURITY ACT OF 2001

The SPEAKER pro tempore. Pursuant to House Resolution 248 and rule XVIII, the Chair declares the House in the Committee of the Whole House on the State of the Union for the further consideration of the bill, H.R. 2646.

□ 1200

IN THE COMMITTEE OF THE WHOLE

Accordingly, the House resolved itself into the Committee of the Whole

House on the State of the Union for the further consideration of the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, with Mr. LAHOOD in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the Committee of the Whole rose on Thursday, October 4, 2001, amendment No. 34 printed in the CONGRESSIONAL RECORD by the gentlewoman from Ohio (Ms. KAPTUR) had been withdrawn.

Pursuant to the order of the House of that day, no further amendment may be offered except one pro forma amendment each offered by the chairman or ranking minority member of the Committee on Agriculture or their designees for the purpose of debate.

There being no further amendments in order under the order of the House, the question is on the amendment in the nature of a substitute, as amended.

The amendment in the nature of a substitute, as amended, was agreed to.

Mr. SHAYS. Mr. Chairman, during my service in Congress, I have consistently opposed agricultural welfare programs. This Farm Bill, for the most part, represents business-as-usual for our nation's heavily-subsidized farmers. It's unfortunate to know that at a time of such advances in every other area of our lives, our agriculture sector has all the sophistication of a Soviet commune.

But there is something to smile about, because this Farm Bill contains one vital reform: the abolition of the federal peanut quota program. This program is truly a relic of the Great Depression, and today it's put on notice that its days are numbered.

The General Accounting Office has found the peanut program provides substantial benefits to a small number of producers who hold most of the quota, restricts peanut production by other farmers, and increases consumer costs by between \$300 million and \$500 million annually.

For years, I've had a hard time understanding why our government favors one group of American peanut farmers—those who own quotas—over other American farmers who don't own this privilege. This program harms so many for the benefit of such a select few.

My partner in reform, Congressman PAUL KANJORSKI, and I have always maintained that it was not our intention to pull the rug out from under our nation's peanut farmers. Rather, our goal has always been to bring peanuts in line with other commodities, and the legislation we introduced replaced quota restrictions with the same non-recourse loan system enjoyed by other commodities.

Some of my colleagues may be concerned with the Farm Bill's approach, which shifts the burden from consumers to taxpayers.

I agree this compromise isn't perfect, but it does meet two essential criteria we've set for reform. First, and most important, it repeals the quota system. This is the key to making the peanut industry more market-oriented, providing a level playing field for farmers, and promoting international trade.

Second, as GAO confirmed in correspondence I will submit for the record, this bill

"Would essentially bring the peanut program in line with other commodity programs."

Why is this important? Because taking peanuts off a separate track will ultimately make it easier to enact future reforms. It also exposes the hidden costs of the existing program by putting it "on the books."

There are still some concerns I have with what we're accomplishing today. First, this legislation compensates quota holders for the loss of their asset, which I must confess I think is fair. While those of us who want reform are willing to accept this provision, it is only under the understanding that the Chairman shares our commitment to let it expire after five years specified in this bill.

Second, at a cost of \$3.5 billion over 10 years, these reforms will come at some expense. With a rapidly shrinking budget surplus and tremendous needs in other areas, we are going to have to reexamine whether this is the best use of taxpayers' dollars.

Finally, I'm concerned about findings by the GAO that several of the new subsidies for peanuts may be identified as "trade distorting" under the 1994 Uruguay Round of trade talks. If we expect other nations to lower their trade barriers, we need to ensure we're not erecting barriers of our own.

Mr. Chairman, during the course of debate on this bill, I'm going to continue to express reservations about our overall agriculture policy. But at this moment, I want to commend the Chairman of the Agriculture Committee, Mr. COMBEST, for bringing us closer that we've ever been to ending the Byzantine system of price supports for peanuts.

I would also request unanimous consent to submit for the CONGRESSIONAL RECORD a September 26 letter from the General Accounting Office reviewing the peanut title of this Farm Bill.

UNITED STATES GENERAL ACCOUNTING
OFFICE,

Washington, DC, September 26, 2001.

Hon. CHRISTOPHER SHAYS,
House of Representatives.

Hon. PAUL E. KANJORSKI,
House of Representatives.

Subject: Peanut Program: Potential Effects of Proposed Farm Bill on Producers, Consumers, Government, and Peanut Imports and Exports.

The current federal peanut program, administered by the U.S. Department of Agriculture (USDA), is designed to support producers' incomes while ensuring an ample supply of domestically produced peanuts. To accomplish these goals, the program controls the domestic supply of peanuts and guarantees producers a minimum price for their crops. This price substantially exceeds the price of peanuts in world markets. The program uses two mechanisms to control the domestic supply of peanuts: (1) a national quota on the number of pounds that can be sold for edible consumption domestically and (2) import restrictions. While anyone can grow peanuts, only producers holding quota, either through ownership or rental of farmland, may sell their peanuts domestically, as "quota" peanuts. Generally, all other production, referred to as "additional" peanuts, must be exported or crushed for oil and meal. The program protects producers' incomes through a two-tiered system that sets minimum support prices for quota and for additional peanuts. Producers of quota peanuts

are guaranteed a support price of \$610 per-ton, called the "quota loan rate." Producers of additional peanuts are guaranteed a lower support price of \$132 per-ton, called the "additional loan rate." Producers may sell their peanuts at or above these loan rates, or they may place their peanuts under loan with USDA and have the government sell them. This program, while long-standing, has been criticized by GAO and others because, among other things, it provides substantial benefits to a relatively small number of producers who hold most of the quota, generally restricts nonquota holders from producing peanuts for the U.S. domestic market, and increases consumers' cost. The program is, however, designed to operate generally at "no-net cost" to the government. Additionally, since the \$610 per-ton quota loan rate is substantially higher than the estimated world price—\$321 to \$462 per-ton from 1996 through 2000—the quota loan rate provides incentives for exporting countries to maximize the quantity of peanuts the U.S. allows to be imported under recent trade agreements. These imports could displace domestically produced peanuts that otherwise would enter U.S. food marketing channels.

To address these and other concerns about the peanut program, you asked that we review its structure and operations under the 1996 Farm Bill, and its impacts on producers, consumers, the federal government, and imports and exports of peanuts. However, on July 27, 2001, before we completed our review, the House Committee on Agriculture approved the 2002 Farm Bill, for 2002 through 2011 (the Farm Security Act of 2001, H.R. 2646). If enacted, this bill would fundamentally alter the peanut program's structure by, among other things, eliminating the national poundage quota and allowing peanut buyers to purchase domestically produced peanuts at the prevailing market price. Because of your interest in making the program more market-oriented, you subsequently asked us to report on the potential impact of this bill on producers, consumers, the federal government, and imports and exports of peanuts.

MAJOR CHANGES TO THE PEANUT PROGRAM UNDER THE HOUSE COMMITTEE ON AGRICULTURE'S BILL

Beginning in 2002, and for the next 10 years, the bill passed by the House Committee on Agriculture would eliminate the national poundage quota and replace the current two-tiered price system with several new support mechanisms for peanut quota owners and producers. These changes would essentially bring the peanut program in line with other commodity programs. The bill would establish the following new types of support for peanut producers:

A "counter-cyclical" payment. This payment would provide financial assistance to producers when prices are below a legislatively established target price. Peanut producers would receive a payment based on the difference between a USDA-calculated price and a \$480 target price—known as a counter-cyclical payment. The payment amount would be calculated on 85 percent of a producer's peanut acres and the average yield for crop years 1998 through 2001. A producer's production during these years would be the producer's base production. Since the payment would be calculated using historic yield and acreage, producers would receive it even if they choose not to plant peanuts. According to the Congressional Budget Office (CBO), the counter-cyclical payments would cost an estimated \$1.24 billion in government expenditures over the life of the farm bill.

A “fixed, decoupled” payment. This payment would provide peanut producers with compensation similar to the production flexibility contract payments provided for other crops, such as cotton and wheat, in the 1996 Farm Bill (Federal Agriculture Improvement and Reform Act of 1996). Producers with base production would receive support—known as a fixed, decoupled payment—in the amount of \$36 per-ton on the base production. This support is called “decoupled” because it would be paid whether or not a producer chooses to grow peanuts and regardless of market prices. Since the payment would be calculated using historic yield and acreage, producers would receive it even if they choose not to plant peanuts. According to CBO, the fixed, decoupled payments would cost an estimated \$0.63 billion over the life of the farm bill.

A marketing assistance loan. This loan would provide producers with interim financial assistance at harvest, when prices are usually lower than at other times of the marketing year. Producers could pledge their stored peanuts as collateral for up to 9 months at a loan rate of \$350 per-ton. Producers would then repay the loan at a rate that is the lesser of (1) \$350 per-ton plus interest or (2) a USDA-calculated loan repay-

ment rate, which was not specified in the bill. If producers were to redeem the loan at less than the loan amount, they would realize a marketing loan gain. Alternatively, producers could receive an amount equivalent to the marketing assistance loan gain, referred to as a loan deficiency payment, by agreeing to forgo a loan. Producers would also be able to forfeit their peanuts to the government as payment for their loan, regardless of the market value of peanuts at the time. According to CBO, the marketing loan payments will cost an estimated \$0.44 billion over the life of the farm bill.

A “buy-out” payment. Quota owners would receive compensation for the lost asset value of their quota. This “buy-out” payment would be made in five annual installments of \$200 per-ton during fiscal years 2002 through 2006. The payment would be based on the quota owners’ 2001 quota. According to CBO, payments would total \$1.18 billion to quota owners for the 5-year period from 2002 through 2006.

All peanut producers would be eligible to receive a marketing assistance loan or a loan deficiency payment. However, only those who produced peanuts during crop years 1998 through 2001 (the base production period) would be eligible to receive counter-cyclical and fixed, decoupled payments.

ALL PEANUT PRODUCERS WOULD BENEFIT UNDER THE HOUSE COMMITTEE ON AGRICULTURE’S BILL

New and existing peanut producers would benefit from the support mechanisms contained in the House Committee bill. Table 1 shows the estimated amounts producers would receive from peanut sales and government support under the current peanut program compared with the House Committee bill. Because the peanut provisions of the House Committee bill would essentially establish minimum guaranteed prices—a target price of \$480 per-ton for base production and a \$350 per-ton marketing assistance loan for all other production—the amounts shown in the table generally represent the minimum amount producers could expect to receive for their production.

The table assumes that a peanut producer has 100 acres under production, a yield of 2,500 pounds per acre, and receives a market price of \$325 per-ton. These production and yield assumptions are based on national averages contained in USDA’s 1997 Census of Agriculture. The \$325 market price is an estimate based on conversations with shellers and area marketing associations in August 2001.

TABLE 1.—MINIMUM ESTIMATED AMOUNTS PRODUCER WOULD RECEIVE UNDER THE CURRENT AND PROPOSED PEANUT PROGRAMS, ON 100 ACRES OF PRODUCTION

Types of program supports	100 percent quota producer with base production	100 percent additional producer with base production	New producer without base production
Current program:			
Quota support price	¹ \$76,250	Not applicable	Not applicable
Additional support price	Not applicable	² \$16,500	² \$16,500
Total amount	\$76,250	\$16,500	\$16,500
Proposed program:			
Market revenue	² \$40,625	³ \$40,625	³ \$40,625
Counter-cyclical	⁴ \$9,988	⁴ \$9,988	Not applicable
Fixed, decoupled	⁵ \$3,825	⁵ \$3,825	Not applicable
Marketing assistance loan gain	⁶ \$3,125	⁶ \$3,125	⁶ \$3,125
Lost asset value	⁷ \$25,000	Not applicable	Not applicable
Total amount	\$82,563	\$57,563	\$43,750
Difference between current and proposed program	\$6,313	\$41,063	\$27,250

¹ Represents the product of the \$610 per-ton quota support price times 1.25 tons (2,500 pounds per acre) times 100 acres. Because this is considered a “no-net cost” program to the government, this is paid by the consumer.
² Represents the minimum amount an additional or new peanut producer would receive, calculated as the product of \$132 per-ton additional loan rate times 1.25 tons (2,500 pounds per acre) times 100 acres. However, these producers may receive higher amounts if they sell their peanuts for export rather than placing them under loan.
³ Represents the \$325 per-ton market price times 1.25 tons (2,500 pounds per acre) times 100 acres.
⁴ Represents the \$480 per-ton target price minus the \$350 loan rate and the \$36 per-ton fixed, decoupled payment times 1.25 tons (2,500 pounds per acre) times 100 acres times 85 percent. Producers would receive this payment even if they choose not to plant peanuts since it is calculated using historic yield and acreage.
⁵ Represents the \$36 per-ton fixed, decoupled payment times 1.25 tons (2,500 pounds per acre) times 100 acres times 85 percent. Producers would receive this payment even if they choose not to plant peanuts since it is calculated using historic yield and acreage.
⁶ Represents either a marketing loan gain or a loan deficiency payment. It is the product of the difference between the \$350 per-ton marketing assistance loan and the \$325 per-ton market price times 1.25 tons (2,500 pounds per acre) times 100 acres. If the market price decreases, these government support costs would increase to make up the difference between the lower market price and the marketing assistance loan rate.
⁷ Represents the product of the \$200 per-ton compensation for the lost asset value of quota times 1.25 tons (2,500 pounds per acre) times 100 acres. This “buy-out” payment is only paid during fiscal years 2002–2006.

Note.—Under the proposed program, producers with base production could also receive support as a new producer if they expand production.
 Source: GAO’s analysis of USDA’s data and the House Committee bill.

As the table shows, most of the government’s payments under the House Committee bill would go to quota peanut producers with base production, followed by payments to additional peanut producers with base production. This is because quota holders and additional producers would be eligible to receive the counter-cyclical payment, the fixed, decoupled payment, and a marketing assistance loan payment. In addition, quota owners would be compensated for the value of their lost asset.

Nevertheless, current additional and new peanut producers potentially gain the most under the House Committee bill because they could (1) market their peanuts in the domestic edible market and (2) receive a minimum guaranteed price of \$350 per-ton under the marketing assistance loan. For example, as the table shows, producers of additional peanuts with base production on 100 acres would have been guaranteed \$16,500 per year under the existing program, compared with \$57,563 under the proposed bill.

Peanut production would be expected to increase to the extent that the House Committee bill would provide increased returns to producers that are higher than the returns they would have received under the old program or that are higher relative to other commodities that they produce. If production increases, it is likely to cause market prices for peanuts to fall and government payments to increase.

CONSUMERS SHOULD PAY LESS FOR PEANUTS, BUT THE GOVERNMENT WOULD PAY MORE

Under the House Committee on Agriculture’s bill, the burden of supporting peanut producers would shift from consumers to the government. Consumers—defined as shellers, manufacturers, and the general public—should pay less for domestically produced peanuts because the proposed legislation would eliminate the \$610 quota support price, which is substantially higher than the estimated \$321 to \$462 per-ton world price over the past 5 years.

While consumers should benefit under the House Committee bill, government costs would increase. For example, the current peanut program is intended to operate with no net cost to the government, while the House Committee bill would provide direct government support payments to peanut producers. CBO estimates that these direct support payments would cost \$3.5 billion over the next 10 years. This cost estimate includes counter-cyclical and fixed, decoupled payments, marketing assistance loans, and the buy-out payments for the lost asset value of the quota. To the extent to which producers expand production beyond CBO’s estimates, increases in government costs could be greater than estimated.

PROPOSED PROGRAM PROVISIONS MAY BE CONSIDERED TRADE DISTORTING BUT SHOULD DECREASE INCENTIVES FOR IMPORTS

Several of the new support mechanisms contained in the House Committee bill may be identified as “trade distorting”—altering

free trade of peanuts—under the 1994 Uruguay Round Agreement on Agriculture. For example, gains resulting from loan deficiency payments and marketing assistance loans for other crops, such as corn and cotton, have previously been identified as trade distorting by USDA. Our obligation under the Uruguay Round Agreement is to hold the amount of such U.S. trade-distorting government support below \$19.1 billion annually by 2000. In 1998, USDA notified the World Trade Organization that 12 commodities received support identified as trade distorting, but the amount remained within the cap. Negotiations are under way, however, to further reduce trade-distorting government support.

Although some of the new support mechanisms may be considered trade distorting, to the extent to which they lead to lower domestic peanut prices, these supports should reduce incentives for imports, primarily from Argentina and Mexico. According to peanut shellers, domestically produced peanuts would be purchased at prices that are less than the current \$610 per-ton quota loan rate. The shellers also hope that a lower U.S. peanut price will help them increase exports.

AGENCY COMMENTS

We received oral comments on a draft of this report from USDA's Farm Service Agency, the Foreign Agricultural Service and the Economic Research Service and the U.S. Trade Representative. They generally agreed with the substance of the report and provided technical and clarifying comments, which we incorporated as appropriate. FSA officials also informed us there are certain items in the House Committee bill that will require technical clarification. USDA has sent a letter to the House Agricultural Committee requesting guidance and clarification of these issues and was awaiting a response from the Committee as of the date of this letter.

SCOPE AND METHODOLOGY

In order to respond to your request, we obtained and analyzed the Farm Security Act of 2001, testimony provided by producer and industry officials to the House Committee on Agriculture in June 2001 and the Senate Committee on Agriculture, Nutrition, and Forestry in July 2001, the World Trade Organization and the USDA Economic Research Service reports on domestic supports, the USDA's 1997 Census of Agriculture, and other information pertaining to domestic and international peanut production. We also interviewed representatives from USDA, peanut area marketing associations, peanut shellers, and a product manufacturer concerning the bill's provisions and potential impacts. To estimate the minimum amount of producer receipts, we reviewed the applicable provisions of the House Committee bill, obtained and examined data on peanut production, yield, and price.

We conducted our work from July through August 2001, in accordance with generally accepted government auditing standards.

We will provide copies of this report to the congressional committees with jurisdiction over farm programs; the Honorable Ann M. Veneman, Secretary of Agriculture; Ambassador Robert B. Zoellick, U.S. Trade Representative; and other interested parties. The letter will also be available on GAO's home page at <http://www.gao.gov>.

If you have any questions about this letter, please contact me at (202) 512-3841 or Assistant Director Robert C. Summers at 404-679-1839. Other key contributors to this report

were Carol Bray, Mary Denigan-Macauley, and John C. Smith.

LAWRENCE J. DYCKMAN,
Director, Natural Resources and Environment.

Mr. MORAN of Kansas. Mr. Chairman, I rise today to support H.R. 2646, the Farm Security Act of 2001. Today's farm bill is the result of two years' work by Chairman COMBEST and Ranking Member STENHOLM.

On September 18, 1999, eight other members of the House Agriculture Committee, Republicans and Democrats, came to Hutchinson, Kansas for a field hearing on the State of the Farm Economy. The hearing came at a time when Congress was poised to act on its second emergency assistance bill in as many years.

With the passage of a disaster package in October of 1998, the Chairman of the committee saw it appropriate to come to Kansas the next year and begin to hear from farmers and ranchers on suggested changes for farm programs. For the next two years, farmers continued to struggle, and Congress continued to respond with additional emergency spending bills to help producers cope with the sustained period of depressed commodity prices.

During this time, the House Agriculture Committee was not satisfied with simply passing disaster bills with no end in sight. The Chairman of the Committee took the lead in getting new ideas from farmers, ranchers, economists, and other policy experts concerned about U.S. agriculture.

Now, over two years and 40 hearings later, we are here to consider the House version of a new farm bill, H.R. 2646—the Farm Security Act.

The bill before the House today represents a bipartisan compromise, worked through the full committee process. The concepts of the bill were initially released as a draft for members and producers to comment on the proposal. Legislation was drafted, a two-day mark-up was held, and on August 2nd, the Farm Security Act was reported favorably by voice vote of the full House Agriculture Committee.

CONSERVATION

This bill responds to producers, consumers, and the American public as a whole. First, I would like to speak to an area that has recently been discussed at length: conservation.

As the Vice-Chairman of the subcommittee on Conservation, I am proud to support this bill. Originally, I introduced my own version of a conservation title, H.R. 1938—The Conservation Enhancement Act. I am pleased that many of the provisions of my bill are included in the Farm Security Act. The bill includes an 80 percent funding increase in conservation spending and gives the largest increase to a program for working lands that remain in production agriculture, the Environmental Quality Incentives Program (EQIP).

The EQIP program is instrumental in protecting watersheds, improving environmental practices, and addressing some of the most difficult environmental problems we face today. However, as we heard in hearings from producers and conservation groups, EQIP can't work if it doesn't have adequate funding or flexibility. This bill goes a long way to address both of those important issues.

For small producers, we heard that contracts were too long to be practical and that financial assistance was not made available until all the work, and costs, were already paid by the farmer. For farmers with extremely limited resources, the best intentions can not overcome economic realities of farming. In this bill, we address those issues by allowing costs to be reimbursed earlier and reducing the length of contracts to allow more small farmers to participate.

We also heard from livestock producers about their need to access technical assistance and other the resources available to meet the demands of an increasingly regulated environment. This bill reserves 50 percent of the EQIP funds for livestock producers. If we truly want to fix the problems that exist today, we must allow livestock producers to access the programs that are designed to help address environmental problems.

In addition, the bill creates a water conservation program. While we often focus on water quality issues, for many parts of the country, water conservation is the first step that must be taken to improve the environment.

There are many other provisions of the Conservation title, but I just want to touch on a couple of programs to help explain to my colleagues the sheer size of the work farmers and ranchers are doing today.

The Conservation Reserve Program is one of the most important programs at the United States Department of Agriculture, in terms of reducing water and wind erosion. According to the USDA, each acre of CRP reduces erosion by 19 tons per year. The program has also been extremely successful in enhancing wildlife habitat for many species. Under this bill, CRP is expanded to 39.2 million acres. 39.2 million acres is hard for most of us to conceive. My own yard is about 4 tenths of an acre, and for my lawnmower, that is plenty.

However, the amount of land under the protection of the Conservation Reserve Program is truly enormous. If CRP was a state, it would be the largest state East of the Mississippi. If the area covered by CRP ran along the eastern seaboard, it would entirely cover Maine, Vermont, New Hampshire, Massachusetts, Rhode Island, and Delaware. For those of you out west, CRP is almost as big as the entire state of Washington.

The Committee bill also increases wetlands conservation by adding an additional 1.5 million acres to the Wetlands Reserve Program. This increase brings the total land in this program up to 2.5 million acres. The total amount of land protected under these two programs and removed from production agriculture is over 41 million acres—an area almost as large as the state of Oklahoma.

You will likely hear today that we need more conservation spending, and at times, it is hard to find a reason to say no, but within the Committee we worked hard to balance demands with the resources available. Conservation and the protection of the environment are important priorities, but they are not the only issues before the committee. There are nine titles in this bill, and each one represents an important part of our policies to help rural America.

FARM PROGRAMS

Finally, I would like to speak directly on the changes made to farm programs. Farmers and

ranchers are experiencing difficult times, but they like several features of the current farm program.

The proposed farm bill retains the flexibility farmers need. The bill retains a market-oriented structure that allows farmers to decide what to plant. The bill also answers the single largest concern we heard from producers throughout the hearings of the last two years—the need for a counter cyclical program.

While no single consensus from all the producers was developed, the Committee heard, loud and clear, that some type of a counter cyclical assistance program was needed. When prices fall dramatically, there does need to be a safety net, and it should not take an act of Congress to kick in. This bill provides farmers with a simple, effective counter cyclical program.

Kansas net farm income dropped by 39.9 percent, last year. This is the fourth largest drop of net income from agriculture of any state in the nation. Clearly, this bill is needed.

Mr. Chairman, I urge all of my colleagues to support this bill. Conservation and farm programs are two of the largest titles of this farm bill, but there are 7 others and all 9 titles have been carefully crafted to address the concerns we heard from constituents across America during our committee hearings.

This is a balanced bill that continues important programs and create new ones to address emerging needs, while still remaining within budget constraints.

The bill is important for this nation's farmers and ranchers, it is important for all of us concerned about a clean environment, and it is important security and safety of this nation's food supply.

Mr. Chairman, with these points in mind, I urge all of my colleagues to support this bill.

Mr. BLUMENAUER. Mr. Chairman, the Farm Bill is an opportunity to help American farmers meet the challenges of a new century. We are the strongest farming nation in the world, with abundant food at reasonable prices and we export far more than we import. However, this comes at a very high price. Our environment, despite some impressive improvements, still suffers. The structure of our current farming industry uses too much water, generates too much pollution, and too much of our best agricultural land is lost due to sprawl, erosion, and misuse. Smaller farmers continue to be forced to sell while entry into the business is prohibitively expensive and difficult.

Perverse programs mean more farmers are dependent on ever-increasing subsidies. The complex web of loans, credits, quotas, and direct payments is expensive for Americans both as taxpayers and consumers. The support system tends to obscure financial impacts while it distorts decisions farmers make regarding type and quantity of crops, often to the detriment of the long-term productivity of the land and the health of the environment. At a time when we seek to open foreign markets to more American production, we are still sheltering ours in ways that violate the spirit, if not the letter, of our own trade agreements.

The United States has been able to survive and some farmers thrive under this system because we had seemingly inexhaustible supplies of fertile land, abundant water, tolerance

for cutting environmental corners, and generous financial support. That world is changing. Our environmental standards are getting stronger. Due to the threats of sprawl, water pollution, pesticides, fertilizer, and the excesses of factory farms, the public will never tolerate backsliding. Environmental standards will only get stronger still.

Past practices and government policies have too often stressed our water supplies and the ecosystems that depend upon them. Water systems are depleted far beyond their ability to replenish supply. The inevitable result is more controversy and conflict between competing users. The sad plight of the Klamath Basin in the Pacific Northwest is one example of an emerging pattern all over the West, which will only get worse over time.

American agriculture and our public that depends on it can do better. We must begin now to shift from subsidies that encourage production of some crops, regardless of need, to the protection of land and the people who farm. Paying the farmer to be able to do the right thing is the most cost-effective solution. It is also the only solution that is sustainable for the environment and the taxpayer. Over the course of the next 10 years, we must implement this new vision of agriculture for the new century. In the meantime, we must protect the farms and farmers who choose to take advantage of this opportunity.

Until we have a bill that makes this transition, I must withhold my support.

The CHAIRMAN. Under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. BURR of North Carolina) having assumed the chair, Mr. LAHOOD, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 2646) to provide for the continuation of agricultural programs through fiscal year 2011, pursuant to House Resolution 248, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

Is a separate vote demanded on any amendment to the amendment in the nature of a substitute adopted by the Committee of the Whole? If not, the question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. COMBEST. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 291, nays 120, not voting 19, as follows:

[Roll No. 371]

YEAS—291

Abercrombie	Forbes	Lucas (KY)
Ackerman	Ford	Lucas (OK)
Aderholt	Frost	Luther
Akin	Galleghy	Manzullo
Allen	Ganske	Mascara
Andrews	Gekas	Matheson
Baca	Gilchrest	Matsui
Baird	Gillmor	McCarthy (NY)
Baldacci	Gilman	McCollum
Ballenger	Gonzalez	McCrery
Barcia	Goode	McGovern
Bartlett	Goodlatte	McIntyre
Barton	Gordon	McKeon
Becerra	Graham	McKinney
Bentsen	Granger	Meek (FL)
Bereuter	Graves	Meeks (NY)
Berkley	Green (TX)	Millender-
Berry	Greenwood	McDonald
Bilirakis	Grucci	Mink
Bishop	Gutierrez	Moore
Blagojevich	Gutknecht	Moran (KS)
Blunt	Hall (OH)	Napolitano
Boehner	Hall (TX)	Nethercutt
Bonilla	Hansen	Ney
Bonior	Hart	Norwood
Bono	Hastings (FL)	Nussle
Boucher	Hastings (WA)	Ortiz
Boyd	Hayes	Osborne
Brady (TX)	Hayworth	Ose
Brown (FL)	Herger	Otter
Brown (SC)	Hill	Oxley
Bryant	Hilleary	Pallone
Burr	Hilliard	Pascarell
Buyer	Hinojosa	Pastor
Calvert	Hobson	Payne
Camp	Holden	Pelosi
Cannon	Holt	Pence
Cantor	Hooley	Peterson (MN)
Capito	Horn	Peterson (PA)
Capps	Hostettler	Phelps
Carson (IN)	Hoyer	Pickering
Carson (OK)	Hulshof	Platts
Chambliss	Hunter	Pombo
Clay	Hyde	Pomeroy
Clayton	Inslie	Portman
Clement	Isakson	Price (NC)
Clyburn	Israel	Pryce (OH)
Coble	Issa	Putnam
Collins	Jackson (IL)	Radanovich
Combest	Jackson-Lee	Rahall
Condit	(TX)	Rangel
Cooksey	Jefferson	Regula
Costello	Jenkins	Rehberg
Cramer	John	Reyes
Crenshaw	Johnson (IL)	Reynolds
Crowley	Johnson, E. B.	Riley
Cubin	Johnson, Sam	Rodriguez
Cummings	Jones (NC)	Roemer
Cunningham	Keller	Rogers (KY)
Davis (FL)	Kelly	Rogers (MI)
Davis (IL)	Kennedy (MN)	Ross
Davis, Jo Ann	Kennedy (RI)	Roybal-Allard
Deal	Kerns	Rush
DeGette	Kildee	Ryun (KS)
DeLauro	Kingston	Sabo
Diaz-Balart	Kirk	Sandlin
Dicks	Knollenberg	Sawyer
Dingell	Kolbe	Saxton
Dooley	LaHood	Schaffer
Doyle	Lampson	Schakowsky
Edwards	Langevin	Schiff
Ehlers	Lantos	Scott
Ehrlich	Largent	Serrano
Emerson	Larsen (WA)	Sessions
Engel	Larson (CT)	Sherman
English	Latham	Shimkus
Etheridge	LaTourette	Shows
Evans	Leach	Shuster
Everett	Levin	Simpson
Farr	Lewis (CA)	Skeen
Filner	Lewis (GA)	Skelton
Fletcher	Lewis (KY)	Smith (MI)
Foley	Lowey	Smith (NJ)

Smith (TX)	Thomas	Watson (CA)
Snyder	Thompson (CA)	Watt (NC)
Solis	Thornberry	Watts (OK)
Souder	Thune	Weldon (FL)
Spratt	Thurman	Weldon (PA)
Stenholm	Tiahrt	Weller
Strickland	Tiberi	Whitfield
Stump	Towns	Wicker
Stupak	Trafigant	Wilson
Sweeney	Turner	Wolf
Tanner	Upton	Woolsey
Tauzin	Vitter	Wu
Taylor (MS)	Walden	Wynn
Taylor (NC)	Walsh	Young (AK)
Terry	Watkins (OK)	

NAYS—120

Armev	Goss	Neal
Baldwin	Green (WI)	Northup
Barr	Harman	Oberstar
Barrett	Hefley	Obey
Bass	Hinchev	Owens
Berman	Hoefel	Paul
Biggert	Hoekstra	Petri
Blumenauer	Honda	Pitts
Boehlert	Istook	Quinn
Borski	Johnson (CT)	Ramstad
Boswell	Jones (OH)	Rivers
Brady (PA)	Kanjorski	Rohrabacher
Brown (OH)	Kaptur	Rothman
Capuano	Kind (WI)	Roukema
Cardin	King (NY)	Royce
Castle	Kleczka	Ryan (WI)
Chabot	Kucinich	Sanchez
Conyers	LaFalce	Sanders
Coyne	Lee	Schrock
Crane	Linder	Sensenbrenner
Culberson	LoBiondo	Shadegg
Davis (CA)	Lofgren	Shaw
Davis, Tom	Maloney (CT)	Shays
DeFazio	Maloney (NY)	Sherwood
Delahunt	Markey	Simmons
DeLay	McDermott	Slaughter
DeMint	McHugh	Stark
Deutsch	McInnis	Stearns
Doggett	McNulty	Sununu
Doolittle	Meehan	Tancredo
Dreier	Menendez	Tauscher
Dunn	Mica	Tierney
Eshoo	Miller (FL)	Toomey
Fattah	Miller, Gary	Udall (CO)
Ferguson	Miller, George	Udall (NM)
Flake	Moran (VA)	Velázquez
Fossella	Morella	Wamp
Frank	Murtha	Waters
Frelinghuysen	Myrick	Weiner
Gephardt	Nadler	Young (FL)

NOT VOTING—19

Bachus	Houghton	Smith (WA)
Baker	Kilpatrick	Thompson (MS)
Burton	Lipinski	Visclosky
Callahan	McCarthy (MO)	Waxman
Cox	Mollohan	Wexler
Duncan	Olver	
Gibbons	Ros-Lehtinen	

□ 1225

Messrs. SHAYS, QUINN, HONDA and MCNULTY and Mrs. MORELLA changed their vote from "yea" to "nay."

Ms. MCKINNEY changed her vote from "nay" to "yea."

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

Stated for:

Ms. McCARTHY of Missouri. Mr. Speaker, during rollcall vote No. 371, final passage of H.R. 2646, the Farm Security Act of 2001, I was unavoidably detained. Had I been present, I would have voted "yea."

Ms. KILPATRICK. Mr. Speaker, due to District business which required my attention, I am unable to be present for final passage of H.R. 2646, The Farm Security Act, rollcall No. 371. Had I been present, I would have voted "aye."

GENERAL LEAVE

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on H.R. 2646.

The SPEAKER pro tempore (Mr. LAHOOD). Is there objection to the request of the gentleman from Texas?

There was no objection.

AUTHORIZING THE CLERK TO MAKE CORRECTIONS IN THE EN-GROSSMENT OF H.R. 2646, FARM SECURITY ACT OF 2001

Mr. COMBEST. Mr. Speaker, I ask unanimous consent that in the engrossment of the bill, H.R. 2646, the Clerk be authorized to correct the table of contents, section numbers, punctuation, citations and cross-references and to make other such technical and conforming changes as may be necessary to reflect the actions of the House in amending the bill.

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

There was no objection.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 2960

Mrs. JO ANN DAVIS of Virginia. Mr. Speaker, I ask unanimous consent that my name be removed as a cosponsor of H.R. 2960.

The SPEAKER pro tempore (Mr. GUTKNECHT). Is there objection to the request of the gentlewoman from Virginia?

There was no objection.

LEGISLATIVE PROGRAM

(Mr. BONIOR asked and was given permission to address the House for 1 minute.)

Mr. BONIOR. Mr. Speaker, I take this time to inquire of the gentleman from Texas (Mr. ARMEY), the distinguished majority leader, the schedule for the remainder of the day and for the following week.

Mr. ARMEY. Mr. Speaker, if the gentleman will yield, I am pleased to announce the House has completed its legislative business for the week.

The House will next meet for legislative business on Tuesday, October 9, 2001, at 12:30 p.m. for morning hour and at 2 p.m. for legislative business. The House will consider a number of measures under suspension of the rules, a list of which will be distributed to Members' offices later today. On Tuesday, no recorded votes are expected before 6 p.m.

On Wednesday and the balance of the week, the House will consider the following measures, subject to rules being granted: the Departments of Labor, Health and Human Services, and Edu-

cation Appropriations Act for fiscal year 2002; and H.R. 2975, the PATRIOT Act of 2001.

Mr. Speaker, appropriators are also working hard on many bills now in conference, and it is my hope that the appropriations conference reports will be available for consideration in the House at some point next week.

Mr. Speaker, I want to thank the gentleman for yielding.

Mr. BONIOR. Mr. Speaker, reclaiming my time, if I might inquire of the distinguished gentleman from Texas a couple of questions. Can the gentleman from Texas, the distinguished majority leader, tell us what appropriation conference report might in fact surface next week for our consideration?

□ 1230

Mr. ARMEY. Mr. Speaker, if the gentleman would yield, I am pleased to respond. We believe that Interior is the most likely appropriation bill to come back from conference next week.

Mr. BONIOR. Mr. Speaker, reclaiming my time, if we could just review for a second where we are through the appropriation process. There are two left here in the House to do, the Labor-HHS and the Defense bill; is that correct?

Mr. ARMEY. Yes, Mr. Speaker.

Mr. BONIOR. Mr. Speaker, in the Senate, they have four or five left; is that the gentleman's understanding?

Mr. ARMEY. Mr. Speaker, I am not sure exactly, but it is four or five, yes.

Mr. BONIOR. Mr. Speaker, we should expect these conference reports to start to flow with some rapidity here within the next couple of weeks so that we can finish them by the end of perhaps October; is that a fair assessment?

Mr. ARMEY. Mr. Speaker, if the gentleman will continue to yield, that is my expectation. I am told by the appropriators who are, in fact, negotiating bicamerally and bipartisanly with the White House that things are going well, and we should have every reason to expect that we could complete our work by the end of the month.

Mr. BONIOR. Mr. Speaker, is the Aviation Security bill possible for schedule next week?

Mr. ARMEY. Mr. Speaker, again, I want to thank the gentleman for the inquiry. If the gentleman will continue to yield, the negotiations on that bill continue. I believe they are really down to one issue, and it is possible that we might see that bill on the floor next week. And as soon as it is agreed to, we will bring it to the floor.

Mr. BONIOR. Mr. Speaker, if I could just make a brief comment on that to the gentleman from Texas. We believe that those who protect and screen our airports should be professionally trained and hired by the Federal Government, and we hope that that will be a part of the bill that moves through this body. And, if not, we hope to have